

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member for Environment and Transport
Date:	19 May 2016
Title:	A340 Aldermaston Road Dualling – Decision to increase PA value.
Reference:	7469
Report From:	Director of Economy, Transport and Environment

Contact name: Andy Kitchin

Tel: 01962 826610

Email: andy.kitchin@hants.gov.uk

1. Executive Summary

1.1. The purpose of this paper is to seek approval to increase the level of spend previously authorised on the A340 Aldermaston Road Dualling scheme (The Scheme) in Basingstoke from £4m to £4.41m, and to grant the Director of Economy, Transport and Environment (in consultation with the Executive Member) the Delegated Powers to seek compensation from Statutory Undertakers and Utility Providers in the event that failure on their part under The New Roads and Streetworks Act 1991 or the Diversionary Works Code of Practice leads to unscheduled expenses on County Council Highway Schemes.

1.2. This paper seeks to:

- set out the background to the project and it's objectives;
- explain the issues resulting in the overspend;
- highlight the risks inherent in not increasing the approved scheme budget;
- explain the legislation surrounding Public Utility Companies and Statutory Undertakers;
- Justify the recommendation to seek Delegated Powers for the Director (in consultation with the Executive Member) to seek compensation from public utility companies where failure on their part under The New Roads and Streetworks Act 1991 or the Diversionary Works Code of Practice leads to unscheduled expenses on County Council Highway Schemes;
- Outline the basis, and potential recommendations, of a report to be submitted for a future Decision Day which will detail the current risks faced by the County Council on highway schemes resulting both from uncharted services, and the performance of public utility companies on highway schemes.

2. Contextual information

- 2.1. In April 2015, approval was given to implement a scheme to partially dual the A340 Aldermaston Road between its junctions with Priestley Road and Park Prewett Road, along with improvements to both the junctions at an estimated cost of £4 million. The Project Appraisal and Executive Decision Record are appended to this report.
- 2.2. Work commenced in October 2015, and is currently ongoing. Dyer and Butler are the Principal Contractor for the works.
- 2.3. Design work was carried out by the County Council, and during the course of design progression enquiries were sent to all utility companies known to operate in the area as to any plant they had that may be affected by the works. The utility companies responded with maps of their plant, and a fibre optic cable shown to be potentially affected by the works.
- 2.4. Trial holes were undertaken as part of the advanced works package, and the fibre optic cable was located and determined to be affected by the works. The utility company ascertained that the cable needed diverting, and the County Council paid in advance for the diversionary works.
- 2.5. It was decided that the utility provider should divert the cable within the main works package, and Dyer and Butler programmed their works to allow access early on within their construction programme.
- 2.6. Soon after diversionary works commenced, Dyer and Butler discovered a further fibre optic cable owned by the same utility provider running parallel to the known cable. This cable was not shown on their plans, and their engineers were unaware of its existence prior to Dyer and Butler discovering it on site.
- 2.7. The uncharted cable was also affected by the works and needed diverting. Works were suspended in that area while the utility company's engineers designed the diversion, and the County Council arranged additional payment. These works caused a series of knock-on delays to delivery, resulting in costs of £410,000 for the delays and disruption to the Contractor.
- 2.8. It is therefore recommended that approval be given to procure and spend for the revised amount and that the budget be adjusted accordingly.

3. Finance

3.1. <u>Estimates</u>	<u>£'000's</u>	<u>% of Total</u>	<u>Funds Available</u>	<u>£'000</u>
Design Fee	322	7	Developer Contributions	660
Client Fee	70	2	LGF	3,340
Supervision	155	4	LTP	410
Construction	3,863	87		
Land		0		
<u>Total</u>	<u>4,410*</u>	<u>100</u>		<u>4,410</u>

* Focus of this decision relates to increasing approved spend from £4m to £4.41m

3.2. <u>Revenue Implications*</u>	<u>£'000</u>	<u>% Variation to Committee's budget</u>
Net increase in Current Expenditure	12.9	0.012
Capital Charge	291.0	0.189

* Revenue implications unchanged from original Project Appraisal as per attachment

3.3. The additional funds being sought are available within the Local Transport Plan allocation, but such use will be to the detriment of other allocated schemes with the budget.

