

# On the Third Day of Christmas the Councils Informed me.....

## £3M Overspend.....

£3.7 Million pounds, just say it. £3.7 Million pounds. A non-too shabby sum of money in these times of austerity wouldn't you agree? Especially for a scheme the general public of Nuneaton have rejected\*. Now double it. Yes, before it's even got off the page the scheme costs have doubled to OVER £6 Million & are guaranteed to go higher!!

### Cost Estimate Timeline

9th October 2014: Bermuda Connectivity Cabinet Report Cost Estimate £3.7M

6th March 2015: BBAG along with Marcus Jones MP meet Cllr Butlin & Nigel Whyte & note major budget shortfall concerns running into the millions (£)

On 22 April 2015 at 12:29, Nigel Whyte <nigelwhyte@warwickshire.gov.uk> wrote:

Dear Atkins,

Proposed Bermuda Connectivity Project: Progression - Phase 1 Preliminary Design to Consultation

- Atkins is in the process of finalising the preliminary design drawings. Upon nearing completion, Atkins is to contact Nigel Whyte to arrange for a WCC Member and Officer Liaison Group meeting to be arranged for Atkins to present the drawings and supporting plans (e.g. Wider Area Benefits Plan etc); and

27th May 2015: WCC confirm via Freedom of Information reconfirm costs as of 22nd May as £3.7M

September 2015: WCC Present preliminary design drawings at public consultation.

October 2015: Bermuda Bridge Action Group Issue a Detailed Cost Estimate of the Consultation Plan.

12<sup>th</sup> November 2015: Bermuda Connection Cabinet Report doubles the cost to over £6M!

You may also be interested to know that as part of the growth fund deal any over spend above the £3.7 Million will have to come from Warwickshire County Council budgets.

Item 3

Cabinet

9 October 2014

#### Capital Growth Fund – Bermuda Connectivity

- Approve the use of a maximum of £3.202 million of the Capital Growth Fund to part fund the project.
- Agree that the funding allocated be reduced on a £ for £ basis if alternative sources of funding (over the £500,000 from the Growing Places Fund needed to fully fund the project) become available.
- Support the provision that any additional funding above £3.702 million required to meet additional costs, is found from within the Transport and Highways capital programme.
- Support the use of the car park income generated as a result of development of the Bermuda Railway Station car park to reimburse the Capital Growth Fund.

Does the above fill you with confidence regarding the spiralling costs of the scheme before the scheme has hit the detailed design stage? What road safety budgets will be slashed to find money to fund this scheme that will create road accidents??

There also the small matter of the assumption of using car park money to pay back the Capital Growth Fund. WCC don't actually own the land to put the car park on & UPS don't want to sell but we'll talk more about this in a later verse of our Christmas Carol. Suffice to say this only serves to further upwardly increase the project costs!

We have also heard astonishing claims that the costs have escalated because council representatives have 'Listened' to the residents. This not only offensive but is untrue. See the below excerpts from e-mails obtained under Freedom of Information

The latest version of the 'aesthetic drawings' are attached.

Please note two things:

- 1) We plan to highlight the two new signal junctions on Heath End Road;
- 2) There are currently three new controlled pedestrian crossings, one new Toucan and four uncontrolled crossing points with refuges, two uncontrolled crossings without refuges.

The scheme costings which I will send across shortly are based on the above.

If WCC require some or all of the proposed crossings being changed, please can you get back to me as soon as you can stating what type of crossing you require and where.

Note we would then have to adjust the costs upwards to reflect this.

Thank you for your e-mail.

I am happy with the type of crossings proposed prior to undertaking the consultation.

Any revisions can be made as part of the changes to preliminary design in response to the outcome of the consultation.

The design consultant questions whether to add in revised crossings before consultation. Being advised the costs will have to be adjusted upwards the WCC officer responds to wait until after the consultation.

This can be seen as having a double benefit to councillors & officers alike, it can be passed off as WCC 'Listening' to the residents' concerns & the non-too significant increase in costs and journey time delays can be passed off as this as well.

Underhanded at the very least, I mean, who in their right mind would want to be the one to deny local children a safe way to cross the road on their way to school! That's a guaranteed winner to get the budget bumped up & cover up the initial poor design. 'Stick a bit of mitigation in to make it look like we're making the locals happy' let's vote for that option.

The costs have risen so significantly because the initial costed scheme, as has been said repeatedly by BBAG from the outset, was so bargain basement poor that major changes have had to be added in already before even looking at the full detailed design.

ESTIMATE	WCC OCT 2014	BBAG OCT 2015	WCC NOV 2015	COMMENTS
Base Cost	£ 3.7M	£6.5M	£ 5.3M	Large Increase!
Estimating Uncertainty	44%	44%	12% !	40% would be typical for feasibility design
TOTAL	£ 5.3M	£ 9.3M	£ 5.9M	The Bridge is now costing the same as the full A444 Upgrade

You should also be seriously concerned as the Cabinet Report has applied estimating uncertainty levels as low as 8% (which would normally be reserved for Detail Design / Construction Tender stage) while the industry recommended value for feasibility design would be an estimating uncertainty range of 40% (The Growth Fund Business Case used 44%).

Has nothing been learned from the Rugby Relief Road cost issues? All of the below will & do apply to the Bermuda Scheme too!

The conclusions in the Warwickshire County Council Scrutiny of the Rugby Western Relief Road (April 2011) makes interesting reading and the parallels with the evidence that the Bermuda Bridge Action Groups has collated regarding the Bermuda Connection process to date. These parallels are highlighted in yellow below:

#### 4. Conclusion

4.1 The Committee concludes that the delays and overspend experience on the RWRR cannot be attributed to a single cause. Rather multiple interrelated factors were responsible. These factors can be summarised as:

- Shift in the relationship between the Council and its contractor
- Lack of commercial skills within the Council and lack of experience of managing Target Cost Contracts for major construction projects
- Desire to progress the construction as soon as possible
- Incomplete design and design errors
- Inadequate risk management and contingency
- Inadequate project governance
- Problems associated with Network Rail and Public Utilities

\*Quantifiable by the Warwickshire Observatory Consultation only 36% of consultation respondents were in favour of the Bermuda Connection project with 25% of these respondents not being from any of the consultation areas.

See separate attachment comparing our costs to the scheme Business case

<http://bermudabridgeactiongroup.co.uk/background/the-alternatives-to-the-bridge/>