

9 July 2020		ITEM: 11
Standards & Audit Committee		
A13 Widening Project		
Wards and communities affected: All	Key Decision: N/A	
Report of: Sean Clark, Corporate Director of Finance, Governance and Property		
Accountable Assistant Director: N/A		
Accountable Director: Sean Clark, Corporate Director of Finance, Governance and Property		
This report is Public		

Executive Summary

This report is provided at the Chair's request in order to inform members on the A13 overspend, the completion date and any budget implications for Thurrock Council in the current and subsequent financial years.

1. Recommendation(s)

1.1 That the Standards and Audit Committee notes and comments on the report content.

2. Introduction and Background

2.1 This project involves widening the A13 Stanford le Hope by-pass from 2 to 3 lanes in both directions, from the junction with the A128 (Orsett Cock roundabout) in the west to the A1014 (The Manorway) in the east and replacing four bridges. Once the project is completed, there will be a continuous three-lane carriageway from the M25 to Stanford le Hope, reducing congestion and resultant pollution, improving journey times and supporting further economic growth

2.2 It is important to set out a few complicating factors to the delays and costs issues with the A13:

- 2.2.1 there is no single issue which has caused the delay in the programme, rather a combination of issues which have had impacts resulting in delay and therefore also increasing costs;
- 2.2.2 modifying existing linear infrastructure is often more greatly impacted by issues and delays than 'greenfield' projects which

are contained within a single site. This means that a number of programmed activities in a linear scheme are inextricably linked resulting in a minor impact at one end of the programme becoming a recurring issue throughout the linear route causing delay and with delay comes cost.

- 2.3 There have been three significant issues which have impacted on the delivery of the scheme. Two of those issues relate to the design of the drainage and the four bridge structures. There have been a range of issues which include differences between the as built drawings and the conditions on the ground, the need to design the scheme to the standard set out in the Design Manual for Road and Bridges (DMRB) and the need to undertake further survey work and re-design which then has to progress through technical assurance processes.
- 2.4 The third issue relates to the diversion of utility apparatus. Statutory Undertakers can only undertake activities to their apparatus at particular times of the year, usually when there is less demand on the system. For example, communications works cannot take place over the Christmas period, gas and electricity diversion works can only take place during optimum outage windows between April and October. Further Statutory Undertakers only permit their own contractors to undertake works on their apparatus. A lot of apparatus needed to be moved out of the way to enable works to commence. This was an employers' risk under the contract.
- 2.5 the delay and cost overrun on the project originate from:
 - 2.5.1 delay in commencement of construction which is an employers' risk under the contract and therefore the cost sits with the Council.
 - 2.5.2 the late delivery of the completed detailed design and changes to the works information (in relation to drainage and structures), again an employers' risk under the contract and therefore the cost sits with the Council.
 - 2.5.3 the funding requirements driving the decisions on the project which led to a need to tender on a preliminary design and the resultant separate design and build contracts.
- 2.6 A report in relation to this project was considered at the Planning and Transport Overview and Scrutiny Committee on 6th July 2020 to respond to specific questions raised by the Chair.

3. Issues, Options and Analysis of Options

Programme

- 3.1 As a consequence of a programme review, which looked at issues and delays which had occurred or could be reasonably anticipated in the future, the revised open to traffic date has gone back by a year. The published

programme now anticipates the road being open to traffic in autumn/winter 2021. This does not yet take account of any delays resulting from the Covid-19 pandemic as it is too early to be able to ascertain with any certainty the true impacts of a situation which is still very much current at the time of writing this report.

- 3.2 Work has continued throughout the current Covid 19 pandemic albeit on a slightly reduced workforce to allow for compliance with all Government guidance. Adjustments have been made and it is anticipated that productivity could return to approximately 90% in the near future. Prior to the Covid 19 crisis, the project was meeting programme month to month and there has been some recent successes on the project with the installation of the bridge structures over a recent run of weekend closures which were major programme milestones to achieve.

