

ESSEX COUNTY COUNCIL HIGHWAYS AND TRANSPORTATION

KEY DECISION

Short Title of Decision:

Construction of the A13/A130 Sadlers Farm Junction Improvement

*Tick the relevant box below

Key Decision by Cabinet Member for Highways and Transportation

- in consultation with another Cabinet Member
- in consultation with the Service Director Highways and Transportation

Non Key Decision by Cabinet Member for Highways and Transportation

- in consultation with another Cabinet Member
- agreed with the Service Director Highways and Transportation

Non Key Decision by Service Director Highways and Transportation

- in consultation with the Cabinet Member for Highways and Transportation
- on own account

Recommendation - Decision(s)

The purpose of this Key Decision is to agree and confirm the continued appointment of Birse Civils to carry out construction of the Sadlers Farm junction improvements as the project moves into Phase 2 of the contract, subject to obtaining the finding from the Department for Transport (DfT).

Background

The A13/A130 Sadlers Farm Junction represents a vital strategic link between the A13 and A130, both of which are part of the County's Priority 1 Network serving Thames Gateway South Essex (TGSE) along with the rest of Essex County, Southend, Thurrock and crucial links to London. The purpose of the improvement at this junction will also assist in delivering the aims of the Sustainable Communities Plan, and relieve existing congestion and reliability issues. The funding for the project was originally identified as a priority 1A scheme for the Eastern Regional Funding Allocation (RFA) in January 2006 and recently re-confirmed as a priority 1A scheme in a review of the RFA in September 2008. This review then formed new regional advice submitted to Government in February 2009. DfT have now confirmed the funding allocation to deliver the project and is profiled across 2009/10 to 2011/12 to be £63,543,209. The planned completion is March 2012 and designed to align with the Olympic Mountain Biking at Hadleigh in August 2012.

From 2003 to 2006, the Council has been working towards a preferred option for the improvement ensuring regular involvement with key stakeholders and members of the public. In order for the Sadlers Farm scheme to be designed and delivered in line with the Regional funding timescales and budget available, the County Council decided to adopt an Early Contractor Involvement style contract which enabled a contractor to be brought into the process early. This approach also provides the County Council with more certainty that the project can be delivered, additional resources to develop the scheme are available and ensuring that value for money is achieved. Following the identification of a preferred option in 2006, the Council appointed Birse Civils under a two phase contract in an Early Contractor Involvement style contract in 2007.

The first phase of the contract was to carry out design of the preferred option, publish the Compulsory Purchase and Side Road Orders, and to support the Council during the public inquiry. The second phase will see the project through to construction. A Cabinet Report authorising the decision to appoint Birse Civils for Phase 1 was made in October 2007 (Appendix 1). This decision seeks to confirm this appointment through to phase 2, delivery of the scheme.

The Council sought planning permission to construct the preferred option in February 2008 with

supplementary permission granted in November 2008. Due to the nature and footprint of the scheme Compulsory Purchase and Side Road Orders (CPO and SRO) were required for construction. However a number of objections were received from landowners regarding these orders which triggered the need for a public inquiry into the orders but not the planning decision, this was convened in July 2009.

The Public Inquiry was held in July 2009 and lasted for three days (29th – 31st July), and was successful with respect to the legal orders required to facilitate the construct the scheme. The Secretary of State confirmed the CPO and SROs on 18th December 2009. Following this a period a High Court Challenge took place, which finished on 25th February 2010.

In support of the statutory processes a request from DfT to carry out a 4Ps assessment to confirm the investment decision was required, which was completed in September 2009. The resultant assessment was Amber Green, which is the highest classification prior to funding being approved by the Department. The full report is available on request.

As a result of the orders being confirmed and the 4Ps assessment having been carried out, the business case for Conditional and Full Approval (the DfT's final levels of approval) was submitted to the DfT on 18th December 2009 to release the funding identified in the Regional Funding Allocation

The following table outlines the key milestones achieved and a timeline for the remaining elements of the scheme:

Milestone	Date
Planning Permission granted for tendered scheme	February 2008
Planning Permission granted for revised scheme (resulting from consultation feedback)	November 2008
Publication of Compulsory Purchase and Side Road Orders	December 2008
Public Inquiry to confirm the acquisition of land	29-31 st July 2009
Confirmation from the Secretary of State: Approval of Orders	18 December 2009
Submission of Final Business Case to DfT	18 December 2009
DfT Final Approval of Business Case	March 2010
Start Construction on site	June 2010

Scheme Dependencies

1. In addition to the scheme discussed in this decision the A13 PTC Corridor is a scheme which is in very close proximity to Sadlers Farm, it is therefore prudent to extend the contract to encompass work between Sadlers Farm Roundabout to Tarpots junction. A separate decision will be prepared to appoint Birse Civils to carry out this work.
2. Hadleigh Farm Olympics - This scheme once completed will aid transportation to the Olympic venue. We have had extensive negotiations with the ODA in relation to the ORN and they are happy that the programme at present will not impact on the games.

