

WIRRAL COUNCIL

REPORT TO THE LEADER OF THE COUNCIL

1ST OCTOBER 2015

SUBJECT:	DOCKS BRIDGES REPLACEMENT - PROGRESS REPORT
WARD/S AFFECTED:	SEACOMBE, BIRKENHEAD & TRANMERE; BIDSTON & ST JAMES
REPORT OF:	KEVIN ADDERLEY, STRATEGIC DIRECTOR, REGENERATION AND ENVIRONMENT
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR STUART WHITTINGHAM, HIGHWAYS & TRANSPORT
KEY DECISION?	YES

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on the progress of a project to replace two highway bridges in the Wirral Docks. The Leader is requested to: formally accept a Local Highway Maintenance Challenge Fund grant from the Department for Transport (DfT); endorse the options appraisal report (OAR) recommendation for the preferred major scheme option; note the Council Capital Programme funding allocation and approve the formal withdrawal of the scheme from the City Region Growth Deal programme.
- 1.2 The maintenance of bridges forming part of the highway is a statutory duty.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 In 2013 the Liverpool City Region Local Transport Body (LCR LTB) indicated that replacement of the Tower Road bridges ('A' and 'C') were to be included in the indicative City Region Growth Deal major scheme programme with a drawdown of funds starting in 2017/18. During 2013/14 consultants, AECOM, carried out a detailed technical study and feasibility appraisal to determine the remaining life of the bridges and to estimate replacement costs for the required Major Scheme Business Case (MSBC). The first step in producing the MSBC involved preparation of an options appraisal report (OAR), which was completed by consultants, Mott MacDonald Ltd, in November 2014, and is attached to this report in **Appendix 1**.
- 2.3 In January 2015, the Department for Transport (DfT) announced details of the Local Highway Maintenance Challenge Fund, and a bid application was submitted in February 2015, using the OAR as key evidence of need, recognising that if the bid were successful then the City Region Growth Deal funding could be used for other priorities. In March 2015, DfT announced that

Wirral Council has been successful in a bid for £6,408,000 of Challenge Fund grant towards a total major scheme estimate of £7,120,000 for the replacement of 'A' and 'C' bridges, with a minimum 10% (£712,000) 'local contribution' being required.

3.0 DOCK BRIDGES REPLACEMENT PROPOSALS AND PROGRESS

- 3.1 The replacement of 'A' Bridge with a new modern single leaf bascule lifting bridge structure and the replacement of 'C' Bridge with a modern flat deck pre-cast concrete fixed bridge structure is identified in the OAR as the preferred scheme option. The preferred option has an estimated benefit/cost ratio (BCR) which is very high value for money by DfT criteria. Under terms of an Operating Agreement dated December 1987, Peel Ports, as successor organisation to the Mersey Docks and Harbour Company, own and operate the 'A' Bridge, whilst Wirral Council are responsible for its maintenance, with the exception of certain mechanical and electrical (M&E) items. Peel Ports has agreed with the Council's proposals to replace the 'A' Bridge, and a copy of their agreement is attached at **Appendix 2**.
- 3.2 Consultants, Mott MacDonald Ltd, have been appointed to develop the scheme design and to assist the Council in the preparation of construction contract documentation, based on a current project plan to tender the scheme in December 2015, commence works on a design and build contract in 2016 and with construction works being completed in 2018; to meet the funding timetable for the Challenge Fund Grant. However, all strategic options for the procurement and delivery of the works will be explored, including a design, build and maintain contract, in order to achieve the best value long-term solutions for both the Council and for Peel Ports.

4.0 RELEVANT RISKS

- 4.1 A detailed project risk register is maintained by the Council's Project Manager, and is updated after every Project Board meeting.
- 4.2 The risks which currently have a high score are as follows:
- a) The funding for the replacement of 'A' Bridge, which is owned by Peel Ports, may be subject to state-aid considerations. Whilst the Council secures considerable benefits from the replacement of 'A' Bridge as Highway Authority, through reduced long term maintenance liabilities, the advice of both the DfT and the Department of Business, Innovation and Skills (BIS) have been sought to clarify whether a state-aid declaration to the European Commission needs to be made.
 - b) Both 'A' and 'C' Bridges still contain sub-standard features that pose ongoing operational risks, including: low headroom; bridge closure could result from single structural member failure; lead-based paint; open machinery; lack of cycle facilities; lack of impact protection; non-compliant with current steel grades; non-standard pedestrian handrails, and are under-capacity for abnormal vehicle loads.

