



Appendix V DCC Cabinet Committee Report, April 2008



Cabinet

12**Dorset County Council**

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| Meeting | Cabinet |
| Date of meeting | 2 April 2008 |
| Officer | Director for Environment |
| Subject of report | Weymouth, Portland and Chickerell Integrated Transport Strategy |
| 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. It also outlines the funding proposals in line with Department for Transport major scheme protocol. |
| Budget implications | The County Council's share of the additional costs of £4.95m can be met from within approved estimates, subject to negotiations with the DfT and the final Government funding approval expected in July 2008. |
| Recommendations | That the Cabinet note the current situation in connection with the planning, procurement, land acquisition and construction for the Weymouth Relief Road. |
| Reasons for Recommendations | To allow members to monitor progress of the Weymouth Relief Road. To monitor scheme costs. 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 |
| Report Originator and Contact | Matthew Piles, Weymouth Relief Road Project Manager tel: (01305) 224394; email: m.d.piles@dorsetcc.gov.uk |

1 Weymouth Relief Road Planning Application

- 1.1 Planning consent was achieved in April 2007. It is programmed that the conditions attached to the permission granted will be discharged by April 2008.

2 Early Contractor Involvement (ECI)

- 2.1 Cabinet approval for the appointment of Skanska/Owen Williams & Partners as successful contractor was given on 7 December 2007. Construction is anticipated to start in September 2008 subject to completion of statutory procedures and funding availability.

3 The Compulsory Purchase and Side Roads Order

- 3.1 The Compulsory Purchase and Side Roads Order Public Inquiry commenced on 6 November 2007. The Inquiry was adjourned on 12 December and reconvened (and concluded) on 11 March 2008 to allow consideration of a Supplementary CPO. The Supplementary CPO is in respect of land at Two Mile Coppice, Lorton Meadows and Horselynych Plantation. This would allow the replacement of land which may be deemed as "open space" as defined in Section 19 of the Acquisition of Land Act 1981. In the event, a contract to purchase the land at Horselynych Plantation was completed with the landowner at the end of February.
- 3.2 Officers are pleased with the evidence presented at the Inquiry and the rebuttals of proofs submitted by objectors and have been advised that the Inspector will report to the Secretary of State as soon as practicable after the Inquiry and a decision should be available in June 2008.

4 Budget and Programme

- 4.1 The Department for Transport (DfT) has provisionally accepted the Weymouth Relief Road as a new major scheme subject to the completion of the relevant statutory processes and final approval of ministers.
- 4.2 A target price for the scheme has been agreed with the contractor. The scheme is in an advanced position compared to other major schemes within the current DfT programme. Dorset County Council will be submitting a further updated business case to DfT in April 2008 and would expect to hear a decision on funding approval from Ministers in July 2008.
- 4.3 There have been a number of identified cost increases since the previous review of outturn costs in August 2007. This has been due to the additional supplementary CPO process and additional transport modelling requirements for the Business Case as part of DfT major scheme protocol.
- 4.4 The construction programme has been reviewed with the contractor as part of the continuing risk management process for the contract. This has identified that it will not now be feasible to start the major earthworks associated with the scheme this autumn. This delay to works will add inflation costs to the scheme. The project will be established on site in September 2008 with environmental and archaeological investigation works. The main construction

of the Weymouth Relief Road will commence in the spring of 2009. It will still be possible to achieve a completion date of spring 2011.

4.5 Following the previously agreed estimate submitted to the Regional Assembly and DfT in August 2007 the following cost increases have been identified:

- Construction inflation since Q1 2007 (6.5%)
- Greater land costs due to CPO Public Inquiry
- Risk Budget allocation adjusted through the statutory process

4.6 These costs have increased the outturn cost of £79,682,257 to a Quarter 1 2008 price of £84,632,076. This includes allowances for inflation, scheme preparation and supervision, construction, utilities diversions and railway charges, land, ecological mitigation measures and risk items. It has been calculated that 95% of the cost increase is due to inflation.

4.7 However, to comply with 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 £89,710,000. This optimism bias will be adjusted to 3% after the completion of the statutory processes and funding confirmation.

4.8 DfT would normally expect that Dorset County Council would 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. 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.

4.9 The preparation costs required up to commencement of the scheme have also increased from £2,277k to £3,645k. These additional costs have can be divided into the following elements of work:

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| • Additional work for the Business Case | £100K |
| • Additional cost of the CPO / SRO inquiry | £320K |
| • Detailed design by Skanska/Owen Williams | £400K |
| • Early Contractor Involvement Contract | £498K |

4.10 On the 19th March 2008 officers will be meeting with DfT to discuss whether both the detailed design and ECI Contract costs can be claimed back as part of the grant award to the scheme for this financial year. If the works identified by the contractor are not advanced then this will mean further delay and substantial cost implications to the overall programme.

Miles Butler

Director for Environment