Approvals to date

In order to meet the regional funding allocation programme and profile i.e. funding from 2010/11 to 2011/12, the County Council proceeded to carry out a number of advanced works to the value of £5.1m including:

1. Reptile fencing/relocation
2. Utilities diversions, so as not to hinder the construction programme of the scheme.
3. Detailed design work to allow the scheme to be started once funding approval was given

Approval for this Executive Decision was sought in April 2009 in that the Council could proceed at risk to implement these advanced works (Appendix 2). These funds would be reimbursed once Full Approval was gained from the DfT. In order to allow construction an Executive Decision was also authorised in July 2009 to purchase and prepare exchange allotment land (appendix 3). In addition, the purchase of two properties was required ahead of the CPO procedure (numbers 1 and 2 Sadlers Cottages), this purchase was authorised with a Cabinet Report submitted to the June 2009 Cabinet (appendix 4).

Risk Management

In order to hit the programme and funding profile identified in the Regional Funding Allocation it has been necessary to progress elements of the project ahead of the approval from DfT and therefore at the County Council's risk. In order to mitigate these risks assurance has been sought and given by the DfT that these costs would be reimbursed once approval had been given.

In terms of the main risks to the project, these were considered to be that of land acquisition and statutory undertakers plant diversions. By identifying and addressing these risks at the start of the design process we have ensured that they are mitigated in advance of the implementation stage and/or in advance of the construction programme critical path. The key client risks and their mitigation have been approved by the S151 Officer

Full scheme approval was provided on 26th March 2010 for £63,543,209 by the DfT, inclusive of the £5.1 million of advance utility works.

Procurement

Birse Civils were commissioned in October 2007, since then the County Council in partnership with Birse have worked to deliver the project through securing planning permission, approval of statutory orders and developing a final cost for construction of the scheme. It was the original intention for the Phase 2 contract to be let under a Target Cost approach, however, Birse have now agreed to provide greater cost certainty through a lump sum offer of £51,000,000, this will progress the scheme through to delivery.

Governance Processes

In terms of the new Essex County Council Corporate processes the scheme has received approval at the following Contracts Boards:

- E8H Contracts Board Gate 3 Approval 27th August 2009
- E8H Contracts Board Final Business 6th January 2010
- Capital Delivery Forum Final Business Case 26th February 2010.

This key decision therefore seeks permission to progress the scheme through to implementation and to appoint Birse Civils the Phase 2 Contract based on the Target Fee estimate (refer to Financial Implications section for further information). It can be confirmed that the scheme is within budget.

Views of the Local County Member

Detailed consultation has taken place with all relevant members throughout the development of the scheme. This included the involvement of Cllr Dick, Member for Thundersley, in the formulation of the realignment of the A130 North adjacent to Hornbeams. A newsletter has been published giving details of the key milestones and the latest position of the project.

Views of other Consultees

As part of ongoing consultation key statutory stakeholders have been engaged throughout the process to ensure that the utility diversions take place when required.

Financial Implications

Budget Reference:

9651 HCAF401 000000 HA25108

As previously mentioned approval has been given to forward fund various elements of the scheme to ensure that it is delivered to programme. These include £5.1 million of advanced works, authority to purchase replacement allotment land and authority to purchase numbers 1 and 2 Sadlers Cottages. Previous decisions on finance, £5.1 million is currently allocated in the Capital Programme. Following confirmation of the Phase 2 Target Cost Birse Civils have been able to provide a construction cost for the scheme, the following table demonstrates this cost and other associated costs such as remaining utility diversions, fees, land acquisition and detailed design. It can be confirmed that the scheme is within budget.

The amount allocated in the Eastern Region RFA is £63,543,209 therefore the scheme is on budget.

Birse Civils together with their parent company Balfour Beatty will produce Performance Bond/Parent Company Guarantee upon award of the Phase 2 Contract to cover cost of the works. This has resulted in a letter being produced from Birse Civils providing financial assurance for the lifetime of the project (attached as appendix 5).

