

**NORTH EAST LINCOLNSHIRE COUNCIL
LAW AND DEMOCRATIC SERVICES**

**Scrutiny call-in mechanism on Cabinet/Portfolio
Holder decisions**

Date	20th November 2023
Cabinet Item (title)	15th NOVEMBER - CORPORATION ROAD BRIDGE REFURBISHMENT GRIMSBY
Decision Notice No.	DN.47
Reason(s) for Call-in	<ul style="list-style-type: none"> • For scrutiny to be assured that project management has been carried out to a satisfactory standard • For scrutiny to be assured that the forecast project delays are reasonable in the given circumstances • To enable scrutiny to obtain answers as to why the causes of delays were ‘unforeseen’ • For scrutiny to be assured that the contracting and procurement process has been carried out fairly and in line with standard public sector practice • To garner public confidence in the competent delivery by NELC of major projects • For scrutiny to understand such items of additional funding being sought such as ‘compensation events agreed to date but not implemented’ • For scrutiny to assess whether the statutory requirement to provide good value for money is evident and be assured that Principle F of the Local Code of Corporate Governance within the Constitution: <i>‘Managing risks and performance through robust internal control and strong public financial management’</i> is being complied with.
Desired outcome for Call-in	A scrutiny panel investigation via a working group or select committee to be established to review the adequacy of management of this project to date and to make recommendations as required for the tendering, procurement and management of future projects of similar economic and reputational impact as a policy development.
Intended Recommendation to Cabinet	To establish a ‘task and finish group’ to report to Cabinet with respect to major project procurement which uses learnings from this project to provide clear, concise recommendations to identify potential areas for improvement.
Details of estimated/actual	Cost neutral

cost	
To be referred to which Scrutiny meeting?	Economy Scrutiny

SIGNATURES OF TWO MEMBERS OF THE COUNCIL

(signature)

(printed name)

(1) _____

_____ Steve Holland _____

(2) _____

_____ Lyndsey Downes _____

CABINET

DATE	15th November 2023
REPORT OF	Councillor Stewart Swinburn - Portfolio Holder for Environment and Transport
RESPONSIBLE OFFICER	Carolina Borgstrom - Director of Economy, Environment and Infrastructure
SUBJECT	Corporation Road Bridge Refurbishment, Grimsby
STATUS	(Open Report – Closed appendices)
FORWARD PLAN REF NO.	GENERAL EXCEPTION - Not included on the Forward Plan therefore, to be considered under the General Exception provisions of the Constitution.

CONTRIBUTION TO OUR AIMS

The proposed scheme supports the Council's strategic priorities of 'Stronger Economy' and 'Stronger Communities' and directly relate to indicators outlined in the Council's 'Outcome Framework'.

This scheme provides improved infrastructure which supports delivery of the Local Plan by contributing to a reduction in road traffic incidents, improved walking and cycling routes, better air quality and, a reduction in CO2 emissions, promoting healthier lifestyle choices.

EXECUTIVE SUMMARY

The scheme to complete the refurbishment of Corporation Road Bridge in Grimsby was approved by Cabinet in May 2020 and work started on site in February 2023. Due to the extent of works required to repair and replace sections of corroded steelwork previously unforeseen, additional funding is now required to enable the full refurbishment to be completed.

This report seeks approval for additional council capital funding.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves additional capital funding as set out at Option 1 of the closed appendix to this report, which may be required to complete the refurbishment of the bridge.
2. Accepting the estimated nature of the possible costs, delegates authority to the Director of Economy, Environment and Infrastructure, in consultation with the Executive Director Place and Resources (as s151 Officer) and also in consultation with the Portfolio Holder for Environment and Transport to make any required adjustments in the above funding to the maximum being the

amount as set out at Option 3 of the closed appendix and implement all actions necessary to bring the required works to fruition and to take all ancillary actions reasonably arising.

REASONS FOR DECISION

The authority has identified Corporation Road Bridge as a priority for repair particularly in respect of its heritage and economic value to the town. The Council has set aside committed funds of £1.83million to enable a 40% contribution of the overall scheme costs, which total £4.967million. Funding was also secured from the Department for Transport (DfT) to enable completion of the scheme.

