

## **Report for Resolution**

**Report to** Executive  
29 October 2008

**Urgent Item**

**Report of** Director- Regeneration and Development

**Subject** St Anne's Wharf Bridge

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### **Purpose**

This report updates members on the funding and delivery of the St Anne's Wharf Bridge – the proposed pedestrian/cycle route linking St Anne's Wharf on King Street to Riverside. The full funding required to undertake the project has now been secured (following approval of £730,000 by EEDA on 28 October 2008). The report seeks members' agreement to the governance arrangements for the delivery of the project and release of funds held in the s.106 account.

### **Recommendations**

To:-

- (1) approve the project mandate to allow the project to proceed;
- (2) agree to act as fund holder and accountable body for EEDA funding for the project (£730,000 out of the total cost of £2.487M) and to release £1.687M (including interest accrued) held in the s.106 account for the delivery of the project over 2008/9 and 2009/10;
- (3) enter into a discharge of functions agreement with Norfolk County Council under the Local Government Act to allow them to take the lead on the design and procuring the construction of the bridge;
- (4) approve the governance arrangements for the management and delivery of the St Anne's Wharf Bridge project as set out in Appendix 4;
- (5) delegate to the Director of Regeneration and Development all other steps and decisions necessary to implement the project.

### **Financial Consequences**

There is no impact on the Council's General Fund. The total cost of the project is £2. 487M and the project will be funded from the balance of a specific interest bearing Section 106 account plus funding secured from the East of England Development Agency and GNDP (CLG Growth Point Funding).

### **Risk Assessment**

Overall, the project can be classified as low-risk. Risks primarily relate to the need to renew consents and to reach agreement with the developer on St Anne's Wharf (City Living) for access for construction and to provide for the bridge landing and connection to the public highway. The order for the bridge will not be placed till these have been secured. The risk assessment is set out Appendix 1.

The project manager will track the identified risks & capture new / emerging risks via the use of a risk register, which will be owned by the project sponsor.

### **Strategic Priority and Outcome/Service Priorities**

The report helps to meet the strategic priority “Strong and prosperous city – working to improve quality of life for residents, visitors and those who work in the city now and in the future”.

The project delivers service plan priorities relating to the delivery of the Growth Points Programme.

**Executive Member:** Councillor Morrey - Sustainable City Development

**Ward:** Mancroft

### **Contact Officers**

Gwyn Jones, Regeneration Funding Manager	01603 212364
Martin Harwood, Capital Programme Manager	01603 212175
Gary Thompson, Team Leader (Structures – Building Maintenance.	01603 213464

### **Background Documents**

City of Norwich Replacement Local Plan- saved policies- November 2007

Integrated Development Programme, April 2008.

St Anne’s Wharf Bridge- EEDA Business Case- September 2008, (amended 9 Oct 2008).

## PROJECT MANDATE

This document identifies key information about the project and should be completed at the start the project. This document will be presented to the Executive Committee for approval to proceed.

Project Ref	Project Title	St Anne's Wharf Bridge
Project Manager (report author):	Gwyn Jones	
Programme		
Programme Manager:		
Project Sponsor:	Jerry Massey	
Project Description		
Brief description of the project		
<div>1. The St Anne's Wharf Bridge has been a long established priority for Norwich and a key part of the City Council's strategy for the regeneration of the City Centre since the late 1980s. The requirement for the bridge was embodied in the policies of the City of Norwich Local Plan November 2004 and remains as a priority in the saved policies- November 2007. The bridge will provide the last remaining component of the important strategic pedestrian/cycle link between Riverside and the City Centre via King Street. The physical link will allow Riverside to become more fully integrated as part of the City Centre and catalyse the development of other brownfield sites in King Street (especially St Anne's Wharf), Mountergate and Rose Lane</div> <div>2. The developers of the Riverside site (Gazeleys) were originally obliged to provide this bridge (through a Section.106 agreement). Gazeleys procured a design for the bridge, secured planning permission (in 1999) and commenced work on site, constructing the footings for the bridge on the Riverside side. Changes in ownership and successive abortive regeneration proposals by different developers on St Anne's Wharf on the King Street side have meant that the completion of the construction of the bridge was not been possible as the landing for the bridge could not be provided on that side.</div> <div>3. The St Anne's Wharf site has recently changed hands and is now owned by City Living Developments. City Living have already completed demolition of the former brewery distribution depot buildings on the site and are keen to pursue their development. They are willing to enter into an agreement to allow access for bridge construction and dedicate a route through as a public highway.</div>		