The scheme is to be funded by a direct grant from the Department for Transport via the Regional Funding Allocation. Essex County Council will be reimbursed for the cost of the scheme through claim submissions of actual costs on a quarterly basis.

Policy Fit / Reasoning

*Tick the relevant Yes/No box below

Policy Reference:

Is a departure from policy needed? Yes No Is a Cabinet Decision needed? Yes No

Recommended change in policy to be made with this decision:

The Sadlers Farm scheme is highlighted in Essex's Second Local Transport Plan (LTP) as a major scheme for construction between 2009 and 2011. This aligns with the County Council's corporate objectives of tackling congestion through providing additional capacity. It will also be a catalyst for the regeneration of the Thames Gateway area and assist with the provision of additional homes and jobs.

The scheme is also in the highest priority category of transport intervention in the East of England Plan with funding earmarked for the project through the Regional Funding Allocation (RFA). The 2008 review of the RFA was carried out for EERA by independent consultants and reassessed all transport schemes in the East of England. The importance of the Sadlers Farm Junction Improvement scheme to the East of England was re-affirmed by this review and its construction is supported by the Regional Transport Forum. The scheme has been included as a priority for funding in EERA's 2009 RFA advice to Government.

Originating Officer

I certify that:

- there is an approved budget for the expenditure arising from this decision
- guidance and protocol has been followed as per attached checklist

Details		Signature	Date
Name	Ian Allen		
Designation	Major Schemes Co-ordinator		
Extension	51186		

Consultation

Designation	Signature	Date
Head of Finance		
Monitoring Officer		
Head of Transportation		
Head of Category Management		
Section 151 Officer		
Director for Highways and Transportation (for a decision by the Cabinet Member)		

* Cabinet Member for Finance and Transformation Programme		
Decision		
* Tick approval / non-approval in the relevant box below		
With regard to the recommended decision:	I approve	*
Reasons for the decision (to be completed by the decision taker):	I do not approve	*
Designation	Signature	Date
* Cabinet Member for Highways and Transportation		

Originating Officer's Checklist

*Tick the relevant box below or enter N/A if not applicable

No	Action	*Completed
1.	I have read and complied with the relevant guidance, protocols and decision checklists for preparing this decision document I have read and complied with the Governance Team document "Nine Steps to Decision Taking" and other documents mentioned in that document, as well as Highways & Transportation protocols	✓
2.	I have determined the correct type of decision Key Decision? Non Key Decision by Cabinet Member? Non Key Decision by Service Director?	Key Decision
3.	For a Key Decision, I have requested an amendment to the Cabinet Forward Plan.	✓
4.	I have included only just enough in the "Background" section for the decision taker to make the recommended decision I have attached supplementary information as necessary	✓
5.	I have made clear in the "Background" section the options open to the decision taker and why I have recommended the decision	✓
6.	I have obtained legal advice and summarised it in the "Background" section, or explained why I don't believe that legal advice is needed	
7.	I have cross-referenced to the Corporate Plan in the "Background" section	
8.	I have consulted the local member(s) and summarised the results in the "Views of the Local Member" section	✓
9.	I have consulted district, borough and parish councils and other relevant people and organisations, and summarised the results in the "Views of other Consultees" section	
10.	I have made sure that expenditure arising from the decision is covered by an approved budget, or I have proposed action by the Decision Taker to allocate a budget. I have inserted the budget account number and amount in the "Budget Reference".	✓
11.	I have obtained financial advice and summarised the relevant budget, staffing and other resource implications in the "Financial Implications" section, or explained why I don't believe that financial advice is needed	✓
12.	I have ensured that I have not avoided recommending a decision just because it is not covered by existing policy. I have read the relevant policy and entered details, in the "Policy Reference" box, of where the policy is documented.	✓
13.	I have determined whether the recommended decision is consistent with policy or would be a departure from policy, and answered yes or no on the form.	✓
14.	If I believe that a departure from policy might be needed, I have formulated and recommended the needed change in policy and determined whether Cabinet or Cabinet Member can approve the change ¹ . I have included this recommended change in policy, and reasons for the change, in the "Policy Fit / Reasons" section.	
15.	I have made the Service Director aware of the existence and nature of any Personal Interest the Cabinet Member may have in the decision as defined in the Council's Code of Conduct	✓

¹ Generally the making or changing of policy has to be by full Cabinet. In very limited circumstances, a Cabinet Member acting alone may have the necessary authority to do this, and where this is the case, the specific delegation to the Cabinet Member should be recorded in the "Policy Fit / Reasoning" section.