

LOCAL AUTHORITY MAJOR SCHEMES APPLICATION FOR FULL APPROVAL	
<b>Scheme Name</b>	Norwich Northern Distributor Road (NDR)
<b>Local Authority</b>	Norfolk County Council (NCC)

STRATEGIC CASE	
<p><b>1.1 Has the Strategic Case for the scheme altered in any way since the submission of your Best and Final Funding Bid?</b>  <i>In particular any external developments, changes in local plan, changes in developers plans or any new issues arising impacting upon public or business support for the scheme. If yes please provide details.</i></p> <p>In September 2011 NCC submitted a Development Pool funding bid for the NDR, a dual carriageway distributor road from the A47 at Postwick to the A140 junction near Norwich International Airport to the north of the city. The scheme was approved by DfT in December 2011, with the NDR being given "Programme Entry" status and an award of provisional funding with a fixed maximum DfT contribution.</p> <p>Whilst the DfT funding decision related to a scheme to the A140, NCC's Cabinet considered a report on 2 April 2012 which included details for the section of the NDR from the A140 to the A1067. The Cabinet resolved to submit an Application for the NDR from the A47(T) at Postwick to the A1067 and underwrite the additional costs. This scheme being consistent with the original route alignment adopted by NCC in 2005.</p> <p>Work commenced on the upgrade of the A47 Postwick junction (and an improved access to the Postwick Park and Ride site to allow for its expansion) following Full Approval for the Postwick Hub Junction from DfT in April 2014.</p> <p>Allied to the NDR scheme are some city centre traffic management measures that will discourage through traffic and enable the implementation of improvements for public transport, walking and cycling including enhancements to the public realm. These measures, all part of the Norwich Area Transportation Strategy (NATS), formed a condition (ix) to the DfT funding approval issued 15 December 2011:</p> <p><i>"(ix) Before Full Approval will be granted, Norfolk County Council is required to commit to a funded and timetabled package of sustainable transport in the city centre, on the basis of the Norwich Area Transportation Strategy, and to provide details of such a package to the Department. Regular implementation reports will be required to be provided to the Department at a frequency to be agreed."</i></p>	NO

The Norwich Area Transportation Strategy (NATS) Implementation Plan (IP) identifies and sets out city centre measures. The following are recognised as the city centre complementary measures:

City Centre Measure	Status
1 <sup>st</sup> Phase Removing traffic from St Stephens Street and bus only on Surrey Street Two-way bus, and deliveries and access only, on Chapel Field North	Completed Dec 2014
2 <sup>nd</sup> phase Closure (pedestrianisation) of Westlegate Golden Ball Street and Farmers Avenue two way for general traffic Removal of traffic from Gaol Hill and Exchange Street**	Preliminary Design underway funded via Local Transport Plan (LTP), funding secured via Local Transport Board (LTB) for implementation 15/16  (Removal of general traffic from Gaol Hill and Exchange Street will now be in a later phase.)
Last phase Bus only in two directions on Prince of Wales Road Rose Lane two way for general traffic Market Avenue: southbound for buses only; northbound for all traffic Agricultural Hall Plain two way for buses only Tombland public realm improvements to reduce traffic dominance	Brief completed, funding for design secured for 17/18 via LTB with potential funding for implementation 18/19 via LTB and LTP  Tombland: Currently a significant cycle scheme is in consultation in the areas which will be delivered by September 2015.

\* Tombland and Westlegate both have a traffic element and public realm improvements. The status column relates to traffic schemes only.

Norwich City Council is to identify potential extent of and funding for public realm improvements.

\*\* Gaol Hill/Exchange Street scheme is a minor traffic scheme providing pedestrianisation improvements which are not fundamental to overall transport benefits and are therefore prioritised accordingly.

The Tombland traffic scheme is in the early stages of development. Currently a City Cycle Ambition Grant funded scheme is being delivered on Tombland. Progress of this scheme and the Gaol Hill/Exchange Street scheme, will be consulted and developed separately following the completion of the NDR. Funding will come from a variety



of sources potentially including Local Growth Fund (LGF) & LTP.

As set out above the funding and implementation of all but the Tombland Project and Exchange Street / Gaol Hill will be in place within the next five years. The commitment of both the Local Transport Board (in providing £7m for the delivery of NATS schemes) and the Greater Norwich Growth Board (GNGB) (formerly Greater Norwich Development Partnership (GNDP)); have secured the arrangements for the delivery of these NATS IP measures.

The programme for these and other key NATS measures are set out on the NCC website, including an expenditure profile. (Annex A)

Since 2011 the New Anglia Local Enterprise Partnership (NALEP) has been asked by government to develop growth plans for their areas. NALEP's draft Strategic Economic Plan (SEP) – submitted to government at the end of March 2014 – sets out the ambition to transform the economy of Norfolk and Suffolk and establish the New Anglia area as a centre of global business excellence. The ambition of the Strategic Economic Plan is to deliver by 2026:

- 95,000 more jobs
- 10,000 new businesses
- Increased productivity (added value per job) to equal the national average
- 117,000 new homes

The SEP identifies five high impact sectors which offer the opportunity for rapid growth in absolute terms and in GVA per job, and four underpinning sectors which are the largest employers in the economy which it will continue to support. Norwich is identified as a growth location where the vast majority of growth will be delivered over the New Anglia area.

The ambition of the SEP is to deliver 37,000 homes by 2026 and to provide the headroom to bring forward 3,000 additional homes. In addition it will support delivery of 40,000 jobs (the Greater Norwich Joint Core Strategy target of 27,000 plus a further 13,000 agreed to be delivered as part of the Greater Norwich City Deal).

The SEP recognises the importance of the NDR stating: *"The Norwich Northern Distributor Road is fundamental to the delivery of the overall scale of growth, the remainder of the transport package that supports growth, and key elements of the City Deal. It is a funded "tail" scheme currently progressing through the Nationally Significant Infrastructure Projects process."*

The previous 2011 Strategic Case document set out in detail the objectives for the NDR in a format compatible with the then DfT guidance. The principles of these objectives have not changed but since then they have been recast at a slightly higher strategic level for the Development Consent Order (DCO) submission.