### **Project Objectives**

This must include how the project links to the programme and contributes to Corporate Strategies

**Corporate Plan Objectives** see appendix A for checklist

**Yes/No?**

Strong and Prosperous City

Yes

Safe and Healthy Neighbourhoods

Yes

Opportunities for All

Yes

Aiming for Excellence

No

Unitary Status

No

**Service Plan**– identify which plan incorporates the project

*Planning; Transportation*

### **Project Outcomes**

Brief list of key measurable outcomes of project (Contributions to Corporate Strategies)

*The project will increase the number of linked trips between Riverside and the City Centre, allowing residents improved pedestrian/cycle access to retailing on Riverside and the railway station.*

*It will catalyse the development of St Anne's Wharf site, bringing derelict Brownfield sites back in to use for housing and jobs. It will stimulate the development of other sites in King Street/ Rise Lane/ Mountergate.*

## Scope

Brief summary of what the project involves and the limitations to the project.

*The project involves the completion of the design of the new pedestrian/cycle bridge, construction of the bridge and bridge landings, completion of links to the public highway.*

## Constraints and Interfaces

Brief list of key constraint details, eg time?, budget? and any interfaces with other projects (whether within the programme or outside of it)

*The main constraint relates to the timescale for spending EEDA funding. EEDA requires the £730,000 grant to be spent in 2008/9. The ability to commence works is dependent on renewing various consents associated with the bridge. The construction of the bridge is dependent on securing permission to land the bridge on St Anne's Wharf from City Living. This has already agreed in principle.*

## Design Life and Replacement Costs

Specify the design life of the key assets created, and the anticipated replacement costs (for financial planning purposes)

*The bridge will be adopted on completion by Norfolk County Council, who will take on the maintenance responsibility for the bridge. The costs of the bridge include the commuted sum payable to allow the bridge to be adopted. The City Council will not have any on-going liability associated with the bridge.*

## Project Timescales

List the key milestones for the project, in order to give an outline of timescales. NB these will be subject to change when detailed planning commences. Include milestones such as "out to tender", "start on site", "completion", "operational".

Milestone/date

Renewed consents obtained (where required e.g. navigation) – 30/11/08

Agreement for bridge landing on West bank & access arrangements secured- 30/11/08

Order placed with contractor- 30/11/08

Site works commence - Jan 09

Bridge completion- Mid August 09

Bridge adoption- Sept 09

## Outline Business Case

Brief summary of the justification for doing the project, e.g. what are the project outcomes and costs what options have been considered. Include Feasibility study in appendices if available. Complete project cost form and append.

The full funding required for the construction of the bridge (around £2.5M) has now been secured. This will be made up S.106 contributions (plus interest) and a grant of £730,000 from the East of England Development Agency (EEDA) plus £70,000 from GNDP (CLG Growth Point funding).

The s.106 funds were secured from Gazeleys when they were not able to complete the construction of the bridge and subsequently made payments via commuted sums to the City Council. The funds for the bridge have been held in an interest bearing account and the Council now holds some £1.7M. Originally the Gazeley contribution was intended to cover the full cost of the bridge but this funding is now insufficient principally because of the costs of inflation on steel. The obligation to complete the bridge now rests with the City Council and the Council is obliged to return the funding to Gazeleys if it has not been used to deliver the bridge by 2014.