- c) The non-agreement or need for the Council to accept commercially disadvantageous terms of the future variation of the maintenance and operating agreement between the Council and Peel Ports, since the agreement of Peel Ports to allow the Council to replace the 'A' Bridge is dependent upon the jointly agreed variation to the maintenance and operating agreement for that bridge.

5.0 OTHER OPTIONS CONSIDERED

5.1 A number of options were considered in the AECOM technical report for the major scheme, including:

- Do nothing (no further planned maintenance – both bridges eventually become under-capacity structurally, and will close to heavy goods vehicles and eventually all vehicle traffic)
- Do minimum (strengthening and continued planned maintenance of both bridges) to maintain availability to road traffic
- Do something (replacement of both bridges)
 - New bascule bridge ('A' Bridge)
 - New swing bridge ('A' Bridge)
 - New fixed steel deck bridge ('C' Bridge)
 - New fixed pre-cast concrete deck bridge ('C' Bridge)
 - New fixed composite deck bridge ('C' Bridge)
 - New causeway ('C' Bridge)

The technical solutions recommended by AECOM for the bridge replacement options are:

- New bascule bridge at 'A' Bridge (£4.3m; £6.55m over whole life)
- New pre-cast concrete deck bridge at 'C' Bridge (£2.45m; £3.57m over whole life)

5.2 The respective whole-life maintenance costs (continued planned maintenance) are:

- Maintain existing 'A' Bridge £4.8m
- Maintain existing 'C' Bridge £1.6m

5.3 The OAR is based on a 60 year transport appraisal in accordance with standard (Web-TAG) requirements and compares scenarios for three 'do-something' options: replace both bridges; replace 'A' Bridge and maintain 'C' Bridge; maintain 'A' bridge and replace 'C' Bridge, against the do-minimum option of maintaining both existing bridges. The OAR includes a full economic assessment, taking account of predicted road closure durations for all options, as set out in the AECOM Technical Report, which concludes that the replacement of both bridges has a present value of benefits (PVB) for transport of £16.8m. Although replacing 'A' Bridge and maintaining 'C' Bridge has a higher BCR, the PVB is lower at £10.1m and replacement of both bridges becomes the preferred option, when a wider benefits assessment is conducted including: strategic fit; environmental; social; deliverability and commercial

factors. This preferred option will also address the sub-standard features of the bridges described in paragraph 4.2 (b) above.

6.0 CONSULTATION

6.1 The Peel Group, as key stakeholder, have been regularly consulted on these proposals since 2008 and have been represented on the Council's Project Board since it was established in April 2014.

6.2 As part of the technical study by AECOM, consultation has been held with the following agencies, whose comments have been included in the resulting technical report and considered in the option selection process:

- Natural England
- Environment Agency
- Historic England
- Wirral Council Development Control
- Wirral Council Environmental Health

6.3 The Development Control officer has consulted with the Merseyside Environmental Advisory Service (MEAS), who have advised that a full Environmental Impact Assessment is not required but a Habitat Regulations Assessment (HRA) is recommended. The HRA commenced in March 2015.

6.4 Full and appropriate consultation will be conducted with the public and key stakeholders commencing November 2015.

7.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

7.1 The re-negotiation of the terms of the existing bridge Operating Agreement with Peel Ports and agreement of improved inter-organisational working arrangements and procedures, which was a resolution of Cabinet on 10 December 2008, has not been possible but will now form part of the current project proposals.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 There are no direct implications arising out of this proposal.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

9.1 Financial: financing of the proposal for the major scheme included in the initial Highway Maintenance Challenge Fund submission was profiled as follows:

- | | |
|---|----------------|
| • DfT Challenge Fund Grant | £6.408m |
| • Wirral Council (10%) local contribution | <u>£0.712m</u> |
| Total | £7.120m |

The Council received confirmation of the grant allocation by letter from DfT dated 30 April 2015 and has accepted the terms of agreement, including that the Council has the ability to underwrite any additional funding required, by Section 151 Officer declaration dated 12 May 2015.

The Council's 'local contribution' of £712,000 to the major scheme costs will be required from 2016/17. Peel Ports has been asked to contribute £142,104 to the scheme, representing a proportion of the local contribution amount in the ratio of the estimated cost of the new Mechanical and Electrical (M&E) components to the total estimated cost for the new 'A' Bridge. The Council will also need to fund the continuing project development, procurement and design costs in 2015/16. Funding from the Council's Capital Programme, totalling £1,045,000, (based on the initial LGF grant request of £6.075m) was allocated to the Docks Bridges Replacement at Budget Council on 10 February 2015, with £280,000 of this in 2015/16.

