

Agenda Item:

# Cabinet



**Dorset County Council**



Date of Meeting	6 June 2007
Officers	Director for Environment Director for Corporate Resources
Subject of Report	<b>Weymouth, Portland and Chickereil Integrated Transport Strategy</b>
Executive Summary	This report gives an update on the current situation in connection with the planning, procurement, land acquisition and construction of the Weymouth Relief Road and an update on the preparations for the Olympic Transport Package for hosting the sailing events for the 2012 games. It also outlines the funding proposals in line with Department for Transport major scheme protocol for both schemes.
Budget Implications	The estimated cost of the Weymouth Relief Road adjusted to meet the current DfT protocol is £84.5m.
Recommendation	That the Cabinet note the current situation in connection with the planning, procurement, land acquisition and construction for the Weymouth Relief Road be noted.
Reason for Recommendation	To allow members to monitor progress and costs of the Weymouth Relief Road.  To secure best value in the procurement process for providing the Weymouth Relief Road, supporting the corporate aims to improve Dorset's infrastructure and strengthen Dorset's economy.

Appendices	None
Background Papers	None
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**1. Weymouth Relief Road Planning Application**

- 1.1 Planning permission for the Weymouth Relief Road was issued by the Head of Planning on 16 April. This followed a decision by the Planning Committee on 5 April to grant consent subject to conditions and subject to a legal agreement to secure planning obligations.
- 1.2 The Government Office for the South West, in a letter dated 16 April but not received by the County Council until 17 April, issued a direction requiring the County Council not to grant planning permission for the Relief Road without specific authorisation. However, the planning consent had already been issued and the direction was therefore of no effect.
- 1.3 Friends of the Earth who object to the Weymouth Relief Road have sent the County Council a series of pre-action letters threatening judicial review proceedings. The first ground of threatened legal challenge relates to the County Council granting planning consent in advance of being directed by the government office for the South West. The Secretary of State has since withdrawn the direction, concluding:
- "Intervention would not be justified as there is not sufficient conflict with national planning policies on the above matters, or any other material reason, to warrant calling-in the applications for her own determination. The applications involve consideration of a number of national policy matters. The Secretary of State is however satisfied that they do not raise sufficiently significant conflicts on important matters".
- 1.4 Friends of the Earth have set out further grounds of challenge in which they allege a failure by the County Council to take account of draft regional planning policy and to consult with the South West Regional Assembly. As a remedy for the alleged deficiencies Friends of the Earth have asked that the County Council should agree to revoke the planning consent failing which they will begin judicial review proceedings. In responding firmly to the threatened proceedings reference has been made to the very full report and environmental information put to the Planning Committee. It has been specifically denied that the application for the Weymouth Relief Road was of such strategic significance to the region as to justify a referral to the Regional Assembly and that the Assembly's criteria for a referral were not satisfied.
- 1.5 It is now for Friends of the Earth to decide whether to issue proceedings seeking to have the relief road planning consent set aside by the court. The law requires that any application for judicial review must be brought promptly and in any event within three months of the decision under challenge. Leading counsel has advised on responses to the pre-action letters and his further advice will be sought in the event of Friends of the Earth issuing proceedings with a fully argued case.

**2. Early Contractor Involvement (ECI)**

- 2.1 Cabinet approval for the appointment of Skanska/Owen Williams and Partners as successful contractor was given on 7 December 2007. The appointment has been made in May 2007 with construction anticipated to start in early 2008, subject to completion of statutory procedures and funding availability.

### **3. The Compulsory Purchase and Side Roads Order**

- 3.1 Cabinet approval for the Compulsory Purchase and Side Roads Order was given on 18 April 2007 so that the Director for Environment is authorised to:
- (i) take all necessary steps to secure the making, confirmation and implementation of the Compulsory Purchase and Side Roads Orders including the publication and service of all notices;
  - (ii) to acquire interests in land and new rights within the Compulsory Purchase Order either by agreements or compulsorily; and
  - (iii) approve agreements with land owners setting out the terms for the withdrawal of objections to the Order, including where appropriate seeking exclusion of land or new rights from the Order and/or making arrangements for re-housing or relocation of occupiers.
- 3.2 The Orders have been published in the relevant press and landowners will be notified on 4 May 2007. A period of notice and objection will then follow in which Government Office North East (GONE) will receive comments on the Orders. Following this period on 25 June 2007 the Orders will be confirmed or the process for a public inquiry will be initiated.

