

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	13 th October 2015
Report of:	Executive Director of Economic Growth and Prosperity
Subject/Title:	Sydney Road Replacement Bridge
Portfolio Holder:	Councillor David Brown, Highways

1. Report Summary

- 1.1. Crewe plays a vital role in the economic growth of Cheshire East and the wider sub-region. The arrival of the HS2 Hub Station at Crewe will make it one of the best connected towns in the United Kingdom and will cement its position as the “Gateway to the Northern Powerhouse”. This is reflected in the Northern Gateway Development Zone proposition which will deliver 100,000 jobs and 100,000 new homes across Cheshire and north Staffordshire by 2040.
- 1.2. Development is taking place in the north of Crewe and providing capacity improvements at Sydney Road Bridge will support this growth and enhance access to the key strategic destinations of Leighton Hospital and The Bentley Motor Works.
- 1.3. Sydney Road Bridge is a classified B Road which acts as a main distributor route and crosses the West Coast Crewe to Manchester Mainline. The existing bridge is a narrow traffic signal controlled single carriageway only structure. The scheme seeks to increase capacity at this pinch point by replacing the existing bridge with a new wider structure capable of taking two way traffic without traffic signal restriction.
- 1.4. The condition and assessed structural capacity of the existing bridge is only fair to poor. The last detailed examination was carried out in 2004. The last visual examination was carried out in 2005 and the last structural assessment was carried out in 1954. The findings available from existing records inform the bridge is only in a fair to poor condition.
- 1.5. The recommended solution is to demolish the existing bridge and build a new bridge structure within the enlarged footprint of the old bridge. This solution has the main advantage of being constructed independently from the existing fair to poor bridge without necessitating structural dependencies upon it. This will result in

very low long term maintenance risk, less impact to the traffic flow and rail service providers during construction and a less drawn out programme.

- 1.6. The Council has been working closely with Network Rail Infrastructure Projects (“NR IP”) to inform options for development and to help develop a delivery strategy for the scheme. This report highlights progress to date and seeks approval to continue with the relationship with NR IP as the most effective way of taking forward the development of a preferred option through its business case and statutory processes, and then to secure its delivery.

2. Recommendations

Cabinet is recommended to:

- 2.1. Authorise entering into a Development Services Agreement (“DSA”) with NR IP to enable the design and delivery plan of the scheme to commence.
- 2.2. Authorise a planning application to Cheshire East Council as planning authority to enable lawful construction of the new bridge structure.
- 2.3. Authorise officers to enter into discussions with land owners about acquiring the necessary land and rights to deliver the scheme and to delegate the entering into any necessary supporting legal agreements to the Head of Legal Services in consultation with the Portfolio Holder.
- 2.4. Authorise the use of the Council’s Compulsory Purchase Powers (“CPO”) to acquire land in order to construct the scheme. Note: CPO powers will only be used if land is unable to be acquired by negotiation.
- 2.5. Authorise the appointment of external legal to implement the CPO’s if required.
- 2.6. Authorise the Council adopting, if constructed, the newly constructed bridge as a Cheshire East Council highway asset .
- 2.7. Authorise the forward funding of up to £382,050 from the associated S106 agreements to fund the DSA.

3. Reasons for Recommendations

- 3.1. There is a need to drive forward the development of this scheme as the Department for Transport (“DfT”) grant of £2.35M is dependent on delivery during the 2015 – 2019 period.

- 3.2. Promoting greater connectivity along the corridor supports the housing allocation in the Local Plan and access to key locations such as the Bentley Motor Works and Leighton Hospital.
- 3.3. To deliver a scheme of this complexity affecting the railway and the highway jointly requires close partnership and involvement by NR IP to inform the design and delivery.
- 3.4. A further Cabinet Report will be required to authorise the entry into a works contract to build the bridge. It is currently envisaged that:
 - 3.4.1 NR using its recently procured OJEU compliant Construction Framework will be commissioned to deliver the works;
 - 3.4.2 £4.52M forward funding of the scheme by Cheshire East Council will be required until S106 monies are received from developments along the Sydney Road route corridor (See Section 8.7); and
 - 3.4.3 the newly constructed bridge will be adopted by Cheshire East Council as a highway asset.