- 9.2 IT: there are no direct IT implications arising from the proposal.
- 9.3 Staffing: existing staffing resources will be used to prepare and manage the project, supplemented where necessary by specialist external consultants on project-term contracts; procured in accordance with the Council's Constitution. A contractor will be procured to carry out the construction works.
- 9.4 Assets: the proposal and recommendations make best use of the Council's highway infrastructure assets, reducing the significant risk burden associated with the existing structures.

10.0 LEGAL IMPLICATIONS

- 10.1 A new bridge Operating Agreement will be required in due course for any replacement moving bridge with revised shared operational and maintenance responsibilities.
- 10.2 Expert legal advice, in the complex field of state-aid in connection with commercial ports, has concluded that the Council has a strong case to proceed with the project, since the Council will benefit significantly, as Highway Authority, from the reduced publically funded maintenance liability which will result from the replacement of the existing bridges on the principal road network. Nonetheless, that legal advice has recommended that the Council should seek clarification from both DfT and the Department for Business, Innovation and Skills (BIS) regarding state-aid, as to whether notification to the European Commission is required.

11.0 EQUALITIES IMPLICATIONS

- 11.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(a) Yes and impact review is attached

<https://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-april-2014/eias-regeneration-envir>

12.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

- 12.1 The proposal to replace the bridges will have a positive benefit as sustainable transport features will be incorporated into the new structures and reduced

congestion will result from fewer road closures for maintenance interventions when compared with continued planned maintenance.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 Planning consent will not be required as the works will be permitted development under Town and Country Planning (General Permitted Development) Order 2015. Sufficient time has been included in the Project Plan for all associated statutory traffic order processes to be conducted.

13.2 Merseyside Environmental Advisory Service (MEAS) has confirmed that a full Environmental Impact Assessment is not required but that a Habitat Regulations Assessment should be carried out before consent is granted.

13.3 There are no direct community safety implications arising from the proposal.

14.0 RECOMMENDATIONS

14.1 It is recommended that the Leader of the Council:

- a) Notes the content of the report.
- b) Formally accepts the DfT Local Highway Maintenance Challenge Fund grant of £6,408,000;
- c) Agrees that the Wirral Docks Bridges Replacement major scheme may now be formally withdrawn from the LCR Growth Deal programme;
- d) Endorses the preferred scheme option to replace both 'A' and 'C' bridges as set out in the OAR and section 3.0 above;
- e) Notes the Council Capital Programme funding agreed by Budget Council on 10 February 2015 for the Docks Bridges Replacement and that up to £280,000 of Council capital will be utilised in developing the scheme in 2015/16;
- f) Notes that Peel Ports has agreed in principle to the replacement of the 'A' Bridge and that the terms of any future maintenance and operating agreement between Peel Ports and the Council have not yet been agreed;
- g) Notes that the question of state-aid has been evaluated, and that the delivery of the project is dependent on the outcomes of the advice sought from government departments.

15.0 REASONS FOR RECOMMENDATIONS

15.1 The scheme can be developed to contract award stage and the DfT Challenge Fund grant can be drawn-down.

15.2 The identified Growth Deal funding can be re-allocated by the LCR LTB.

15.3 The Leader, as decision maker, is fully briefed on the scheme, progress and objectives, and the key risks associated with successful delivery.

REPORT AUTHOR:

Simon Fox, Design & Commissioning Manager
 telephone (0151) 606 2334
 Email
simonfox@wirral.gov.uk

APPENDICES

Appendix 1 - Wirral Docks Bridges Major Scheme Business Case, Options Appraisal Report
 November 2014, Mott MacDonald

Appendix 2 – Agreement between the Council and Peel Ports, granting Peel Ports approval
 for the construction for a replacement ‘A’ Bridge.

BACKGROUND PAPERS/REFERENCE MATERIAL

Wirral Docks ‘A’, ‘C’ and Duke Street Bridges Technical Feasibility Report, November 2014,
 AECOM

BRIEFING NOTES HISTORY

Briefing Note	Date
Wirral Docks Bridges – Major Scheme Bid Submission	22/3/13

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Council – Cabinet Member for Highways and Transport Portfolio Reports item: Major Schemes submission – Docks Bridges	15/12/14
	13/10/14
	14/07/14
	10/03/14
	16/12/13
	14/10/13