

From: Norfolk CC]
Sent: 2 August 2015 12:40
To: DfT]
Cc: DfT]; [NCC]
Subject: E: Media Briefing on special council meeting

Importance: igh

[DfT]

We are looking at the whole project (ie A1067) and who was funding which element and therefore increasing the funding provision for each party based on their previous funding contributions uplifted on a pro-rata basis. On this basis we have calculated the DfT contribution to uplift proportionally by £15m based on the numbers provided below. I do not agree with the figure you are suggesting as this does not reflect a proportional increase in DfT funding.

Happy to discuss if you want to give me a call (xxxxx).

Regards
[NCC]

From: [DfT]
Sent: 12 August 2015 12:31
To: [NCC]
Cc: [DfT]; [NCC]
Subject: RE: Media Briefing on special council meeting
Importance: High

Sorry but we are more confused now.

Your press release says you want an extra £15m to part cover the £29.9m cost increase. We cannot work out how this fits with the numbers you set out below.

The way we read it is that if you strip out Postwick the scheme we are helping to fund - A47 to A140 - has increased in cost by £19.15m not £29.9m. You have asked for an extra £15m to help fund this £19.9m which doesn't seem like a fair share. Remember we are not funding the original or the increased cost of the A140-A1067 section of the scheme which has always been the responsibility of NCC. It seems to us that a fair share is therefore £9.57m

This is what I propose to tell the Minister unless you can tell me otherwise.

[DfT] | xxxxxxxxxxxx, Department for Transport
x/xx GMH | 020 7944 xxxx |

From: [NCC]
Sent: 12 August 2015 11:56
To: [DfT]
Cc: [DfT]
Subject: RE: Media Briefing on special council meeting

Hi [DfT]

Sorry for the confusion. I have tried to set out the figures again so it is hopefully clearer.

The element missing from my note of 30 July in relation to Postwick was our contribution to the Park and Ride access - which is being constructed as part of the main junction improvement (needed to optimise the junction performance and avoid the need for further highway works whenever we expand the P&R site). The cost details are:

The final funding bid includes the following:

- A140 scheme is £105.890m
 - A1067 scheme is £151.147m
- Difference is £45.257m

The original BAFB was £111.14m which included Postwick (but not the park and ride extension). The final (Full Approval) funding bid for Postwick was £24.4m. The original BAFB, excluding Postwick, would be £86.74m, an increase in cost of £19.15m. We are seeking £15m of this from DfT, which broadly works out as a funding increase based on a pro-rata uplift basis.

For info, the Postwick Hub final funding bid excluded the park and ride extension. Refer to Section 3.4 of Postwick Application for Full Approval which stated:

“The DfT’s contribution towards the Park & Ride extension was removed at BAFB reducing the original CIF2 allocation from £21m to £19m. The new access arrangements to the expanded the Park & Ride site will be implemented at the same time as the junction works. This element represents an additional Local Authority contribution of £3m to that detailed in 3.4a above.”

The £27.7m mentioned in the table of costs in the Member briefing note in relation to Postwick Hub includes the cost of the park and ride extension of circa £3m.

In relation to the comments from our Leader, I hope you will appreciate that this sets out a political dimension to this process that I hope we can keep separate from the technical and cost detail. However, to add some clarity to the points raised:

- The reference to delays beyond our control is being made to the 2 year period from December 2009, the original conditional approval confirmation date, to December 2011, the new conditional approval date, following the spending review period. There is an acknowledgement that the need for the spending review is understood, but nevertheless, it has delayed the NDR project by 2 years. Without this delay, we would reasonably have expected to be well on with construction and would have not been caught up in a worse construction sector inflation period (which we avoided at Postwick).
- The reference to Norfolk being disadvantaged by Government decisions (and note these are more political points) is the removal of Waste PFI credits, the delay in reporting the outcome of the Willows public inquiry and, more recently, the decision to award Academy status to the Hewitt School, against the wishes of the Authority.

The inflation increase has occurred since 2013. We have taken independent advice and it demonstrates that road construction tender inflation has escalated significantly since 2013. At the time of setting our budget pricing for the project, approaches were made to the market in late 2012 with costs reported by Balfour Beatty to us in early 2013 to inform the project costs going into the DCO submission process. Since completion of the public examination, further work from Balfour Beatty to confirm the target cost based on the finalised scheme details has resulted in the increase in project costs.