NATS, of which a key component is the NDR, gives an explanation of the likely achievements of an NDR. Having regard to these and the various considerations and the analysis that has been undertaken, the specific objectives for the NDR are to:

- reduce traffic levels, and thereby relieve congestion, on the existing road network within the urban area and beyond to the north of the city centre
- facilitate journeys that are already difficult and congested and require traffic to use residential and minor roads that are inappropriate for the type and volume of traffic that is currently accommodated
- provide access to and thereby help to deliver, planned and potential areas of growth, and enable those areas to be free of the need to incorporate provision for extraneous through traffic
- provide improved transport connections between existing and future areas of residential and employment development and with the national strategic road network as well as improving connections with Norwich International Airport and the wider area of North Norfolk
- increase the opportunities for improving provision for public transport and other sustainable forms of transport and for improving traffic management within the City Centre, thereby encouraging modal shift
- improve traffic related environmental conditions for residents in the northern suburbs of Norwich and outlying villages, whilst minimising the adverse environmental impact of the NDR.

Through the achievement of these objectives, the NDR will facilitate the step change in transport infrastructure that is required to address existing deficiencies and serve the full scale of population and economic expansion identified in the objectives and aspirations for the area.

These objectives are set out in the Benefits Realisation Plan (Annex 9) indicating how they will be measured and monitored.

Prior to the DCO submission for the NDR in 2014, it was thought prudent to review two previously discarded NATS options to reaffirm the preferred NATS strategy which includes an NDR. The two NATS options reviewed were:

- Option 1- Measures to enhance the existing highway network as an alternative to the NDR
- Option 2- Improvement to public transport provision as an alternative to the NDR

The review of Option 1 concluded that it is not possible to replicate the benefits of the NDR by simply improving the existing road network and that it would result in a very significant adverse impact on the urban environment. In addition to these shortcomings, the effect on



residential properties would require powers of compulsory purchase and it was therefore not considered to be a feasible alternative.

The review of Option 2 concluded that public transport initiatives are an essential complement to the NDR and key to the implementation of a sustainable transport policy but, even in combination, they do not constitute an alternative to it.

This review led to the conclusion that the preferred NATS strategy, which includes an NDR, is the only way forward to meet the identified objectives.

Referring back to the previous work on NATS options, documented in the NATS options assessment report 2005, only alternatives based on the preferred option with an NDR extending from Postwick in the east to the A1067 in the west (Option 3 in the 2005 report) were considered. That is to say, longer options extending across the Wensum Valley to the A47 were not considered as they had been shelved by NCC in 2005 due to the likelihood of a significant impact on the environment of the Wensum Valley Special Area of Conservation (SAC).

In view of this the only viable options for consideration for the DCO submissions were variations of the NDR within NATS Option 3 as described above. These variants include the possibility that the role of the NDR could be performed by a developer-funded link road constructed as part of development in the Northeast Growth Triangle. These alternatives to the NDR are described below.

- Alternative 1 – a single carriageway road following the same route as the proposed scheme
- Alternative 2 – a dual carriageway from the A47(T) at Postwick on a route the same as that of the preferred scheme but terminating at the A140
- Alternative 3 – as alternative 2 but with the addition of a single carriageway from the A140 to the A1067
- Alternative 4 – the preferred scheme except as a single carriageway between Fir Covert Road and the A1067
- Alternative 5 – Developer-funded link roads between the north east radials (in the segment between the A47(T) at Postwick and the A140) in conjunction with the development of planned growth areas.

A full examination of these alternatives against the NDR scheme objectives is contained in the DCO submission, and the conclusions are summarised as:

- Improvements to public transport and increased provision for cycling and walking would not address the fundamental economic and accessibility problems of the area and that public transport cannot fully address the connectivity problems in the Norwich area to support planned growth

<ul style="list-style-type: none"> <li>• An NDR is essential if the current and future transport and land use problems of the greater Norwich area are to be addressed</li> <li>• A non-road building solution will not meet the identified need, but an NDR has to be accompanied by parallel improvements in public transport, which the NDR will itself enable</li> <li>• Improvements to the existing highway network will not meet the objectives and the scale of the works required could not feasibly be implemented</li> <li>• Reliance on the internal link roads provided by developers would neither meet the need nor be in the interests of the quality of life and function of these future residential areas</li> <li>• Variations to the standard and length of the application proposals would reduce the benefits of the NDR Scheme and its contribution to the identified need, and would erode its value as a key element of the transport infrastructure of the growing city</li> </ul> <p>The overall conclusion is that the NDR scheme for a dual carriageway between the A47 at Postwick and the A1067 Fakenham Road represents the most appropriate form of distributor road within NATS to meet the objectives and identified need.</p> <p>The NDR scheme has undergone extensive consultation throughout its development within NATS. This is set out in section 5.9 below.</p> <p>Consultation prior to the DCO application in January 2014 included dialogues with the Statutory Environmental Bodies. These are described in Section 5.2 below.</p> <p>Overall the NDR and the wider transport strategy NATS enable growth in jobs and housing in Norwich and facilitate the implementation of sustainable transport measures which will improve the quality of life.</p> <p>All of this is in conformity with the latest White Paper on transport and meets government objectives to deliver economic growth (the NDR is included in the National Infrastructure Plan) and so fulfils shared government and local objectives.</p> <p>In conclusion, if the NDR and other NATS measures are not implemented, the local authorities will not be able to achieve their planned growth in housing and jobs and policies on offering sustainable and low carbon travel alternatives in the city.</p>	
<p><b>1.2. Has the scope of the scheme changed from that described in the Best and Final Funding Bid?</b>  <i>If so please provide details, including any changes resulting from conditions attached to statutory powers granted.</i></p> <p>The BAFB for the NDR included the Postwick Hub Junction. NCC submitted a separate bid to draw down the funds for the Postwick Hub Junction and this bid received full approval from the DfT in April 2014. This application is for the remaining funding of the NDR.</p>	<p><b>NO</b></p>



## ECONOMIC CASE

### **2.1 What is the latest BCR of the scheme?**

*Please provide updated AMCB, TEE and Public Accounts Tables in **Excel** form. Unless specifically requested by DfT no new analysis is required, merely the updating of information known to have changed e.g. costs; and reflecting reduced optimism bias where applicable.*

Updated AMCB, TEE and Public Accounts Tables can be found in Annex 1. A report containing the Economic Appraisal with Final Scheme Costs is included as Annex 13.

The Public Accounts Tables are presented on the basis of a DfT contribution of £77.49m. This follows NCC making a request for additional funding as set out in 3.4 below.