4. Wards Affected

- 4.1. Crewe East

5. Local Ward Members

- 5.1. Councillors Suzanne Brookfield, Clair Chapman, David Newton (Crewe East)

6. Policy Implications

- 6.1. The Scheme supports the Council's policy for sustainable development and jobs growth as set out in the emerging Local Plan. The scheme also allows for the implementation of Broadband if required at that severance point.

7. Implications for Rural Communities

- 7.1. The scheme would reduce the relative attractiveness of vehicles using alternative rural lanes that avoid the capacity constraints at the existing bridge.

8.0. Financial Implications

- 8.1. The estimated cost of the scheme is £10.5M although this cost may lessen with value engineering and with NR IP partnering. In order to secure the requisite NR IP technical specialist input into the development of the scheme it will be necessary for the Council to enter into a DSA with NR IP. This agreement provides commitment for the Council to cover NR IP's professional fees and an estimated

budget of £382,050 has been included within the proposed agreement.

- 8.2. Currently 4 signed developer S.106 agreements committing contributions totalling £4.522M have been agreed in respect of housing developments (Maw Green, Coppenhall East, 138 Sydney Road and 152 Broughton Road) along the Sydney Road corridor, that have so far secured planning permission.
- 8.3. Funding from these Section 106 agreements will be available once the linked development has commenced and any triggers in the agreement have been met.
- 8.4. A further £2.35M of funding has been contributed to the Scheme from Department for Transport (DfT) devolved major scheme pot via the Cheshire and Warrington Local Enterprise Partnership (LEP). This funding is to be used for the (construction) of the scheme.
- 8.5. A further £3.5M of contribution has been committed from the Local Growth Fund.
- 8.6. And a further contribution of £0.5M has been committed by the Council from the Local Transport Plan (LTP) grant allocation toward the development of the scheme.
- 8.7. It is expected that additional Developer S106 contributions toward the scheme may be secured from other proposed housing developments along this corridor. Also, a contribution toward the scheme cost would be expected from Network Rail although this may take the form of a commuted lump sum. Negotiations on NR contribution are ongoing. The estimated total scheme cost in October 2015 is £10.50M. If, for any reason the scheme is delivered for less than the budget, the Section 106 funding is flexible and will be redirected towards the improvements proposed at Crewe Green Roundabout.

	£M	
Estimated Total Scheme Cost	10.500	
Funding Sources		
DfT Devolved Major Scheme Pot	2.350	Confirmed
Local Growth Fund Contribution	3.500	Confirmed
Local Transport Plan Grant	0.500	Confirmed
Section 106 funding	4.522	Unconfirmed *
Total Funding available	10.872	
Surplus	0.372	

*Requires forward funding from the Council until Section 106 funding is received (see paragraph 8.2 – 8.3 and 10.6)

9. Legal Implications

- 9.1. The proposed Development Services Agreement (DSA) with NR IP is subject to the Public Contracts Regulations 2015 (the Regulations). If the Council enters into the agreement without undertaking a compliant procurement exercise the award of contract could be challenged and the agreement be set aside by the courts on the grounds that it is ineffective. NR will only allow the delivery of works on its land by companies on its own approved selected list and has ultimate veto over any preferred contractor selected by the Council.
- 9.2. The regulations make provision for the publishing of a Voluntary Ex-ante Transparency VEAT Notice to advertise to the market an intention to award a contract directly without making a call for competition. These direct awards can be made where explicit justification is given. The permissible justifications are set out in Regulation 32. There is justification for undertaking a negotiated procedure without prior publication where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons:-
- (i) the aim of the procurement is the creation or acquisition of a unique work of art or artistic performance.
 - (ii) competition is absent for technical reasons.
 - (iii) the protection of exclusive rights including intellectual property rights.
- but only, in the case of paragraphs (ii) and (iii) where no reasonable alternative or substitute exists and the absence of completion is not the result of an artificial narrowing down of the parameters of the procurement.
- 9.3. The direct award of the DSA to NR IP does not fall within any of the permissible justifications outlined in 9.2 above and, as such, the publishing of a VEAT Notice is not justified in this case . The direct award of the DSA could therefore be challenged and set aside by the courts.
- 9.4. The DSA allows the Council to terminate in any event by giving two months written notice to NR IP.
- 9.4 The legal implications in relation to Compulsory Purchase Orders will not be known until ownership of the land is fully investigated.