### **4. Capital Project Monitoring**

- 4.1 As part of the Local Transport Plan (LTP) settlement of 2003 the Department for Transport (DfT) provisionally accepted the Weymouth Relief Road as a new major scheme. This is subject to the completion of the relevant statutory processes and final approval of ministers.
- 4.2 Following the grant of planning permission on 5 May 2007 and Cabinet approval to appoint the ECI Contractor a further robust cost reappraisal has been undertaken with risk assessment. The ECI contract is now an actual agreed target price for the scheme which is an advanced position compared to other major schemes within the current DfT programme. This will form part of a Business Case to be submitted to DfT in July 2007 for the scheme which will demonstrate how the scheme will deliver its objectives. Once the Business Case had been completed it will be considered within the Department's internal scrutiny processes before being put to Ministers for their decision on any cost increase.
- 4.3 There has been a number of identified cost increases following the estimate previously submitted to the DfT in 2005:
- Construction inflation since Q1 2005
  - Greater planning cost due to environmental improvements
  - Accurate target price which has been agreed with the Contractor
  - S106 commitments to the local planning authority
  - Redesigning of the scheme to remove objection from Statutory Body
- 4.4 These costs identified have increased the outturn cost of £77 million to Quarter 1 2007 prices of £79,682,257 which includes allowances for inflation, scheme preparation and supervision, construction, utilities diversions and railway charges, land, ecological mitigation measures and risk items.

- 4.5 However to comply with the DfT Major Scheme protocol the County Council has adjusted the outturn cost to include an optimism bias of 6% which provides a risk adjusted price of £84,463,192.
- 4.6 DfT have previously explained that although it had recently consulted on new proposals for scheme funding arrangements, including the funding of cost increases, schemes with an earlier approval such as WRR would be considered under current arrangements. The Department expects that Dorset County Council would normally contribute 25% of any cost increase over and above the original approved scheme budget of £54.567m. The required contribution from the County Council would therefore be in the region of £7.5m. This figure will however be subject to negotiation with DfT. The remaining funding will be provided in the form of Transport Supplementary Grant, subject to approval of the full business case. Also, as part of this process DfT has indicated that Dorset County Council would be eligible to apply for preparatory costs, up to a maximum of £850,000, if the scheme were to be fully approved.
- 4.7 The preparation cost up to commencement of the scheme is £2.277 million which allows for a start date of January 2008. This cost can be divided into the following elements of work:

	£'000
• Design and management fees	185
• Noise Assessment	55
• Statutory Undertakers	145
• Business Case	38
• Bincombe Tunnel Survey	181
• CPO/SRO inquiry	270
• Pre-commencement Ecological Surveys	105
• Detailed design by Skanska/Owen Williams	500
• Archaeological Investigations	116
• ECI Contract	582
• Legal and Valuation fees	100
	<u>2,277</u>

## 5. Olympic Transport Package

- 5.1 Members will recall that officers from Dorset County Council have held meetings with DfT/GOSW to seek advice on the most appropriate way of progressing the Olympic Transport Package. The Package will complement the Weymouth Relief Road in providing for technology based traffic management improvements (Intelligent Transport Systems) and improvements to public transport, walking/cycling and facilities for the disabled.
- 5.2 The County Council has worked closely with the Regional Assembly team to achieve this and, as a result, South West Regional Assembly Executive resolved on 26 January 2007 to confirm regional support of £18m for the Olympic Package as a priority within the regional local/small schemes allocation in the period to 2016. The Regional Executive report has recognised that the Olympic Package is time sensitive in view of the 2012 Games and has given its support in view of its prior commitment to work with

Dorset to engage with DCMS and transport providers to achieve a considered approach for access to the Olympic events at Weymouth.

- 5.3 DfT has confirmed that a Major Scheme Bid will need to be submitted for the Package similar to that required for the Weymouth Relief Road. This will need to quantify the economic, accessibility and safety benefits, the project costs and the procurement and risk management strategy and will require significant resource effort over the next 12 months to achieve DfT Programme Entry status.

**Miles Butler**

Director for Environment