### **2.2 Please attach an assessment of the Social and Distribution Impacts of the scheme (conducted in line with DfT guidance) including, where appropriate, include details of appropriate mitigations?**

*If you have already agreed with DfT that no update is required beyond that included in your BAFB please state here.*

Assessment of Social and Distributional Impacts (SDIs) is included in Annex 2.

## FINANCIAL CASE

### 3.1 What is your estimate of the total outturn cost of the scheme?

Please provide a breakdown of costs using the template below. Please use cost headings consistent with those used in your BAFB, although you may identify the contracted construction price in its own line.

In the column showing the BAFB costs please incorporate any adjustments made by DfT as advised in your Programme Entry letter.

Please ensure that in the risk/QRA cost

- You have removed risks now transferred to the contractor as part of the final tendered price
- You have not included any risks associated with ongoing operational costs
- You have used the P50 value.

Please quote all amounts in £m to three decimal points (i.e. to the nearest £1000)

Please provide detailed cost estimate and QRA as Annexes.

Full approval for the Postwick Hub element of the scheme was granted in April 2014. Construction work commenced in May 2014 and is currently on-going. The full approval form for Postwick Hub is attached as Annex B. This full approval application is therefore for the NDR to the A140 element of the scheme.

Annex 3 includes the detailed cost estimates for both the NDR to the A140 and the NDR to the A1067. Annex 4 includes the QRA for the NDR to the A1067. The QRA for the NDR to the A140 is calculated as a proportion of the NDR to A1067 QRA based on the difference in construction cost between the two schemes.

Cost Heading	As per BAFB (including any adjustments advised by DfT)	Currently Estimated Cost (NDR to A140 excluding Postwick Hub)	Currently Estimated Cost (NDR to A1067 excluding Postwick Hub)
<b>Base Cost Summary</b>			
Construction Cost	73.7	81.331	115.458
Land Cost	9.0	11.274	17.230
Preparation Cost	4.4	10.340	14.362
Supervision	1.0	0.936	1.300
Base Cost Total	88.1	103.881	148.350
<b>Quantified Cost Estimate</b>			
Base costs (incl. Eligible Preparation Costs)	97.7	103.881	148.350
Quantified Risk Assessment	6.34	1.465	2.035
Inflation	7.1	0.544	0.762
<b>Total</b>	<b>111.14</b>	<b>105.890</b>	<b>151.147</b>



### 3.2 Please state what inflation assumptions you are using.

*Inflation rates for different categories (e.g. general inflation, construction cost, operating cost) should be separately identified.*

A cautious approach to inflation has been taken for the economic assessment which has adopted the BCIS All-in index. A 3% lump sum allowance has been built into the Target Cost to cover future inflation pressures. The use of 3% has been agreed with the County Council's appointed contractor Balfour Beatty and is considered appropriate for the following reasons:

It is the project strategy to procure fixed price contracts at the earliest opportunity when the contract is let. This will include securing materials where practical. In this way the potential effect of future inflation will be diluted. The contractor is targeting to complete 70% of the project procurement in the first 6 months to seek to achieve our strategy. Therefore the inflation allowance made has been aligned to this strategy. Furthermore, the proposal for inflation within the final target cost is expected to sufficiently cover the specific BCIS indices increase for the period of construction, assuming the price of oil continues to remain suppressed. However, considering the volatility of the oil price, with the corresponding knock on effect to the construction industry, the contract will contain clauses to measure and adjust the contract sum should inflation accelerate beyond the 3% already accounted for, with NCC carrying this risk on price adjustment. NCC has allowed a contingency allowance of 0.5% pa on construction costs to cover this risk.

### 3.3 Please describe any significant remaining risks to the current cost estimates?

The significant remaining risks (other than inflation and those risks identified in the risk register referred to in 3.1) are typically strategic risks outside the control of the authority, for example:

- Statutory changes e.g. EU legislation changes, UK Government tax
- Change in design standards
- Political - Change of Government / Secretary of State
- Political - Change in Government strategy, policy and targets
- Contractor goes into receivership
- Change in environmental designations
- Civil unrest, riots, strikes

Other risks are identified in the Risk Register attached in Annex 4.

### 3.4 Please provide a breakdown of the proposed funding sources for the scheme

#### (a) Local Authority contribution

*Please include the LA costs incurred or expected to be incurred since Programme Entry (that is the original Programme Entry approval if prior to 2011) excluding ineligible preparatory costs as defined by previous guidance and excluding the cost of any Part 1 Claims.*

**£ 28.40million**

(see note below)

#### (b) Agreed third party contributions

*This should include only committed third party contributions, Please name each contributor on a separate line and provide evidence of agreement (e.g. a letter from the funder confirming their degree of commitment, timing for release of funds and any other conditions etc).*

**£ 0 million**

(see note below)



<p><b>(c) DfT funding requested</b>  <i>The funding requested from DfT <u>must not</u> exceed that requested in your Best and Final Funding Bid (BAFB).</i></p> <p><i>If the total estimated cost of the scheme is less than that quoted in the Department's Programme Entry letter, the requested contribution from DfT should be reduced by the same proportion.</i></p>	<p><b>£ 77.49 million</b></p> <p>(see note below)</p>
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**Notes:**

There is a contribution from the pooled Community Infrastructure Levy (CIL) and the New Anglia Local Enterprise Partnership towards the NDR to A1067 scheme. This is explained in more detail in 3.7 below.

**3.5 What is the estimated funding profile?**

- Please do **not** include in any of the costs shown in this table
  - ineligible preparatory costs as defined by previous guidance
  - the cost of any Part 1 Claims.
- Although the maximum level of DfT funding will be fixed, profiles across years may be subject to further discussion and agreement.
- Please specify the third party contributor(s) and list each one (if more than one) on a separate line.
- The DfT contribution to costs that have already been incurred should not exceed what was assumed in the BAFB and should include no more than 50% of eligible preparatory costs (as defined by previous guidance). Please note that the DfT contribution to costs already incurred should, if the scheme is approved, be included in the first quarterly claim submitted to the Department.