We are not able to change the scheme to be selective about which elements we deliver (and therefore divert funding). The DCO is very prescriptive and it sets out the scope of the project that must be delivered in order to comply with it. The consented scheme is to the A1067 and we are now obliged to deliver this in full or we will not comply with the Secretary of States Order. To revisit this would require

us to effectively start again with a new DCO for a scheme (say) to the A140. This was raised and discussed with the Inspectors during the first days of the Examination and we were clear that the examination was for the scheme as submitted and the Order would need to reflect that. This is perhaps a downside to the DCO process in that it does remove scope for flexibility in delivering the works. Maybe something worth feeding back into the system at your end.

I hope the above helps, but as always please do get back to me if you need more details.

Regards
[NCC]

From: [DfT]
Sent: 12 August 2015 08:32
To: [NCC]
Cc: [DfT]
Subject: RE: Media Briefing on special council meeting

Thanks for this.

I am now unclear exactly how much the A47-A140 scheme has increased in cost and also exactly how much additional funding you require. Grateful for urgent response on this as it may unblock the Ministers submission. I should make it clear that we are not proposing to fund any cost increase on Postwick which given it is under construction is for you to deal with. I note there seems to be a £1m cost increase included.

In addition I would be grateful for an explanation of the comment made by you leader particular the sections underlined:

Cllr George Nobbs, Leader of Norfolk County Council, said:
"This is a vital infrastructure project for Norwich and Norfolk. It brings real jobs and economic growth, with travel and transport improvement that will benefit thousands of people every day, and a £1bn-plus boost to the Norfolk and national economy.

"It's hugely disappointing that delays beyond our control have caused increased costs and I think it's right that we press Government to do what's right by Norfolk and meet us half way.

"Norfolk has been particularly disadvantaged by recent Government decisions, so I very much hope that our proposal to meet the Government half way and to put up a further £15m ourselves will be met by an equally generous contribution from them. After all, this is one of the best value for money schemes in the country."

We are still puzzled by the statements that a delay in 2011 is the reason why there has been cost inflation since resetting the cost in 2013 You did not tell us that the cost had gone up then.

We note that the options you have proposed do not include not building the A140-A1067 section and using the funding earmarked for that to funding the cost increase . Please let me know why this was not proposed.

[DfT] | xxxxxxxxxxxx, Department for Transport
x/xx GMH | 020 7944 xxxx |

From: [NCC]

Sent: 11 August 2015 16:14
To: [DfT]
Subject: FW: Media Briefing on special council meeting

[DfT]

As discussed, please see attached for info. Any comments or if you wish to discuss, please let me know.

Also for info, today the Leader of the Council has written to all the Norfolk MPs to seek their support for securing funding from DfT. I will let you see the letter when I have a copy. The LEP have also been made aware and will be copied in to details.

Regards
[NCC]

From: [NCC]
Sent: 11 August 2015 15:07
To: [NC]
Cc: [NCC]
Subject: Media Briefing on special council meeting

Dear Group Leader

Attached here is a media release setting out the background to the special County Council meeting on September 2nd.

We are currently briefing the local media on this. Also included is a note that we are issuing to all Members which gives further background about the issue.

Best wishes

[NCC]

--

To see our email disclaimer click here
<http://www.norfolk.gov.uk/emaildisclaimer>

This email was scanned by the Government Secure Intranet anti-virus service supplied by Vodafone in partnership with Symantec. (CCTM Certificate Number 2009/09/0052.) In case of problems, please call your organisations IT Helpdesk.

Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

The information in this email may be confidential or otherwise protected by law. If you received it in error, please let us know by return e-mail and then delete it immediately, without printing or passing it on to anybody else.

Incoming and outgoing e-mail messages are routinely monitored for compliance with our policy on the use of electronic communications and for other lawful purposes.

The original of this email was scanned for viruses by the Government Secure Intranet virus scanning service supplied by Vodafone in partnership with Symantec. (CCTM Certificate Number 2009/09/0052.) This email has been certified virus free.
Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

--

To see our email disclaimer click here
<http://www.norfolk.gov.uk/emaildisclaimer>

This email was scanned by the Government Secure Intranet anti-virus service supplied by Vodafone in partnership with Symantec. (CCTM Certificate Number 2009/09/0052.) In case of problems, please call your organisations IT Helpdesk.
Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

The original of this email was scanned for viruses by the Government Secure Intranet virus scanning service supplied by Vodafone in partnership with Symantec. (CCTM Certificate Number 2009/09/0052.) This email has been certified virus free.
Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

--

To see our email disclaimer click here
<http://www.norfolk.gov.uk/emaildisclaimer>

This email was scanned by the Government Secure Intranet anti-virus service supplied by Vodafone in partnership with Symantec. (CCTM Certificate Number 2009/09/0052.) In case of problems, please call your organisations IT Helpdesk.
Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.