Price increases due to inflation, coupled with extensive unforeseen steelwork repairs being identified to the underside of the bridge, additional assessment and design work for replacement of steelwork components, hand working around Northern Powergrid cables, and other items in relation to unforeseen repairs, have all increased the repair costs over and above the funding approved for completion of the refurbishment in 2020. Detailed assessments of the full extent of steelwork repairs are currently underway. The results of which will identify in more detail the full extent of additional funding required.

However, having regard to the timescales for completion of the works and to ensure the funding is available to allow work to continue on site with no additional delays, additional funding is now sought, which will cover the estimated cost for the repairs and additional costs outlined below and provide a contingency. Further detail is provided in section 1 of this report and the closed appendix.

It should be noted, that until the assessment and design work for replacement of steelwork components are completed of the underneath of the six spans of the bridge, the full extent and costs of the repairs will not be known. The costs identified in this report are the known costs at the time of producing the report and the costs may be greater if the deterioration of the steels is worse than envisaged.

1. BACKGROUND AND ISSUES

- 1.1 Corporation Road Bridge is a Grade 2 listed structure (List Entry Number 1379432, listed in 1999) owned by North East Lincolnshire Council. It is included on the Council's register of listed structures that are at risk. The structure is a cast iron and steel, electrically powered Scherzer rolling lift road-bridge built in 1925, carrying Corporation Road over Alexandra Dock in Grimsby, and was refurbished c1980.
- 1.2 The original costs for the refurbishment scheme included £750,000 contingency to allow for unforeseen costs which can be common in historic structure refurbishment schemes such as this. Prior to the award of the contract in 2022 a repricing exercise was undertaken which confirmed an overall scheme cost increase of £744,916 due to high construction inflation increases. It was approved at the time by the Portfolio Holder for Environment and Transport in consultation with Cabinet, that the contingency would be used to cover the scheme price increase to enable the scheme to progress. Any further funding required for the project would have to be approved through resubmission to Cabinet.

- 1.3 The additional funding sought will cover items such as the following:
- Implemented Compensation events to date.
 - Compensation events agreed to date but not implemented.
 - Detailed assessment and design including fabrication and steelwork repair/replacement.
 - Jacking and Bearing redesign due to NPG cables and accessibility restraints.
 - Additional Control room works for electrical improvements and asbestos removal/containment.
 - Permanent propping works for bridge bearings.
 - Contingency.
- 1.4 The bridge forms an important link between Grimsby town centre and the A180 and Port of Grimsby. If the remedial works are unable to be completed in full, which forces a closure or weight limit on the bridge, it may affect the viability of economic development opportunities within the town centre.

2. RISKS AND OPPORTUNITIES

- 2.1 Should the additional funding not be approved the highway authority may have to close Corporation Road Bridge to remove any risk of danger and injury to highway users as the bridge will not meet the loading requirements for vehicles for any future use. Closing this key structure and road in Grimsby town centre may impact the viability of economic developments in the town centre. It is not known until the results of the assessments are received and design work undertaken, what weight limit would need to be imposed, or whether it would be suitable for vehicle loading at all.
- 2.2 If the scheme is not completed in full to enable the opening and continued use by vehicles and pedestrians, and as the bridge is listed, the Secretary of State may serve an S54 Notice to require its repair, which may result in the bridge being closed until additional funding can be sought to complete the refurbishment in full.
- 2.3 If the Council fails in its statutory duty to maintain the highway, there is potential for financial consequences from civil lawsuits that may be filed against the Council for collapse of business through failure to maintain the highway.
- 2.4 If the bridge works are not completed in full in accordance with the original funding application to the DfT, the DfT may ask for a return of the awarded grant funding. This may subsequently have a detrimental impact on any future funding applications to the DfT.

3. OTHER OPTIONS CONSIDERED

- 3.1. Stop assessments - Without completion of the assessments the highway authority will not know the level of loading the bridge is able to take following any repairs, and the repairs themselves would be unable to be completed. The Principal Contractor will be unable to determine what areas of steelwork can be

safely removed for repair and replacement, so the works would effectively stop on site. This option has therefore been discounted due to the extent of work already undertaken to date and the requirement to ensure the bridge is refurbished and fit for purpose for future use.