£m	Costs already incurred	2015/16	2016/17	2017/18	2018/19	2019/20	Total	% of total
<b>LA contribution</b>	8.981	3.203	5.933	6.861	3.122	0.300	28.400	26.8
<b>Third Party contribution</b>	0.0						0.0	0
<b>DfT funding requested</b>		13.500	34.5	29.49			77.490	73.2
<b>TOTAL</b>	<b>8.981</b>	<b>16.703</b>	<b>40.433</b>	<b>36.351</b>	<b>3.122</b>	<b>0.300</b>	<b>105.890</b>	<b>100</b>

**3.6 Please indicate the level of flexibility with regard to the phasing of the local contribution of the bid (including the third party contribution), should the DfT have a need to vary the phasing of its own contribution for budgetary reasons.**

*Please detail the level of change in DfT support per funding year you could accommodate within the project and from which sources any change would be made up.*

The funding profile presented in 3.5 is based on the contractor's most recent programme, planned land entry dates and the date by which key Statutory Undertaker orders are to be placed and funds committed. The profile assumes placing high value orders early such as steelwork, which will in turn help to mitigate against possible inflationary pressures. There is scope to make earlier advanced payments subject to developing a more detailed spend profile with the contractor.

**3.7 Please explain how the Local Authority contribution will be funded.**

*Please reference any council decisions allocating the required budget or approving any necessary borrowing etc*

NATS forms part of the infrastructure required to support the economy and improve the quality of life and transport choice for local people. It also helps to support the delivery of local growth requirements, as set out in the adopted Joint Core Strategy (JCS), which reflects the potential of the economy to generate jobs and the locally determined need for new housing. The NDR will also have wider benefits to North Norfolk and Great



Yarmouth.

The infrastructure requirements also form part of the City Deal which has given NCC access to a reduced rate PWLB borrowing (PWLB project rate, an interest rate lower than would normally be available to the County Council, therefore any borrowing would be at a lower cost) and a number of other sources of funding.

The Local Authority contribution will be supported by the GNGB contribution up to £40.000m. This will be funded from Community Infrastructure Levy (CIL) contributions collected by the District Councils. As the NDR forms a critical part of the City Deals and is priority 1 transport infrastructure set out in the JCS and its implementation (plan the Local Investment Plan and Programme (LIPP)), the Districts are fully committed to meeting their funding commitments.

Through the City Deal, it has been agreed (by each of the GNGB local authorities) to pool CIL and other potential income such as retained business rates and new homes bonus.

In addition, the New Anglia Local Enterprise Partnership (LEP) has provisionally agreed to provide £10m of funding towards the delivery of the NDR to A1067 project. This will be funded from the 2016/17 Future Growth Fund. The LEP funding is currently dependent on the parts of the financing being in place and the LEP Board formally approving the proposals at their next board meeting in Norwich on September 9. NCC will therefore underwrite this element as part of this full approval application. The S.151 Officer signature to this document has taken this into account.

As part of the planning for the delivery of the infrastructure requirements of the JCS, a forward programme has been produced to ensure the programme is deliverable from the available funding, taking into account long term funding sources and commitments.

In its forward planning NCC has considered the financial impacts of the NDR. A full profile of expenditure on the NDR and related funding streams was taken to Cabinet on 4 November 2013 (Annex C), resolved to underwrite £60.34m towards the scheme in accordance with the funding profile presented. A further report was taken to Cabinet in April 2014 (Annex D) where members approved a revised cost profile to take into account a number of changes to the scheme, noting there was no change to the overall cost of the NDR. The total costs of the scheme therefore remained at £148.55m and the Cabinet confirmed their commitment to underwrite £60.34m as shown in the budget profile. A statement detailing the funding arrangements in place along with S151 officers approval is included in Annex E

Within the Capital Strategy and Programme 2014-17 report to Cabinet on 27 January 2014 (Annex F) members noted that, the majority of costs relating to the scheme are being reimbursed through funding from DfT, and that the Council would need to borrow £60.340m to finance the scheme over its lifetime. This borrowing is supported by the GNGB for up to £40.000m.

A further Full Council meeting on 2 September 2015 has been held to confirm the funding arrangements for the NDR to A1067 project. This report is included at Annex H. It includes reference to the additional funding from DfT (£10m), the additional funding from the LEP (£10m), and additional funding from NCC (£10).

## COMMERCIAL CASE

### **4.1 Please provide details of the firm and final offer for the main contract, including the price and period of validity.**

*If there are multiple contracts and none can be regarded as the primary contract please explain this on a separate sheet, also addressing the questions below.*

Birse Civils Ltd which was part of the Balfour Beatty group were originally appointed as preferred contractor for Postwick Hub and the NDR using a two stage New Engineering Contract (NEC 3) by NCC on 16 February 2009. In December 2014 the Birse Civils Ltd trading name was changed to Balfour Beatty Civils Ltd.

The Contractor has been appointed for Stage 1, early contractor involvement (ECI) to assist with the development of the Scheme through the statutory process phases.

Stage 2 is split into two sections. The contractor has already been instructed to construct Postwick Hub (Stage 2a), however they will only be appointed to Stage 2b, to construct the NDR, when the Secretaries of State have confirmed the DCO and funding is in place.

A brief summary of the procurement strategy and process followed to appoint the contractor has been included in Annex G.

### **4.2 Is this a fixed price or target price contract?**

*If target price, please provide details of the pain/gain arrangements*

The contract is NEC 3, Option C, with a Target Price developed from first principles and an incentivised approach which aims to deliver the construction works below the target figure. A pain/gain share arrangement is used as part of this process

Contractor's share:

Less than 95%	50%
95% to 100%	75%
100% to 110%	50%
110% to 130%	70%
Greater than 130%	100%

### **4.3 Please provide details of any incentive or other clauses that may affect the total cost or the timing of payments?**

Pain/gain share – see 4.2

There is also an Early Completion Bonus commensurate with the cost of prelims.

There is also a Scheme Bonus whereby any savings against the whole scheme budget will be shared 50/50 between the Contractor and the County Council

### **4.4 Please list the significant risks that are transferred to the contractor, and those that remain with the authority.**



### Contractor's Risks

The Contractor has covered his risk allowance within in the Target Price. The main risks that have transferred to the contractor are as follows:

- Exceptional weather less than a 10 year event
- Escalation of sub-contractor costs
- Take off error
- Programme delays

### Risks Retained by the Authority

The main risks that remain with the authority are shown below. The costs of managing these risks and allowances for the realisation of these risks have been provided for in the Quantified Cost Estimate (see 3.1 above):

- Delays due to environmental/airport/railway constraints
- Delays to Statutory Undertakers diversions
- Delays due to protestors
- Inflation above 3%

### **4.5 Please describe how you will ensure effective contract management**

*Include details of reporting and liaison requirements, meeting frequency, interface of contractor with internal governance arrangements.*

The project has well established internal governance arrangements that will now be further expanded to include reporting channels to the Contract Supervision / Administration team and the Contractor. The contract will be supervised by Project Manager and Deputy Project Manager with many years of site experience on major contracts. The Contractor's Team and the County Council Team will work together in shared accommodation with a strong partnering focus.