10. Risk Management

- 10.1. There is reputational risk with the Cheshire and Warrington Local Enterprise Partnership (LEP) and DfT around the late or non-delivery of the scheme. The Council is developing a strong reputation on delivery with Crewe Rail Exchange already completed

and 3 other schemes on-site. It would be in the best interests of the Council to continue this trend.

- 10.2. Endorsement (Gate 1) gained at Technical Enabling Group (TEG) and Executive Monitoring Board (EMB) in May 2015 following preparation of the draft Strategic Outline Business Case (SOBC) the Risk Register and the scheme Delivery Strategy.
- 10.3. Significant risk exists with constructing a complex scheme such as this in a constrained site and over the live West Coast Mainline. It is considered the most effective way of managing that risk will be by partnering with NR IP to develop and deliver the scheme. In this way NR can bring their vast experience and expertise in similar schemes to bear and thereby reduce the risk to the Council.
- 10.4. The requirement for additional land to construct, operate and maintain the scheme is yet to be determined, and will only be concluded during preliminary design once a designer and contractor are appointed. If additional land is deemed to be required then all reasonable endeavours will be made to acquire the land or right by negotiated agreement. However, if the land cannot be acquired by negotiated agreement the Council will need to implement and use its statutory powers. This process would have significant programme implications, with potentially up to one year required to complete acquisition, assuming that Compulsory Purchase Order (CPO) powers are used. The amount of land to be acquired is relatively small and only affects a few properties.
- 10.5. There is a risk that scheme costs may increase during the design and delivery process. Partnering with NR IP and Early Contractor Involvement (ECI) is seen as an effective way of mitigating against project cost increase on delivery and should also assist in the negotiation of a NR contribution. Further Local Growth Fund (LGF) bids and development S106 negotiation will also be used to minimise the council's exposure to any additional costs.
- 10.6. The funding from Section 106 agreements to the scheme is dependent on the associated development being delivered.

11. Background and Options

- 11.1. Sydney Road is located on the north east side of Crewe. It is a Classified 'B' Road which acts as a distributor route serving the north side of Crewe and connecting it to key destinations such as the Bentley Motor Factory and Leighton Hospital.
- 11.2. Traffic flows on Sydney Road are restricted by the narrow, Network Rail owned Sydney Road Bridge, which currently operates a single-way traffic system controlled by traffic lights at either end of the bridge. The bridge crosses the West Coast Mainline (Crewe –

Manchester). The Council have granted planning consents for new developments along the Sydney Road corridor. The developments will increase road traffic and the Council wishes to undertake work to mitigate the pinch point at this bridge location.

- 11.3. To demonstrate the schemes economic benefits the value for money category is identified based upon the Benefit Cost Ratio (BCR) of the scheme using monetised impacts in line with Department for Transport guidance notes. The replacement Sydney Road Bridge scheme currently returns a BCR of 3.7 which demonstrates the scheme offers High Value for Money.
- 11.4. In 2012 the Council commissioned Jacobs the Councils term consultant to undertake a feasibility options study to create 2-way traffic working over Sydney Road Bridge and recommend a preferred option. Five options were considered in the June 2012 report: bridge widening; bridge replacement; a separate pedestrian footbridge to the north or south (in conjunction with two-way vehicular traffic on the existing bridge deck); and, a new bridge to carry westbound traffic, constructed immediately to the south of the existing bridge which would be retained to carry eastbound traffic and services. Bridge replacement was the preferred option of both the Council and NR IP.
- 11.5. The feasibility study was revisited in 2013 when the Council expressed a desire to progress the scheme. This work highlighted the vertical highway alignment over a replacement bridge would be significantly worse than the already sub-standard alignment over the existing bridge, generating the need for further work as follows:
 - Develop the preliminary highway design to investigate highway alignment issues and options, including headroom, land requirements and off-carriageway facilities for pedestrians and cyclists
 - Topographical survey of two nearby similar 'hump-back' road-over-rail bridges to investigate local precedent
 - Undertake a Stage 1 Road Safety Audit (RSA) on the developed preferred option.
- 11.6. A NR Basic Asset Protection Agreement (BAPA) has been agreed and signed between the Council and NR. The agreement allows for a small amount of scheme development together with live track access. The Council's consultants Jacobs are currently undertaking seasonal visual ecology surveys on the live railway to inform the proposed planning application in 2016.
- 11.7. The bridge is currently owned and maintained by NR. It is expected that if a replacement structure is promoted by the Council at this location NR will request that ownership and associated liability for maintenance of the structure is passed to the Council. It is

