



Review of the Inner Ring Road Integrated Maintenance Scheme

SUMMARY

- 1.1 The report sets out the financial implications associated with the completion of the Inner Ring Road Integrated Maintenance Scheme, IRRIMS.
- 1.2 In general the implementation of such a complex scheme around the Inner Ring Road has been successful. The partnering construction contract has been particularly successful in delivering the works quickly, and the Council and Tarmac have been awarded a Gold Award as part of the Considerate Constructors Scheme.
- 1.3 The main challenges associated with the scheme have been related to the need for significant changes in scheme design as the work has progressed, bringing with it financial pressures. Also the significant increases in inflation in the construction industry have increased costs significantly over the original estimate.
- 1.4 Throughout the project the Project Board has been kept fully informed of the scheme progress and budget position. The options for moving forward with the scheme and containing costs to within available resources have been continually kept under review.
- 1.5 The report sets out the proposed funding arrangements for the scheme. It also highlights a potential shortfall in funding of £819,000, should the Department for Transport not approve a request for additional funding. The result of this shortfall would be that the replacement of the St Alkmund's Way footbridge would not be able to be completed. The report seeks approval to allocate capital funding from the newly identified Council Public Realm capital monies to complete the footbridge, should the DfT funding not be approved.

RECOMMENDATION

- 2.1 To approve the update to the IRRIMS capital programme for 2007/08 reflected in the financial implications
- 2.2 To approve the allocation of the £819,000 of Public Realm capital money towards the cost of St Alkmund's Way footbridge, subject to additional DfT funding not being approved, subject to a separate report on this agenda.
- 2.3 To approve the allocation of £106,000 of Public Realm capital money towards the cost of St Alkmund's Way footbridge, subject to a separate report on this agenda.

- 2.4 To approve the use of £46,000 of revenue funds from the 2006/07 Highways and Transport drainage budget as a contribution to this scheme.

REASON FOR RECOMMENDATION

- 3.1 To inform Members of the progress of the IRRIMS project and the financial pressures that have been managed throughout the project.
- 3.2 The completion of the footbridge is a key part of the City's Public Realm Strategy, and external funding has been secured from the Derby and Derbyshire Economic Partnership, DDEP, to support the widening of the bridge, not only to provide a bridge that significantly contributes to the setting of its very important surroundings, but also facilitates the use of the bridge by cyclists as well as pedestrians.



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SUPPORTING INFORMATION

Introduction

- 1.1 In December 2004 the Department for Transport approved £10.881m for the implementation of the Inner Ring Road Integrated Maintenance Scheme. The main elements of the scheme were:
 - replacement of safety parapets along significant proportions of the Inner Ring Road
 - refurbishment of the sign gantries
 - replacement of the pumping station under the East Gate underpass that has caused significant flooding over the years
 - bridge structure refurbishments and waterproofing
 - stretches of carriageway maintenance
 - replacement of the St Alkmund's Way footbridge.
- 1.2 One of the key objectives of the scheme has been to complete as much of the required maintenance works as possible within the same time frame, to minimise the overall disruption to road traffic during this time.
- 1.3 From the outset the scheme was always going to be challenging, both from a design point of view and working within the available budget. This is largely because the timescales that we set for ourselves in submitting a bid to DfT did not allow a great deal of time for preliminary design work. This timescale was set as we were very concerned about the safety situation on the Inner Ring Road, knowing that we had safety parapets that were not up to standard. The previous year we had bid for funds and been unsuccessful.
- 1.4 A project management structure was set up following PRINCE2 guidelines, including a Project Board whose members included the Cabinet Member for Planning, Highways and Transport, the Assistant Director for Highways and Transport, a representative from the finance department and other senior officers across the Highways and Transport Division. Work package teams were set up to take forward key elements of the scheme including the different design disciplines, and various consultation and communications processes.

- 1.5 Work started on the construction phase of the project in September 2005. This followed a full procurement phase which saw the appointment of Tarmac as the main contractor as part of a partnering contract. This type of contract would enable detailed design work to carry on in parallel with other parts of the works and also enabled early contractor involvement in the detailed design. Therefore at all stages value engineering processes could be carried out to minimise costs and look for the best way of working.
- 1.6 Throughout the project the Board has been kept fully informed of the scheme progress and budget position. The options for moving forward with the scheme and containing costs within available resources have been continually kept under review.