### Project Governance Arrangements

The Governance arrangements for this project are fully described in 5.6 below.

### Contract Management Arrangements

The works have been procured under an NEC3 Option C contract. The contract documents set out the roles and responsibilities of each party together with management and communication requirements. The detailed requirements for reporting, progress meetings, liaison meetings are given within the Works Information and include, for example:

- Fortnightly Delivery Team and Contract Administration meetings
- Financial change/ forecasting will be closely monitored and reported monthly
- Risk meetings
- Public relations and stakeholder liaison
- Traffic liaison meetings

### **4.6 Please provide brief details of procurement arrangements for works outside the main contract, and what stage these have reached?**

All work except utility diversions are within the main contract. The following utilities are affected by the project.

- AW (Potable) – C3/C4 costs received. C4 designs with NRSWA discounted costs to follow.
- AW (Sewerage) – Preliminary designs complete and reviewed by AW. Additional sewer surveys to be undertaken from October to finalise designs.
- BT – All C4's received.
- UKPN (11kV & LV) - All C4's received.
- UKPN (33kV) - All C4's received.
- NG Gas (LP/MP/IP) – C4's requested.
- NG Gas (HP) – Detailed design by NG is on-going.
- Private Irrigation – Landowners have been asked to refresh all quotes.



## DELIVERY CASE

### 5.1 Please provide details of the statutory powers you have acquired

*Please list separately each power obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers, and any conditions attached to them.*

Statutory Instruments

2015 No. [1347]

Infrastructure Planning

The Norfolk County Council (Norwich Northern Distributor Road (A1067toA47(T)))  
Order 2015

Made: 2<sup>nd</sup> June 2015

Coming into force: 23<sup>rd</sup> June 2015

Conditions (or requirements) are listed in Schedule 2 and are included as Annex 12. The Legal challenge period 6 weeks expired at 23:59 hrs on 14<sup>th</sup> July 2015.

The authorised development must not commence later than the expiration of 5 years beginning with the date that this Order comes into force.

### 5.2 Please provide details of further engagement since the BAFB with the Statutory Bodies (Environment Agency, Natural England, English Heritage)

*Please include evidence of how you have taken account of their views and any requirements for mitigation etc.*

Date	Format	Main Comments
May-14	Draft HRA Addendum (Rev A) submitted for EA/NE comment (email)	Report created in response to concerns raised by EA and Natural England on the DCO HRA.
23 <sup>rd</sup> May 2014	EA letter of response to draft HRA Addendum (Rev A)	Concerns associated with surface water quality, groundwater levels and protection, and flood risk.
2 <sup>nd</sup> June 2014	NE letter of response to draft HRA Addendum (Rev A)	Concerns associated with surface water quality resulting from increased traffic along the A1067 and Weston Hall Road.
10 <sup>th</sup> June 2014	Internal meeting with NCC NDR design team, contractor (Birse), MM environmentalists and NCC highways maintenance team.	Discuss the need and possibilities of lining swales in the drainage catchments CA1 and CA2 in terms of design, construction and maintenance. Discussions of existing conditions of drainage features along A1067 at Attlebridge and Lenwade, and along Weston Hall Road – drainage system improvements and/or improved maintenance.

17 <sup>th</sup> July 2014	Draft HRA Addendum (Rev B) submitted for EA/NE comment (email)	A second version of the report submitted for comment in response to EA and NE formal responses to report Rev A.
27 <sup>th</sup> August 2014	EA/NE letter of response to draft HRA Addendum (Rev B)	Set out suggested proposed mitigation measures to address silt inputs to the Wensum at A1067 at Attlebridge and Lenwade and along Weston Hall Road. Considers it appropriate for the HRA to include a Mitigation Measures Action Plan, preferably be in tabulated form, and set out the detail of the proposed mitigation at each site (e.g. action, timing/frequency, funding source, responsibility for implementation).
9 <sup>th</sup> Sept 2014	Meeting with EA and NE	Discussed and addressed concerns set out in formal EA/NE letter of response dated 27 <sup>th</sup> August 2014.
		All parties agreed the production of a Mitigation Measures Action Plan would best to set out, agree and commit to the improvement measures proposed along Weston Hall Road and the A1067 at Attlebridge and Lenwade.
11 <sup>th</sup> Sept 2014	Teleconference with EA	Covering meeting discussions from 9 <sup>th</sup> Sept. Advice sought on silt trap measures in existing ditches along Weston Hall Road. Site visit arranged to finalise acceptable proposed measures.
16 <sup>th</sup> Sept 2014	Site visit with EA – Weston Hall Road	Onsite discussions with EA for options of betterment and silt reduction measures along Weston Hall Road.
30 <sup>th</sup> Sept 2014	Email to NE and EA – Weston Hall Road drainage improvement measures	Presenting preferred options for betterment and silt reduction measures along Weston Hall Road, including draft plans (Drawing No. R1C093-R1-4807 and 4808). Requested confirmation of whether measures acceptable.



1 <sup>st</sup> Oct 2014	Email from Natural England - Weston Hall Road drainage improvement measures	Deferred responsibility to EA to have final say on proposed measures along Weston Hall Road.
1 <sup>st</sup> Oct 2014	Email to Norfolk Wildlife Trust – Weston Hall Road drainage improvement measures	Presenting preferred options for betterment and silt reduction measures along Weston Hall Road, including draft plans (Drawing No. R1C093-R1-4807 and 4808). Requested confirmation of whether measures acceptable based on potential impact to Weston Meadows CWS.
3 <sup>rd</sup> Oct 2014	Email response from Norfolk Wildlife Trust in response to email dated 1 <sup>st</sup> Oct	No concerns, in principle, regarding the drainage improvement works. Requested that working practices are such that damage to the adjacent areas of the CWS is kept to a minimum.
2 <sup>nd</sup> Oct 2014	Email from Environment Agency	EA agree with proposed measures. They should help reduce the volume of silt that is entering the Wensum from the road. This will help mitigate for any increase in the supply of sediment and other pollutants as a result of predicted traffic increases that would result from construction of the proposed Norwich Northern Distributor Road. Further offline measures may be required if maintenance and monitoring proposed within a Mitigation Measures Action Plan (MMAP)
7 <sup>th</sup> Oct 2014	Two emails from Natural England regarding draft MMAP framework	NE in agreement with draft MMAP framework headings and proposed content. Details of other 3 <sup>rd</sup> landowners involved will need to be included in Appendix C, at least in outline.
9 <sup>th</sup> Oct 2014	Email to Natural England	A draft MMAP framework issued for comment.
9 <sup>th</sup> Oct 2014	Email from Natural England	Natural England anticipates being able to advise 'no adverse effect on site integrity' when PINS consults on the Report on Impact on European Sites (RIES) on 17 <sup>th</sup> October.