4. Performance

4.1. The works are ongoing and due to be completed in Summer 2016. The unscheduled fibre optic cable diversion has been completed, and the full impacts on programme and cost have been ascertained, as described above.

5. Other key issues

5.1. Section 79 New Roads and Streetworks Act 1991(NRSA) provides a duty to all Statutory Undertakers to record their apparatus and makes it a criminal offence to fail in this duty. It also allows any organisation experiencing a loss or damage as a result of a proven failure to claim compensation.

5.2. In addition, the Diversionary Works Code of Practice sets a formal process whereby utility companies and Highway Authorities contract to divert utilities as a result of highway works. Should a utility company fail to comply with agreed timescales or works then a Highway Authority may be able to claim compensation for the loss of working time.

- 5.3. However, both of the above provisions for recovering costs are subject to significant challenges from utility companies, so there would be a substantial onus on the County Council to prove that cost overruns were solely caused by the performance of one or a number of utility companies. This could require a significant effort on the County Council's part to present its case.
- 5.4. It is therefore recommended that approval be given to grant delegated powers to the Director of Economy, Transport and Environment in consultation with the Executive Member for Environment and Transport, to explore options and seek compensation from Statutory Undertakers and Utility Providers in the event that failure on their part under The New Roads and Streetworks Act 1991 or the Diversionary Works Code of Practice leads to unscheduled expenses on County Council Highway Schemes.

6. Future Direction

- 6.1. In the past, discovering uncharted underground utility plant has been seen as an "occupational hazard" of all highway schemes, with contingencies set aside to manage such eventualities.
- 6.2. However, within the current economic climate, Statutory Undertakers are currently experiencing resource shortages, leading to delays or extended lead in times in getting to site to carry out diversionary works. If uncharted plant is discovered, it can lead to weeks (or even months) of delays to major highway schemes, which are difficult to manage within programmes and can significantly increase costs..
- 6.3. It is therefore recommended that a review is carried out into the risks faced by the County Council on highway schemes resulting both from uncharted services, and the performance of public utility companies on highway schemes. A formal review is also planned for the Queens Roundabout scheme in Farnborough – a scheme that suffered from significant issues relating to public utilities. It is likely that the review will also consider what potential support could be secured from Central Government to deliver increased protection to Highway Authorities against cost overruns resulting from unexpected or undeclared utility plant or equipment disrupting highway schemes or works.

7. Recommendations

- 7.1. That the Project Appraisal Value for the A340 Aldermaston Road improvements scheme (The Scheme) in Basingstoke be increased from £4m to £4.41m, and that approval to procure and spend, and make the necessary contractual arrangements, be granted for the adjusted value.
- 7.2. That authority be delegated to the Director of Economy, Transport and Environment, in consultation with the Executive Member for Environment and Transport, to explore options and seek compensation where appropriate from Statutory Undertakers and Utility Providers in the event that failure on

their part under The New Roads and Streetworks Act 1991, or the Diversionary Works Code of Practice, leads to unscheduled expenses on Hampshire County Council Highway Schemes.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Project Appraisal: A340 Aldermaston Road Improvements, Basingstoke	6588	21 April 2015

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

The proposals will have little or no impact upon groups with protected characteristics. The proposals at the A340 Aldermaston Road will offer upgraded facilities for all road users, including improved pedestrian and cycle facilities which will increase route choices for local users, including the connection to existing pedestrian and cycle links. These proposals add value in terms of accessibility over the existing provision, especially for the North Hampshire Hospital, local health facilities as well as existing and proposed residential development.

2. Impact on Crime and Disorder:

2.1. These proposals are not expected to impact on crime or disorder.

3. Climate Change:

3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

These proposals aim to offer a comprehensive solution to several congestion issues in an area where road usage is set to increase significantly due to several housing developments.

- 3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The upgrading of the existing pedestrian and cycle facilities will also look to promote the use of non-motorised travel, which will reduce pollution and increase resilience in the long term.