Over the last year, the City Council has worked with Greater Norwich Development Partnership (GNDP) to produce an Integrated Development Programme (IDP) for Greater Norwich. This has taken a coordinated approach to investment priorities for growth in Greater Norwich. The St Anne's Wharf Bridge was included as a top priority in the IDP. The opportunity arose recently to apply for funding for 2008/9 from the East of England Development Agency (EEDA) based on the IDP priorities. GNDP submitted project concept forms to EEDA based on a small number of priority projects. EEDA indicated that it was likely to be willing to provide funding (of around £700,000) to complete the St Anne's Wharf bridge in 2008/9 and invited GNDP to submit a detailed Business Case. GNDP agreed to contribute £70,000 towards the costs of fees/project management for the project. EEDA made a decision on 28<sup>th</sup> October 2008 to provide the remaining £730,000 required to complete the project. EEDA will require its full grant plus a proportion of the s.106 funding to be spent by 31<sup>st</sup> March 2009.

The budget and spend profile is set out in Appendix 2.

Delivery options are set out in Appendix 4.

## Key points of the Business Case

<i>Project Risk – to Council reputation of not carrying out project</i>	<i>Low, Medium, or High?</i>	<i>High</i>
<i>Project cost</i>	<i>Low (&lt; £50,000)</i> <i>Medium (&gt; £50,000 &lt; £250,000)</i> <i>High (&gt; £250,000)</i>	<i>High</i>
<i>Estimated no of Norwich Citizens impacted/benefiting/using?</i>	<i>Low (&lt; 500)</i> <i>Medium (&gt; 500 &lt; 5000)</i> <i>High (&gt; 5000)</i>	<i>High</i>

<i>Asset creation</i>	<i>Will the project create a Council asset worth more than the project cost?</i>	<i>No- adopted by Norfolk County Council</i>
	<i>Will the project create a Council asset worth less than the project cost?</i>	
<i>Efficiency of service</i>	<i>Will the project save money or increase the efficiency of an existing Council asset or service?</i>	<i>No</i>
<i>Income generation</i>	<i>Low (&lt; £25,000 pa)?</i> <i>Medium (&gt;£25,000&lt; £100,000 pa)?</i> <i>High (&gt; £100,000 pa)?</i>	<i>None</i>
<i>External funding sources</i>	<i>Low (&lt; 25% of project cost)?</i> <i>Medium (&gt; 25% &lt; 50% of project cost)?</i> <i>High (&gt; 50% of project cost)?</i>	<i>High- s.106 funds + EEDA funding</i>
	<i>Is the external funding secured?</i>	<i>Yes</i>
<i>Impact on revenue funding</i>	<i>Will the project reduce Council revenue costs once it is completed?</i>	<i>No</i>
<i>Will the project require Council revenue funding once it is completed?</i>	<i>Low (&lt;£5,000 pa)</i> <i>Medium (&gt;£5,000 &lt; £25,000 pa)</i> <i>High (&gt;£25,000 pa)</i>	<i>No</i>
	<i>Is the Council Revenue funding secured?</i>	<i>N/a</i>
<i>Project management</i>	<i>Has the Council carried out a similar project before?</i>	<i>Yes</i>
	<i>Have others carried out a similar project before?</i>	<i>Yes</i>
	<i>Does the Council have the staff resources available now to carry out the project?</i>	<i>Yes- under delegated arrangements with Norfolk County Council</i>

	<i>Has a risk assessment been carried out for the project?</i>	Yes
<i>Level of risk to delivery of project?</i>	<i>Low, Medium, or High?</i>	Low

### **Project Authority and governance arrangements**

Brief summary of key decision makers and decision points. Include project structure diagram in appendices

As part of the Business Case to EEDA, project management and governance arrangements need to be agreed. The following responsibilities are proposed (see diagram in Appendix 3):