13 <sup>th</sup> Oct 2014	Email from Environment Agency	EA in agreement with draft MMAP framework headings and proposed content.
29 <sup>th</sup> Oct 2014	Email to Natural England	A draft MMAP report providing detailed mitigation, monitoring and maintenance measures issued for comment.
31 <sup>st</sup> Oct 2014	Letter from the Environment Agency	Comments on the Draft Habitats Regulation Assessment Addendum (Rev C)
3 <sup>rd</sup> Nov 2014	Letter from Natural England	Response to RIES, draft HRA Addendum (Rev C) and draft MMAP. NE happy with conclusion of <i>"no adverse effect on the integrity of River Wensum SAC"</i> .
3 <sup>rd</sup> Nov 2014	Email from Louise Oliver (NE)	Further minor changes required to text and plans within the draft MMAP and HRA Addendum (Rev C)

In addition to the above, a Deed of Undertaking has been completed between Network Rail Infrastructure Ltd (NR) and NCC which regulates certain aspects of the relationship between the two parties in relation to the application for a DCO including provisions in connection with the acquisition of land and the use of land to the extent that such issues impact on NR's railway undertaking. Completion of the Deed of Undertaking has enabled NR to withdraw its objections to the DCO. NCC is now in discussion with NR to progress a detailed Bridge Works Agreement which will need to be completed prior to works starting on site.

**5.3 Please provide brief details of your evaluation plans for the scheme and attach your full evaluation plan as an Annex.**

The Monitoring and Evaluation Plan is included in Annex 5.

**5.4 Please provide details of your construction milestones below**

*Please include interim milestones (at least one but no more than 5 or 6) between start and completion of works. If the completion date has slipped from the date estimated in your BAFB please provide an explanation. Please provide a copy of the latest project plan (programme) as an Annex.*

See Annex 6 for the programme.

	Date estimated in BAFB	Current estimated date
Examination starts	Summer 2013	June 2014
Confirmation of DCO	Spring 2014	June 2015
Agree Works Target Cost	Autumn 2013	Summer 2015



Submit Full Approval application to DfT	Summer 2014	Summer 2015
Site clearance/Mobilisation start	Autumn 2014	Summer 2015
Work Starts on Site	Spring 2015	Autumn 2015
Work Completed	Spring 2017	Winter 2017/18

Notes: The dates set out in the BAFB were based on a Planning Application and Public Inquiry rather than a Development Consent Order.

**5.5 Please briefly describe the most significant risk remaining to the above timetable and attach the latest version of your project risk register (if different from the QRA risk register).**

The most significant risks to the above timetable are any delay that prevents the main construction works commencing in Autumn 2015. The risks identified to delay the construction start date are:

- Timing of Full Approval from DfT
- Discharge of DCO Requirements
- Delays due to archaeological finds
- Delays to Statutory Undertakers diversions
- Delays due to environmental issues (eg bird nesting)

**5.6 Have your governance arrangements changed since submission of your BAFB?**

*If so please provide details, including changes to SRO, Project Manager, Project Board composition, approval processes and, in particular, details of how your contractor will fit into your governance structure.*

Yes. The County Council recognises the importance of an integrated governance and delivery structure, comprising sufficiently senior officers with regular involvement and interaction with elected Members to ensure democratically accountable delivery. Further explanation on the team and board comprising the strategic governance arrangements, and specific roles, can be found below.

Project Structure	Name(s)/ Team Leader
Portfolio Holder	Cllr Richard (Toby) Coke
Project Sponsor	Tom McCabe – Executive Director of Community and Environmental Services (NCC)
Senior Responsible Officer	David Allfrey – Highway and Major Projects Manager (NCC)
Delivery Board	Tom McCabe (NCC) David Allfrey (NCC) Tracy Jessop - Assistant Director Highways and Transport (NCC) Fiona McDiarmid - Assistant Director Economic Developments and Strategy (NCC) Phil Kirby – Chief Executive (BDC) Nick Haverson - Major Projects Support

	Manager (NCC) Jon Barnard – NATS/NDR Project Manager (NCC) Nick Osborne Regional Operations Director (BBCL) John Birchall – Communications (NCC) Mark Kemp – Major Projects Team Manager (NCC) Ian Taylor – Major Projects Delivery Manager (and NEC Manager) (NCC) Andrew Skiggs - Finance (NCC) Mark Frith – Technical Director (MM) Chris Skinner – Solicitor (NPLaw)
Strategic Project Manager	Nick Haverson (NCC)
NDR Delivery Manager	Jon Barnard (NCC)
Principal Designer	Mark Kemp (NCC)
Design Team	Mark Kemp (NCC) – Overall/ Highways Marcin Kurek (NCC) – Overall/ Highways John Pattinson (MM) – Bridges Mark North (NCC) – Bridges Martyn Bumstead (NCC) – Geotechnical
Construction Supervision/ Contract Administration	Ian Taylor (NCC) – NEC Manager Quentin Brogdale and Tim Ellis (NCC) – Assistant NEC Manager Simon Allen (MM) – Ecological supervisor Others to be advised
Environmental Co-ordinator	Jacqueline Fookes (MM)
Contractor Team (BBCL) All staff known to NCC	Phil Ford –Project Director Ian Holden – Project Manager Matthew Longstaff – Commercial Manager Troy Doherty – Bridges P.M. William Neave – Agent James Tuffin - Programmer
Policy Manager	David Cumming (NCC) Phil Morris (NCC)
Gateway Review	Local Partnerships
NCC          Norfolk County Council MM          Mott MacDonald BBCL        Balfour Beatty Civils Ltd BDC        Broadland District Council  <b>EDT Committee</b> On a six monthly basis, progress will be reported to the County Council's Committee, which holds the executive powers. Intervening reports will be prepared	



if required by the Administration. Additionally, the Senior Responsible Officer will provide regular updates to the Committee Chair and Deputy responsible for Environment, Development and Transport. These arrangements will ensure appropriate democratic involvement of the elected Members. If the Committee chooses to examine the NDR project in more detail, all relevant reports will be made available by the Project Sponsor.

