

BATH PACKAGE PROJECT BOARD

THURSDAY 17TH MAY 2007

Notes

Present: Richard Rawlinson, Joy Jefferys, Peter Blake, Peter Bartlett, Simon Cursio, Tony Bartlett, Steve Froggatt, Beryl Madison, James White, Colin Medus, Lesley Putt

Apologies: Bob Hewett, Pete Davis

- 1 Minutes of last meeting: read through and agreed
2. Gateway Review: JMJ ran through points raised. PB said that although spring 08 seems a long way off need to concentrate on the recommendations made and action them as Gate 2 will focus on any issues not dealt with.

There were 12 recommendations from the review including:

- ❖ Benefit realisation plan – the 4P's have put David Trigwell in touch with someone who will progress it with him.
- ❖ Benchmarking this is being done in the team
- ❖ Costs and funding – captured in the risk register
- ❖ Operational risks – captured in the risk register
- ❖ Mitigation strategies – not pursuing because recognises Plan B.
- ❖ Updating the programme – has been done
- ❖ No. 6 – high level sign up – now that elections over will be organising workshop
- ❖ Revision of resourcing plan underway
- ❖ Communications – have had preliminary meetings and strategy being developed
- ❖ No 11 – risk – workshop to be held
- ❖ Procurement work – to be done
- ❖ Legal advice – complicated issue

RR thanked all who took part in the Gateway Review which produced all amber. It was useful because it not only brought senior management into the process but also focused the DfT onto the scheme.

RR referred to meeting with JMJ and DT on communications/land acquisition. DT to consider how best to move this forward. RR had suggested member/stakeholder workshops needed to gently raise profile. **DT**

PB: asked about political makeup of B&NES and exec member issue. JMJ confirmed AGM of Council evening of 18.05 when these decisions would be taken.

P.Bartlett: spoke about Plan B if Gateway Review identified need to look at this or mitigation then would be to do so as DfT would raise it as an issue. JMJ thought that majoring on Plan B could weaken case for whole MSBC scheme but P.BrT confirmed DfT had a centre of excellence in this area and would press. Don't lose sight of need to consider this issue.

PB: if we get early PE need to resource up now to deal with GR2. advised a separate report will be needed on each of the GR issues raised by 4P's and don't underestimate the magnitude of this work. Issue 6 and 12 of GR will require detailed answers.

TB: 1-12 cover a lot of work to be done – do we have the resources to deal with all the work and issues being raised. RR confirmed that DT aware of resource issue and this will be raised at the Bath Transport Board meeting. J Betty/Paul Fox to attend – 4th June. Minutes of the Bath Package Project Board will be appended to report to the Transport Board which JJ is compiling covering each of the major schemes and profiling skills gaps, etc.

3 Update on 50 questions:

RR reported on progress with DfT on the 70 questions and 20 supplementals. 6 remain outstanding and responses on these are scheduled by Friday 25th May. Once through this screening process more detailed consideration of the bid for PE will take place.

P.BrT: confirmed meeting with DfT on 26.4 positive – considers the scheme is still on track. Also advised that in his view the bar on achieving PE has been raised higher than it used to be. If last 6 questions answered saw this as very positive.

RR: one thing that came out was costs and the way they are determined. Having gone through the process costs have gone up by about £6m. M.Wells (DfT) of the view that 10% not enough local contribution, i.e. in particular from private developers. However at the meeting of 26.4 RR challenged MW and explained the MSBC had complied with guidance at the time – can't change the rules now.

PBrT: better that potential cost rises recognised now because means will get PE at the higher cost. If had got PE without this council would have had to meet extra cost.

RR: £5m of risk built into the MSBC and DfT felt enough capacity within the scheme to allow for any additional incurred expense to be catered for, especially since QRA now inflated and everyone else will now need to take this into account in their schemes which are being worked up now. Confident any rises can be contained to any offer made by DfT.

PB: there is lots of competition with major schemes. BP needs to justify its position within the next few months – a delayed or protracted decision would add enormously to the cost. Need to get on with costs benefits realisation plan now and be clear about where the benefits are accrued. In addition must be clear with our bench marking exercise, i.e. compare 1km of our BRT scheme to 1km of someone else's proposals. Comparisons essential. Accepts development costs in World Heritage site higher than elsewhere because of quality of materials (but it's not just that, it's gradient, flood alleviation, etc too). P&R at £6m considered expensive.

RR: costs have gone up partly because took the opportunity to re-profile the scheme – the model was re run. Cannot do this again because of the cost to the Council. The examination by the DfT has been very thorough.

DfT are aware of this as are the RDA. DfT and GOSW understand why costs rose. Now need to communicate reasons to the Regional Assembly.