Changes to scheme costs

- 1.7 As the scheme design progressed it became apparent that a number of changes to the scheme design were necessary. The significant change variations are detailed in paragraphs 1.8 to 1.11.
- 1.8 The most significant change related to the design of the safety parapets. Originally it was thought that a solid concrete barrier would need to be erected to meet the required safety standards. However as the design progressed, national design standards were being revised and a steel rail based system emerged as being appropriate. There were enhanced safety benefits from the steel system and it was considered that this design would be more aesthetically pleasing and still allow views through to the river from the road.
- 1.9 At the time there was little difference in the cost estimates for the two different design solutions, however as the work progressed, unexpected ground conditions proved problematic with the steel parapet design and the final solution has cost an estimated additional £730,000. Of course what we cannot predict are any unforeseen costs that may have arisen with the concrete parapet solution.
- 1.10 Issues also arose around the replacement of the pumping station, where revised costs estimates exceeded the original estimate. This was due to a number of factors, but largely related to unforeseen ground conditions at the depth at which the new pumping station was to be constructed. The pumping station had to be put at a lower depth, which meant that not only were their additional costs associated with constructing at a lower depth but also that the pumps had to be larger than originally anticipated to ensure they could pump the water the required distance to the outfall. These factors meant that the cost was approximately double the original estimate going from £280,000 to £600,000. Also additional highway drainage works were identified under the underpass that were essential if the potential for flooding was to be alleviated. £100,000 from the highway maintenance budget has been allocated to IRRIMS to cover the drainage works costs.
- 1.11 The other very significant cost increase has been associated with increased inflation levels within the construction industry, well in excess of the average and above that included within the bid. This cost increase is estimated to be in the region of £700,000.

1.12 Following these significant additional sums it became necessary for the Project Board to critically review the scheme and consider a number of options of how to proceed. These included:

- starting discussions with the DfT to explore the potential for additional funding and also for bringing forward the allocation for 2007/08 into 2006/07 to reduce the cost escalation associated with inflation
- considering a range of options for reducing the scope of the remaining works to ensure that the scheme costs do not extend beyond the available resources
- identifying additional resources within Council funds to allocate towards the scheme costs
- seeking additional external sources of funding.

Funding proposals

1.13 Having explored the options above in great depth the current situation is that following the removal of a number of elements of the original scheme the current scheme cost estimate is £12.722m, compared to approved funding of £11.451m. We have not committed to works that would significantly take us over the approved budget.

1.14 Works that have been excluded include:

- 3 outstanding bridge refurbishments – Derwent Street, Pheonix Street, Sowter Road North
- carriageway resurfacing works
- elements of improved signage
- sections of ‘off-line’ pedestrian parapets on Old Nottingham Road.

The estimated cost of these works is £765,000.

1.15 An assessment was carried out of the life expectancy of the bridge refurbishments and carriageway surface and it is anticipated that there is still 7-10 years left in these structures and therefore, given the financial pressures associated with the project these were the most appropriate areas to take out of the scheme. It is likely that as the works become necessary they will be programmed within the overall Local Transport Plan transport capital expenditure in future years.

1.16 Other elements are relatively minor and again will have to be picked up in future years’ LTP capital allocations or revenue highway maintenance revenue budgets as required.

1.17 In July 2006 the DfT did approve the bringing forward of the 2007/08 allocated funds into 2006/07 so that the works could continue and finish as soon as possible to reduce any increases due to inflation.

- 1.18 The approved funding towards the current estimated scheme cost of £12.722 totals £11.451m. These are detailed in Table 1 of the financial implications and include:
- £10.881m original DfT allocation
 - £75,000 from 2006/07 LTP contribution – reported in original LTP report
 - £160,000 further 2006/07 LTP contribution – identified to support key areas of signing and minor, but essential, parapet works, reported to Cabinet 20 March 2007
 - £100,000 Highway maintenance revenue contribution – identified to fund necessary highway drainage work at East Gate underpass – reported 20 March 2007
 - £160,000 saving from Council capital funding towards Multi Storey car park structural works – reported to Cabinet 16 January 2007
 - £75,000 from 2007/08 LTP reported February 2007.
- 1.19 This leaves a shortfall of £971,000. Until recently it was anticipated that some Sustrans funding that had been allocated to the City Council for cycling schemes could have been put towards the scheme. However the delays in the approval of the DfT funding, and therefore our inability to commit to the footbridge works has meant that we have had to commit this funding to other schemes. It is therefore now not available.
- 1.20 The funding areas that we are proposing for making up this shortfall are:
- £46,000 of savings within the 2006/07 drainage revenue works budget that are schemes that have been delayed to assist with funding of IRRIMS should the need arise
 - £819,000 requested as additional funding from the DfT on the basis of incurring significant additional costs outside of the Council control
 - £106,000 proposed from the Council's Public Realm capital allocation.
- 1.21 If the DfT funding is not approved then issues arise over the funding of the St Alkmund's footbridge as this is the only part of the scheme that can be excluded from the works at this stage. The bridge is fast approaching the end of its useful service life and has already been saved from early closure on safety grounds by the addition of temporary support. Over 1500 pedestrians and 100 cyclists use the bridge each weekday, which makes this one of busiest pedestrian bridges. The alternative routes are much less convenient and the loss of the route would be detrimental to a large group of residents.
- 1.22 To add to the complexity of the issue, we have for some time been trying to identify a source of additional funds to deliver an improved bridge in this area and to that end we have recently been successful in getting a contribution of £500,000 towards a proposal for an enhanced footbridge in this location from DDEP. This is split down with £300,000 being for the enhanced footbridge itself and £200,000 to complete Public Realm works in areas adjacent to the bridge. Presuming that other funding as set out in Paragraph 1.19 is available, this would see the construction of an enhanced 5m wide bridge in this location, making a significant contribution to the public realm in this area and improving the cycle and pedestrian links between the north of the City Centre, St Mary's Church and the conservation area.