### **Delivery Board**

The core of the NDR Board will be made up of the, Project Sponsor, Senior Responsible Officer, Assistant Directors for Highways and Transport, Economic Developments and Strategy; EDT Finance Business Partner, NPLaw, and Phil Kirby the Chief Executive of Broadland District Council.

The Delivery Board meets once a month and includes Project and Design Managers plus internal and external advisors. The Delivery Board is supported by design consultants, Mott MacDonald, who has experience in advising local authorities on the delivery of major infrastructure projects. The Delivery Board also invites others to attend specific meetings, including specialists, for specific agenda items. For example, the meeting held every 4 months will include key members of the construction team to include Ian Taylor (NCC Construction Manager), Mark Kemp (NCC Design Manager) and Nick Osborne (Balfour Beatty Regional Operations Director).

The role of the Project Board is to:

- Provide strategic direction for the mobilisation including agreeing these terms of reference.
- Provide officer governance to the project and initiate corrective action where necessary
- Receive updates, including progress reports regularly from key officers, including specifically those from the design and construction teams.

### **Senior Responsible Officer**

David Allfrey, is currently the Highway and Major Projects Team Manager in the Highways Group of the Community and Environmental Services Department of Norfolk County Council. He is a Chartered Civil Engineer, with over 25 years' experience in managing highway related projects. He has been a Senior Manager with NCC's Community and Environmental Services Department for 7 years.

### **Strategic Project Manager**

Nick Haverson is an experienced Project Manager who has worked in the civil engineering industry for 30 years and has a broad range of experience in Highway Maintenance and Civils Infrastructure schemes. Nick is responsible for overseeing the delivery and governance of the project, including regular reporting, programme, budget and risk management.

### **NDR Delivery Manager**

Jon Barnard, is currently the NDR/NATS Manager in the Highways Group of the Community and Environmental Services Department of Norfolk County Council. He has 15 years' experience in designing and delivery highway related projects. Jon has managed the NDR Examination in Public process. He has been a Manager with NCC's Community and Environmental Services Department for 4 years.



### **Design Manager**

Mark Kemp is a Project Team Manager in the Community and Environmental Services Department of Norfolk County Council. He is a Chartered Civil Engineer with over 30 years' experience working within the construction industry. He has been responsible for the development, design and implementation of major capital projects within the County Council and represented NCC at the Public Examination. He has been appointed to manage the project design, establish a detailed action plan and direct the work of the project design delivery team and the interface with the construction team.

### **Decision Making Process**

Day-to-day decisions will be taken by the Project Management Team in conjunction with the Project Delivery Board. However, all decisions of a politically sensitive nature, policy or procurement will be confirmed by the Strategic Delivery Board, ensuring participation of Senior Responsible Officer, the Project Sponsor and representation from the County Council's Cabinet.

### **5.7 Please provide details of the assurance process you have undertaken including results of any project assurance reports since your BAFB, with any resulting action taken or planned.**

*Please attach a copy of the summary recommendations of the most recent project assurance report.*

In January of 2014, as the NDR reached a critical stage in its delivery, the NDR management team arranged a Gateway Review to help us to determine the readiness of the project. Local Partnerships were asked to conduct the review. Local Partnerships (LP) are jointly owned by HM Treasury and the LGA. LP's team interviewed a range of officers and stakeholders that were either involved in the processes relating to the delivery of the project or who had been involved in the policy elements and strategic decision making. NCC was required by the DfT to conduct a Gateway Review as a condition to support the funding offer of funding of the project.

The Gateway Review was a top down strategic review of the project, including a review of documentation and discussions with key stakeholders. The reviewers also examined the rigour of our:

- Project management processes
- Decision making and Governance
- Operational management and benefits realisation.

As a result of the Gateway Review, the NDR management team developed an action plan to address the recommendations that were made. Progress against these recommendations were reported monthly to the NDR Board.

In January 2015, NCC commissioned a Heath Check review against the findings originally made. Again, NCC used Local Partnerships and the smaller review team comprised 2 of the original members from the Gateway Review; to maintain consistency, a group of stakeholders similar to those from the initial review were also interviewed.



The Health Check Review Team was impressed by the continuing wide-ranging, committed and convincing support for the Project. Since the Gateway Review in January '14, the reviewers found that Project Team had implemented each and every recommendation made in the report for that Review. The Review Team confirmed that the Project is very well managed and resourced and that all possible steps to facilitate delivery, insofar as matters are within the control of the Project, have been taken. The governance arrangements that have been put in place ensure that the Project is managed in accordance with recognised best practice, with demonstrable benefits to the Project. The project was assessed as having a green/amber confidence rating.

An action plan was developed based upon the recommendations from the Gateway Review and Health check. This is reviewed by the Project Board on a monthly basis. Good progress has been made in addressing the recommendations.

The summary recommendations of both the Gateway Review and the Health Check are presented in Annex 8.

**5.8 If not provided in previous submissions, please provide a copy of your benefits realisation plan.**

The Benefits Realisation Plan is included in Annex 9.

**5.9 Please provide brief details of major stakeholder and public engagement carried out since the BAFB and further engagement planned during construction.**

*Please provide a copy of your Stakeholder Analysis and Communications Plans.*

*Please also highlight whether any significant shifts of stakeholder opinion have taken place or new issues have arisen and describe and how you are responding to them.*

NCC undertook consultations in April/May/June 2012 to provide information on the latest design proposals for the NDR and to generate comments in order to identify where changes may be appropriate. A series of 14 public exhibitions were held in parishes along the corridor of the NDR to enable people living close to the NDR to see the latest proposals and give feedback. In order to publicise the public exhibitions a flyer was sent out to all individuals and stakeholders listed on the existing NDR consultation list, (comprising of over 1,400 consultees). It was also sent to all Norfolk parish councils. Meetings were held with parish councils and various stakeholders.