RR: Letter gone to Chris Mitchell at the Regional Assembly with a spreadsheet showing costs and asking that they now consider the request for increased funding. (DT approved signature of letter by JMJ)

CM: this sub region has been so deprived of infrastructure provision over the years Councils not geared up to deal with Major Capital projects of this nature.

RR: agreed but clear understanding among Council leaders required. Seems to be forgotten that DfT will be giving Council money – it's not a capital scheme to be financed by the Council – it will bring both money and benefits in, i.e. Bath Vision. BWR etc will fail if Council doesn't sort out making overdraft facility available to cover costs of the early work needed now. Problems stem from lack of clarity about eligible costs/what can be claimed back.

PB: make sure cost rise and RA delay contained in Risk Register JJ

PBrt: press for this to be done as soon as possible. 4 other schemes are about to go back and there is only so much funding to go round. Scheme costs might increase but funding won't. Tell the RA that the DfT have examined the scheme and are about to make a decision; the increase is only £7m and this is a quick and easy one to go ahead with. Should follow up the letter with a phone call. JJ

RR: this should be treated as a sub-regional matter because if BP fails then so will BRT, Weston, etc. PB etc have a part to play in supporting our submission to the RA.

PB: there is a steering group meeting (Directors etc.) on the 21st June, WEPO set the agenda – a short concise note to this meeting to get their support and will then be cascaded to partnership and to the assembly. Need to put to RA before they get together and sort out protocols as could delay the scheme.

RR: asked JW to put on the agenda for the steering group on the 21st. JJ to write short paper.

PBrt: explained that there was a limit to the support GOSW could give because of protocols but they could give advice on what should do.

TB: concerned about any impact on Council's capital programme and any need for additional funding from the Council.

PB: when sign to accept funding offer sign for 90% and LA takes on 10% bearing attendant risks.

RR: use Council's Transport Board to bring these issues to the attention of senior management. Need to understand eligible costs issue.

PBrt: confirmed that DfT guidance on eligible costs is still only in draft. 10% local contribution a commitment which would not otherwise have been forthcoming unless were making a case to bring in £50m of capital. He also confirmed that Bus Operator costs will not count as contribution into the future.

RR: pump priming costs significant. BP in excess of £1m.

CM: in future should bring prep costs into cost benefit realisation.

RR: half of costs because DfT changed the rules – they couldn't give definitive guidance on QRA.

TB: DfT will argue for Councils to consume own smoke.

PB: to keep programme on track need to twin track work. In particular need to progress land acquisition and CPO – DfT won't commit to these costs.

RR: working internally to get land but will do after PE. Process already started. Aware of costs and where are in negotiation.

Need a suspense account set up now so can claim costs back.

PB: do need to consider plan B if for eg land not available. Profile shows large spend on land in year one. This could be too big a risk.

JMJ: need to capture a key message for Bath Transport Board.

CASHFLOW – build in this flexibility. Understand money will come back.

POLITICAL ROBUSTNESS NEEDED TOO.

BM: some interests will have to buy. Can start negotiations in

advance of CPO. 1 notice served.

RR: topo and ecological surveys have been commissioned.

PB: issue of:

1. capacity
2. slippage – either time or finance
3. spending on land a complicated element. No commitment to cost from DfT until Full Consent so spending on scheme development at Council's own risk.

TB: there is no cash flow profile for the Council which exposes the risk which needs to be minimised.

RR: political leadership needs to drive the scheme forward and realise there are benefits other than recovering 90% of the costs. If BP does not happen then will have to do scheme in bits funded from JLTP funding and this would take many years.

PB: key recommendations of the GR were:

Cost issue, value, benefits, flexibility, programme structure, capacity, procurement issue (relationship with bus operators) and land issue

ACTIONS:

TB: will put together a paper for Bath Transport Board identifying:

- finance cash flow none
 - programme structure/capacity to delivery
 - procurement/bus operator/land acquisition/blight etc
- bring all to attention of board but be clear DfT will bring in money/benefits. (BM/TMcBain to input re land issues)

CM: N.Somerset prepared similar piece of work as part of the Capital programme. Happy to share with JMJ to pass to TB.

RR: John Betty started to tease out some of these issues when he looked at scheme at PID meeting.

JJ: Risk register to be updated following input from this meeting. JJ

DofNM

4th June Bath Transport Board

6th June Lucy Chadwick (DfT) Directors (Directors & Chief Execs. Ensure BP raised at this meeting, where are with RFA issue and update on TIF

18th June Bath Package Board 2.00 pm

21st June Steering Group Meeting (Directors/Exec Members.

WEPO James White. A paper on where we are re RFA costs issue for this meeting