- 1.23 This report seeks approval to progress with the work to complete the replacement of the St Alkmund's Way footbridge with a 5m wide pedestrian and cycle bridge with added urban design content. The proposal is that if the £819,000 DfT additional funding is not approved then the Council would allocate the required funds from the recently approved Public Realm capital funding. This would make in total the proposed funding from the Public Realm capital £925,000.

Scheme Programme

- 1.24 The remaining works associated with the main contract on the Inner Ring Road are planned for completion by the end of April 2007.
- 1.25 We are currently working to a tight programme to have the new footbridge constructed during August 2007. In order to facilitate this an instruction for the fabrication of the structural steel work will need to be given following Cabinet approval of funding. There is also detailed design work to be completed with the aim of incorporating public art features into the design. Assuming that progress by May is on track then it is proposed that the existing footbridge is taken down during May. However, if the programme review shows that the bridge will not be ready to be put in place in August, then it is likely that all of the works on site will be delayed until January 2008. This will avoid disruption to the Inner Ring Road between September and December, the opening months of the Westfield Derby Shopping Centre.

OTHER OPTIONS CONSIDERED

- 2.1 To not replace the footbridge on St Alkmund's Way. This would necessitate the increased inspection regimes for the bridge with potential closure being estimated in 3 years time. It would also be necessary to identify funds to take down the bridge, which could be in the order of £100,000. This option has not been recommended as the footbridge is a well used amenity in the area, it provides an important historical link between the City Centre, St Mary's Church and the conservation area, and is a key route identifies within the newly approved City Centre Public Realm Strategy.
- 2.2 To use additional DfT funding to carry out the other bridge and carriageway works currently proposed for removal from the scheme. Having reassessed the maintenance needs of these assets it is estimated that works could be delayed for 7-10 years. In light of the funding constraints it is considered appropriate to delay these works and plan them in to future LTP programmes.

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Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

1.1 Table 1 details the approved and additional funding proposals

Table 1 : IRRIMS funding proposals

	<u>Main Works</u>	<u>Footbridge</u>	<u>Total</u>
	£m	£m	£m
<u>Approved Capital Programme</u>			
Allocation of DFT funding	10.881		10.881
Multi Storey Car Park - Cabinet 16 Jan 07	0.160		0.160
LTP & Highways Revenue - Cabinet 20 March 07	0.260		0.260
Sub Total	11.301		11.301
<u>Adjustment to Approved Capital Programme</u>			
LTP contribution 06/07 - 07/08 - Cabinet 21 Feb 06	0.075	0.075	0.150
Sub Total	0.075	0.075	0.150
<u>Changes requiring approval</u>			
Revenue Contribution Highways & Transportation drainage budget (2006/07)	0.046		0.046
DDEP allocation		0.300	0.300
DFT approval (awaiting) or Public Realm		0.819	0.819
Public Realm		0.106	0.106
Sub Total	0.046	1.225	1.271
TOTAL	11.422	1.300	12.722

1.2 On 21 February 2006 Cabinet approved an additional contribution from the LTP programme towards the IRRIMS scheme. £75,000 from 2006/07 and £75,000 from 2007/08. This was originally planned for the footbridge, however scheme variations have meant that the 2006/07 allocation has been required to fund increased costs in the main works. The 2007/08 allocation remains allocated towards the footbridge. Cabinet are asked to retrospectively approve this reallocation of funding within the approved capital programme.

- 1.3 Cabinet are asked to approve the additional £1.271m funding from Highways Revenue budgets, DDEP external funding, further DfT funding subject to approval and allocations from Public Realm
- 1.4 Table 2 details the approved and revised scheme cost estimates

Table 2 : IRRIMS scheme cost variations

	<u>Main Works</u>	<u>Footbridge</u>	<u>Total</u>
	£m	£m	£m
<u>Approved Capital Programme</u>			
Allocation of DFT funding	10.881		10.881
Contribution towards increased costs (Feb 06)	0.075	0.075	0.150
Contribution towards increased costs (Jan/Mar 07)	0.420		0.420
Sub Total	11.376	0.075	11.451
<u>Not on Approved Capital Programme</u>			
Completion main works	0.046		0.046
Footbridge		1.225	1.225
Sub Total	0.046	1.225	1.271
TOTAL	11.442	1.300	12.722

- 1.5 Cabinet are asked to approve the additional £1.271m IRRIMS scheme costs and approve scheme commencement for the construction of the enhanced Footbridge.

Legal

2. None.

Personnel

3. None.

Equalities impact

4. The replacement footbridge at St Alkmunds Way will provide a significantly improved facility for not only pedestrians and disabled people, but it will also enable cyclists to safely use the route. It will improve the links between the city centre and St Mary's Church and the conservation area.

Corporate Priorities

5. The proposal comes under the Council's Objectives of **job opportunities, strong and positive neighbourhoods, a healthy environment** and **shops, commercial and leisure activities**.