Current Out Turn Forecast

- 3.3 The project team held a series of workshops in order to revise the cost model of the project and arrive at the revised forecast. Those workshops involved reviewing and updating key project documents including the programme, compensation events and the risk register. This enabled values to be assigned to remaining works identified in the programme as well as undertaking a risk simulation exercise to assign values to the risks that the project is carrying.
- 3.4 The result of that work culminated in the revised anticipated out turn cost of £114,675,000 set out in the table below:

Cost Summary	
Construction	£ 91,000,000
Statutory Undertakers	£ 9,619,480
Preliminary Design	£ 1,175,000
Contract Supervision	£ 2,017,987
Detailed Design	£ 3,120,629
Land Purchase	£ 1,832,472
Technical Support	£ 2,613,399
Risk Allowance	£ 3,296,032
Total Anticipated Out turn costs	£114,675,000

- 3.5 The original approved project budget was agreed at £78,866,586. These costs were arrived at based on a preliminary design and certain elements of the scheme were not included such as the utilities diversion works.
- 3.6 The Council has recently undertaken a value for money (VfM) exercise on the project which has identified that based on the current out turn forecast, the scheme still represents high VfM. The significance of this means that an additional un-ringfenced grant was made available by DfT to SELEP of £8.9m and the SELEP Accountability Board agreed to provide this funding to the A13 on the condition that the scheme can still illustrate a high rating on the VfM

and the Council provides a commitment to secure any additional short fall in funding. It is worth noting that this money was originally identified as part of the scheme funding but retained by the DfT

- 3.7 The Accountability Board was scheduled to take place on 15th May however, as a consequence of the current Covid 19 pandemic, the meeting is now scheduled to take place at the end of June 2020 (date to be confirmed). Officers will provide a verbal update on this matter at the meeting as this report will be finalised prior to the outcome of the Accountability Board being known.
- 3.8 If the allocation of £8.9m is provided, the remaining difference will be £26,908,414.

Budget Implications

- 3.9 The potential options available to bridge the forecast funding gap are currently being explored and have not yet been confirmed. It is likely that a combination of funding sources will be required to meet the funding gap. The main options under consideration include:
- An increase in grant funding towards the delivery of the Project;
 - Funding contributions from the private sector; and
 - Funding contributions from Thurrock Council.
- 3.10 Thurrock Council recognises the need to seek alternative funding through whatever route is available and the likely need to use its own funds.

4. Reasons for Recommendation

- 4.1 To respond to the Chair's request for information on the A13 project.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 A communication plan has been prepared and agreed.
- 5.2 Member briefing sessions are held periodically at the A13 Site Offices and provide an opportunity for Members to receive a presentation from the contractor and raise issues on behalf of local residents.
- 5.3 Meet the team sessions are held monthly at the A13 Site Office and are a popular way for residents and road users to find out more about the works and ask any questions, although as a result of Covid-19 these (and the Member briefing sessions) are currently postponed

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The A13 Widening scheme supports the corporate priorities by encouraging and promoting economic prosperity.
- 6.2 The A13 Widening scheme also supports the Thurrock Transport Strategy (2013 – 2026) and in particular policy TTS18: Strategic road network improvements by creating additional capacity to reduce congestion, improve journey times, facilitate growth and improve access to key strategic economic hubs.

7. Implications

7.1 Financial

Implications verified by: **Jonathan Wilson**
Assistant Director - Finance

The financial implications are set out in the body of the report.

7.2 Legal

Implications verified by: **Tim Hallam**
Deputy Head of Law and Deputy Monitoring Officer

This an update report and there are no specific direct legal implications arising.

7.3 Diversity and Equality

Implications verified by: **Becky Lee**
Team Manager – Community Development and Equalities

There are no implications arising from this update report.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder, or Impact on Looked After Children)

The contractor is required to risk assess all aspects of this project and put in place appropriate procedures and measures to safeguard lives as well as the environment.

The contractor is also required to prepare a sustainability plan that reduces carbon emissions and reduces the project's carbon footprint.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- None

9. Appendices to the report

- None

Report Author:

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