- The City Council is the fund holder and the accountable body for EEDA funding. Overall responsibility for the delivery of the project lies with Norwich City Council as the Council still holds the legal obligation to deliver the bridge under the s.106 agreement with Gazeleys. The Council will manage the project through established processes reporting to the Council's Capital Programme Board (and Executive as appropriate). The Capital Programme Board will act as gatekeeper and take responsibility for release of funds
- The City Council will enter into a discharge of functions agreement under the Local Government Acts with Norfolk County Council, who have an existing contract with May Gurney (through the Norfolk Partnership) to allow them to deliver the project. This is considered to be the best option to bring in the necessary expertise to deliver the project in the required timescales and value for money can be demonstrated through the mechanisms that Norfolk County Council has used for procuring contractors under the Norfolk Partnership. (see Appendix 4)
- The Project management will be undertaken via a Delivery Team led by Norfolk County Council, including representatives from both the City and County Councils, the Broads Authority, City Living (St Anne's Wharf developers), the designer and contractor. The Project Delivery Team will meet fortnightly and provide reports to the City Council's Capital Programme Board and to GNDP Board on a monthly basis
- The project sits within a suite of projects for Greater Norwich, overseen by the Greater Norwich Development Partnership (as a priority identified in the IDP). GNDP will retain strategic oversight of this project in the context of the growth agenda and will receive regular progress updates.



## Stakeholders

List of key stakeholders in the project. Include any evidence of support in appendices

*Key stakeholders are: Norfolk County Council- project delivery; Mott Mac Donals- bridge design; May Gurney- bridge construction; EEDA- funding; City Living- developers of St Anne's Wharf; Broads Authority- planning authority for the river and navigation authority; the general public –as users of the bridge; local businesses- who will benefit from improved connectivity.*

## Risks

List of key risks identified. Include Risk management plan in appendices

*See Appendix 1- below*

*Project Sponsor: Jerry Massey*

*Signed:*

*Date:*

*Date considered by Executive/Programme Board:*

*Approved:*

## Appendix A

Use the checklist below to assess if the project contributes to one of the Corporate Plan priorities

<b>Corporate Plan Priority action list</b>	<b>Yes/No?</b>
<b>Strong and Prosperous City</b>	
City Hall development opportunities assessment	No
Cycling activity	Yes
Development of IDP	Yes
Economic Development Strategy development	No
Environmental Strategy and Implementation Plan	No
Green infrastructure strategy/delivery	Yes
Growth Points projects delivery	Yes
Joint Core Strategy and Implementation	Yes
Leisure Needs assessment	No
Memorial Gardens restoration	No
Northern City Centre Action Plan	No
Planning Improvement Plan	No
protection of economic development sites	No
Rose Lane/Mountergate Masterplan	Yes
St Anne's Wharf Bridge	Yes
St Stephens Masterplan	No
<b>Safe and healthy Neighbourhoods</b>	
Access to private rented accommodation for homeless	No
Alternate Weekly Waste Collection	No
Community Engagement Strategy development	No
Community Engagement Strategy implementation	No
Council House Energy efficiency	No
Decent Homes Programme	No
Maximise use of Housing Stock	No
Model urban Neighbourhood benchmark development	No
Parks for People programme development	No
Play Facilities improvement	No
Portrait of a Nation Project	No
Skatepark construction	No

<b>Opportunities For All</b>	
Adult Participation in Sport	No
Citizen magazine posted to every household	No
Equalities Standard Level 2	No
Equality Impact Assessment of Services	No
Financial Inclusion Strategy development	No
Free Events programme	No
Improve Accessibility to Services	Yes
Set up Older Peoples Commission	No
Support and increase capacity of Third Sector	No
Warm Homes Project to tackle fuel poverty in the private sector	No
<b>Aiming For Excellence</b>	
Asset Management Strategy Implementation	No
Benchmark Steria Contract	No
Corporate Compliments and Complaints System	No
Customer Care Standards implementation	No
Customer friendly letters	No
Customer Satisfaction and feedback system	No
Emergency Planning operation and testing	No
External Funding maximisation	Yes
Local Carbon Management programme development and Implementation	No
Members and Officers Leadership Programme	No
Members Charter and Development programme	No
Re-let City Care Services	No
Single Point of Contact for enquiries	No
Single Status Agreement	No
Support for Scrutiny Committee	No
Use of Resources improvement	No
<b>Unitary Status</b>	
Local Area Agreement Development	No
Publish Framework and discussion documents	No
secure Unitary Status	No
Service Position Statements and options	No
Transfer to Unitary Authority	No