expected that in return the Council could expect a contribution toward the scheme cost from NR.

- 11.8. The delivery strategy for a new structure to replace the existing Sydney Road Bridge is currently being developed. The preferred option is for the Council to enter into a Development Services Agreement with NR IP to deliver the Scheme using a Contractor from their recently tendered OJEU compliant Construction Framework.
- 11.9. Some of the key benefits of scheme delivery by NR IP are as follows:
- NR IP has unparalleled experience of the management of rail industry stakeholders and rail interfaces, which will equate to a lower project risk profile for the Council than if self delivered. This is particularly pertinent when working in proximity to high-profile areas of the rail and highway network, as is the case for this scheme;
 - NR IP have unparalleled experience in the delivery of railway overbridge projects; approximately 70 new bridges per year;
 - The Council do not need to expend time, effort and risk in gaining rail industry knowledge and expertise;
 - NR IP management of the process and utilisation of their recently procured OJEU compliant Framework, will mean significant savings to the council in terms of management, procurement and commercial management cost, as well as programme savings by realising Early Contractor Involvement;
 - Saves the expense of a stand alone ASPRO (Asset Protection) contract as this would be included within NR IP project management costs;
 - By undertaking the ASPRO functions, approvals for temporary works designs and working methods affecting the railway infrastructure would be more efficient. Time and cost savings would also be made as there are no external document handovers to ASPRO and NR IP would have improved visibility and ownership of approaching rail possessions and document requirements.
 - Supply chain efficiencies and less aggressive commercial behaviours resulting in positive impact on the risk profile; and,
 - Option to stop – the Council will have full visibility of the projected scheme delivery cost and have the option to curtail the contract should the project prices exceed the budget.

- 11.10. The significant benefits NR IP offer in terms of expertise and experience, reduction in project risk, programme efficiencies, and cost savings, could not be achieved by the Council if it promoted its own tender for a contractor for the scheme. As such, it is considered that the preferred option is for the Council to enter into a Delivery Services Agreement with NR IP to develop and deliver the Scheme.
- 11.11. A 2 month 'break clause' will be incorporated to permit the Council the opportunity to halt the scheme if the Scheme estimate is too costly, or for any other reason the Council no longer wishes to proceed.
- 11.12. The requirement for either temporary or permanent 3rd party land to construct a new structure is still to be established, and will only be confirmed during preliminary design when the highway extent and the method of construction have been considered. It is proposed that officers or appointed consultants will commence engagement and negotiation with 3rd party land owners as necessary to raise awareness of proposals and to seek to acquire the rights or title to land to deliver this scheme, by agreement.
- 11.13. Planning permission will be required for a replacement structure at this location. At present it is considered that that an Environmental Impact Assessment (EIA) will not be required, however, this is yet to be confirmed by the Environment Agency. The planning application will involve pre-application discussions with affected parties.
- 11.14. It is likely that if land acquisition or licences for temporary use of land are required then professional land agents will be appointed to lead on landowner negotiations. If negotiations prove not to be positive, it might be necessary for the Council to implement use of its Compulsory Purchase Powers to undertake the acquisition of land required to deliver this Scheme.

12. Access to Information

- 12.1. The background papers relating to this report can be inspected by contacting the report writer:

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