A further series of 14 exhibitions were held in February/March 2013 at similar venues to the previous 2012 exhibitions. They were also publicised in a similar manner to the previous 2012 consultations. The purpose of these exhibitions was to provide feedback on the results of the 2012 consultations and show how the NDR proposals had changed as a result of these comments. These consultations resulted a further change to the proposals.

As part of the application for a Development Consent Order for the NDR as Nationally Significant Infrastructure Project (NSIP) NCC undertook the consultations as set out in the Planning Act 2008. The Pre-Application Consultations, which came in 3 parts according Section 47, 48 and 42 of Planning

Act 2008, are outlined below.

#### Section 47 – consultations with the local community.

These consultations consisted of:

- 17 public exhibitions held on varying dates between 8 July and 12 August 2013, and at various venues
- over 57,000 invitations and scheme information letters sent out to:
  - county/city/district councillors/MPs and MEPs whose constituencies were located within the area defined by the Statement of Community Consultation (SOCC)
  - residential and business addresses located within the area defined by the SOCC
  - stakeholders and interest groups
- details of exhibition boards placed on the NCC's web site
- scheme information documents, (including the Preliminary Environmental Information Report (PEIR), placed on deposit at 17 local authority main offices and libraries
- publicity on radio and in newspapers of the exhibitions,
- opportunity to provide comments by letter, e-mail, telephone, paper questionnaire and on-line questionnaire

#### Section 48 – statutory publicity

This consisted of:

- notices placed in 2 local newspapers, the Times and the London Gazette on 2 separate occasions
- notification of consultation and copy of notice sent to local authorities and prescribed consultees
- scheme information documents, including the EIR, placed on the NCC's web site and deposited at 17 local authority main offices and libraries
- opportunity to provide comments by letter and email

#### Section 42 - consultation with local authorities, prescribed consultees and those with interest in land

These consultations consisted of:

- information packages issued to 12 local authorities, 128 prescribed consultees and 1067 parties with an interest in land
- scheme information documents (including the PEIR) placed on the NCC's web site and deposited at 17 local authority main offices and libraries
- opportunity to provide comments by letter and email

Since the application NCC has held meetings with parish councils and other interest groups when they have been requested. It will continue to do this throughout the period of construction.



A public liaison procedure, see Annex 11, has been developed in conjunction with the Contractor to cover contact with all stakeholders and the procedure will detail how contacts are to be dealt with and recorded. A Public Liaison Officer will be appointed to lead on this aspect of the works. Any complaints will be dealt with in accordance with this procedure and appropriately recorded in line with well established NCC complaints procedures.

A fortnightly newsletter will be issued to stakeholders including adjacent properties and business who will be impacted during the works, describing progress and the programme for the immediate future. This will also be published on NCC's website and will be used to keep the public informed of the progress of the works and any significant impacts. The local radio will be issued with regular bulletins so that they can keep the travelling public informed.

#### SENIOR RESPONSIBLE OWNER DECLARATION

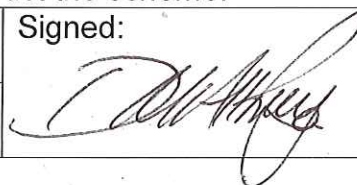
As Senior Responsible Owner for the Norwich Northern Distributer Road I hereby submit this request for Full Approval to DfT on behalf of Norfolk County Council and confirm that I have the necessary authority to do so.

I confirm that Norfolk County Council has acquired all the statutory powers (Traffic Regulation Orders excepted) necessary to construct the scheme.

Name: David Allfrey

Signed:

Position: Highways and Major Projects Manager



#### SECTION 151 OFFICER DECLARATION

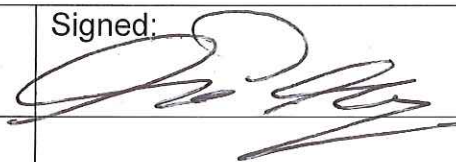
As Section 151 Officer for Norfolk County Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Norfolk County Council

- has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution at section 3.4(a) above
- accepts responsibility for meeting any costs over and above the DfT contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties
- accepts responsibility for meeting any ongoing revenue requirements in relation to the scheme
- accepts that no further increase in DfT funding will be considered beyond the maximum contribution requested

Name: Simon George

Signed:

Position: Executive Director of Finance



**CONTACT DETAILS FOR FURTHER ENQUIRIES**

<b>Lead Contact:</b> <b>Position:</b> <b>Tel:</b> <b>E-mail:</b>	David Allfrey Highways and Major Projects Manager 01603 223292 david.allfrey@norfolk.gov.uk
<b>Alternative Contact:</b> <b>Position:</b> <b>Tel:</b> <b>E-mail:</b>	Jon Barnard NDR/NATS Manager 01603 223429 jon.barnard@norfolk.gov.uk

**CONTACT DETAILS OF YOUR CHIEF FINANCE OFFICER**

(If the scheme is granted Full Approval we will need these details for the formal offer of DfT grant)

<b>Name:</b> <b>Job Title:</b> <b>Full Postal Address:</b>          <b>E-mail:</b>	Simon George Executive Director of Finance Norfolk County Council Resources Finance County Hall Martineau Lane Norwich Norfolk NR1 2DH  Simon.george@norfolk.gov.uk
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## **SUMMARY OF ANNEXES REQUIRED**

Annex No	Description	Form Ref
1	Revised TEE, AMCB and Public Accounts Tables	2.1
2	Social and Distributional Impacts analysis	2.2
3	Detailed cost estimate	3.1
4	Quantified Risk Assessment	3.1
5	Monitoring and Evaluation Plan	5.3
6	Project Plan (Programme)	5.4
7	Project Risk Register	5.5
8	Project Assurance Recommendations	5.7
9	Benefits Realisation Plan	5.8
10	Stakeholder Analysis Plan	5.9
11	Communications Plan	5.9
12	Conditions Attached to Statutory Powers	5.1
13	Economic Appraisal with Final Scheme Costs	2.1

## **SUMMARY OF ADDITIONAL ANNEXES**

Annex No	Description	Form Ref
A	NATS programme	1.1
B	Postwick Full Approval Form	3.1
C	November 2013 Cabinet Report	3.7
D	April 2014 Cabinet Report	3.7
E	Funding Statement	3.7
F	January 2014 Cabinet Report	3.7
G	Procurement Strategy	4.1
H	September 2015 Cabinet Report	10