## Appendix 1. Risk Assessment:

Item	Issue	Mitigation	Risk
1	Lack of funding to construct the bridge, construction cost circa £2.5 million	Project will not commence until funding from EEDA secured	low
2	City Council is responsible for delivering the project by 2014 or money has to returned to developer	City Council can project manage the scheme, or facilitate the scheme through the County Council. Depending on possible additional funding criteria Developer could build the bridge.	Low
3	Adoption of the bridge on completion. County will only accept the bridge for adoption if it links to two adoptable highways. If this is not achieved the City Council will be responsible for bridge	Need to reach agreement with developer on West bank, to permit access. New site owner is very keen for bridge to be built and agreed this in principle.	medium
4	Link bridge and permanent footway on east bank needs to be constructed	West bank land owner is required to link site to bridge and provide a footway / cycle link through the site. A planning application has been previously approved, current land owner has agreed in principal to fund and accept original application	medium
5	Procurement of steel to build the bridge. Steel price continues to rise faster than interest raised on deposit. There is also a three month lead in from order date before steel arrives on site	Need to allow for price increase and procurement delay in budget and program. Can reduce risk by placing order early. Review design to consider other materials	low
6	Certain consents and approvals, will require resubmission where lapsed	Several consents are still applicable, planning permission has previously been given, -only detailed design issues to be discharged by condition. Order will not be placed until consents obtained.	Low
7	Original design needs updating to new EU and current standards	Contractor confirms that the design will meet all the current standards and any	Low

		changes have been allowed for	
8	Complying with Council procurement rules, to use original contractor	Options appraisal shows that value for money can be demonstrated.	Low
9	Construction or unforeseen risks	The contract will be delivered as an NEC Option C Target Cost Contract	Low
10	Meeting program constraints	Contractor's revised program is similar to the original as per duration. Contractor has stated there is still some flexibility within the program if required	Low
11	Meeting Financial constraints and cash flow projection	Contractor can supply a predicted cash flow program if required. Program will depend on type of contract entered and agreed milestones. Due to high steel cost, contract is likely to have higher upfront costs than normal	Low

## Appendix 2.

**Table 1 : Costs**

	2008/09	2009/10	2010/11	Total
	£000	£000	£000	£000
Construction Costs	980	800	0	1,790
Design, Review & Update	80	0	0	80
Supervision	25	20	0	45
Norfolk County Council PM Fees	50	50	0	100
Committed sums	307	0	0	307
Contingency fees	165	0	0	165
<b>Total</b>	<b>1,617</b>	<b>870</b>	<b>0</b>	<b>2,487</b>

**Table 2 : Funding**

	2008/09	2009/10	2010/11	Total
	£000	£000	£000	£000
Total Private Funding (s.106 contributions plus interest on account)	1,687			1,687
EEDA funding	730			800
GNDP (CLG Growth point funding)	70			70
<b>Total Capital Funding</b>	<b>2,487</b>			<b>2,487</b>

## Appendix 4: Procurement Options

<b>Discharge function to Norfolk County Council</b>	<b>Procurement directly by Norwich City Council</b>	<b>Buy in to other available contract</b>
Low staff costs – acting as client only	High staff costs- involving full project management and potential site supervision role	High staff costs- including potential in-house project management costs and external consultants and suppliers
Increased expertise- considerable experience of bridge design and construction and contracting of civil engineering contracts	Risk of lack of expertise- limited experience of bridge contracts	Increased expertise- depending on selection of appropriate contractor
Existing contract- including work already undertaken- minimising time taken to start up	Lengthy process- timescale would be too long to meet EEDA's funding constraints	Contract in place, quick start up
Value for money established through existing open competitive process followed by Norfolk County Council in setting up Norfolk Partnership. Subsequent benchmarking exercises undertaken to check continuing delivery of cost and quality by contractor	Open tender process would establish value for money for externally provided work	More difficult to establish value for money