- 3.2. Source alternative external funding - No other external funding opportunities have been identified at this time to enable the additional funding to be sought from external funding streams.
- 3.3. Safety Critical works only – The works on site are already past the point of only undertaking the safety critical works. The deck repair, control room works, lifting mechanism and all blasting above deck level are all non-safety critical and have already commenced on site. Therefore, this option has been discounted.
- 3.4. Hybrid Safety Critical and Non-Safety Critical works – Continue with the non-safety critical works to a point where they can be satisfactorily completed and only undertake safety critical works to the underneath of the bridge. This approach has been discounted as there would be a need to introduce a weight restriction to the bridge when opened.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1 Delivering the scheme will have positive reputational/communication impacts for the Council as the project will result in improved highway infrastructure and road safety outcomes and improved accessibility for strategic employment sites and Grimsby town centre.
- 4.2 There may be some negative communication impacts resulting from the additional cost and time to complete the additional works. This risk will be mitigated by Equans and the Principal Contractor, Spencer Engineering, during construction by ensuring that where possible additional assessment, detailed design and fabrication of steelwork elements occurs concurrently with the existing programme timeline.
- 4.3 Should approval not be granted for the additional funding to complete the scheme the Council may have to close Corporation Road Bridge to remove any risk of danger and injury to highway users as the full refurbishment of the bridge can only be completed with the approval of additional funding to complete the nature of works outlined in section 1.3 of this report. Closing this key historic structure and road in Grimsby town centre may impact the viability of economic developments in the town centre. The reputational risk of closing a key road in Grimsby town centre and potential associated claims for disruption and failure of business due to restriction of vehicular access, would be significant.

5. FINANCIAL CONSIDERATIONS

- 5.1 The Council has committed £1.83 million of funding through the capital programme in accordance with the original cost estimate for the scheme. The Council also secured £2.967 million towards the scheme costs from the DfT. This sum included an appropriate contingency budget and amount for professional fees. The project contingency was used at the start of the project

to cover an unforeseen inflationary increase in tender price to the value of £744,916 which was approved by the Portfolio Holder for Environment and Transport in consultation with Cabinet.

- 5.2 An additional upper limit of capital funding is now sought from Council to complete the scheme. It should be noted that the total funding required is estimated at this stage as all detailed assessments and design work are not yet complete.
- 5.3 In the event that these costs are further exceeded, over and above this sum the Council will be liable for the additional costs above this threshold.
- 5.4 The level of additional funding required is unable to be supported from the Local Transport Plan (LTP) delivery programme. This level of reduction in capital funding for the delivery of schemes identified in the LTP would carry significant risk to the deterioration of other parts of the highway network carrying high levels of users. This would include a significant reduction in highway works including but not limited to carriageway resurfacing/structural repairs, other bridge repairs, footway repairs/reconstruction, installation of electric vehicle charging points, street lighting and traffic signal repairs and replacements, road safety improvements.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

There are no identified implications for children and young people.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 7.1 This project will have minimal impact on climate change as the project is to refurbish an existing highway structure.
- 7.2 The Council is aware of how its activities and services impact upon the environment and is committed to complying with relevant environmental legislation and regulations and to other requirements to which the organisation subscribes.
- 7.3 The council encourages the procurement of materials that take due account of their sustainability and impact upon our carbon footprint.

8. CONSULTATION WITH SCRUTINY

An update will be provided for consultation with Scrutiny, following the results of the detailed assessments and design work detailed earlier in this report.

9. FINANCIAL IMPLICATIONS

Funding for the unforeseen works will require additional borrowing to be undertaken which is not already reflected within the Council's approved Capital Investment Programme. This will result in additional borrowing costs being incurred over the life of the asset.

10. LEGAL IMPLICATIONS

10.1. There are no legal implications immediately arising from the above report. The contractor has been properly procured and works implemented. The matter now is one of funding for additional unforeseen works arising as a result of the continuation of the agreed works.

10.2. The Council remains subject to best value considerations and the ramifications for various scenarios are adequately set out in the above report.

11. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications arising from the contents of this report.

12. WARD IMPLICATIONS

The project will have direct implications for the West Marsh Ward but there may be wider impacts dependent upon the outcome of the works.

13. BACKGROUND PAPERS

None.

14. CONTACT OFFICER(S)

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Councillor Stewart Swinburn

Portfolio Holder for Environment and Transport