

## **Environment Scrutiny and Performance Panel**

**Agenda Item  
No.**

**5 October 2009**

**XX**

### **Town Centre Transport Package (TCTP)**

**Ward(s)** St Matthews/Pleck/Birchills Leamore/Blakenall

**Portfolios:** Councillor Ansell – Portfolio Holder for Transport

#### **Summary of report:**

This report sets out some basic information relating to the progress and financial aspects of the TCTP (Town Centre Transport Package) and advises on the outcome of an assessment of the effectiveness of the project and the value for money achieved.

#### **Background papers:**

None.

#### **Reason for scrutiny:**

To explore the post-completion impact of the TCTP and to examine whether value for money was delivered by the project.

#### **Resource and legal considerations:**

None arising directly from this report.

A further report on all detailed financial and project management aspects of the project will be presented after completion and settlement of all contractual matters.

#### **Citizen impact:**

The delivery of the TCTP has improved road conditions for all road users. The improved network will support the regeneration of parts of the town centre that have long been neglected. The TCTP is fundamental for the successful completion and operation of the new Walsall College, Manor Hospital redevelopment, Tesco and Waterfront regeneration project.

#### **Environmental impact:**

Reductions in congestion will have led to improved air and noise quality along the route. Substantial landscaping will provide a more pleasant outlook.

**Performance management:**

Contractual and project management arrangements have been utilised throughout the project in accordance with national best practice and Department for Transport requirements. A Project Board was established and in place throughout the project and there has been regular reporting of progress to the West Midlands Planning and Transportation Committee.

A Road Safety Audit has been undertaken to assess the road safety aspects of the scheme now that it has become operational. This was carried out by independent road safety advisers accompanied by traffic management and road safety officers from the Council together with representatives of the Police. The results of this audit are currently being assessed. Any identified refinements or modifications to the scheme will be implemented as necessary.

**Equality Implications:**

TCTP has provided greatly improved facilities for disabled groups, cyclists and pedestrians in general. Safe crossing facilities are now available at all junctions along the route. Previously, in many locations, there were only poor facilities or no facilities at all.

**Consultation:**

Prior to construction the project was subject to a Public Inquiry and Planning Application. During construction a number of Stakeholder Forums were held at which citizens were invited to express their views and concerns.

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## **1. Report**

The TCTP project has spanned many years through the development stages to the delivery of the scheme. Throughout this period there has been no doubt that without the improvements to this section of the ring road the future development of Walsall town centre would have suffered greatly. The old road network was overstretched and congestion and pollution were the inevitable result.

Over the span of the project the following key events are highlighted;

- Outline Business Case submission – July 2002
- Approval in Principle Given – Dec 2002
- Design and Tendering Procedures – 2002 to 2005
- Public Inquiry held – May 2004
- Secretary of State approval to Statutory Orders – Nov 2004
- Application for Full Approval – May 2005
- Full Approval given by DfT – Mar 2006
- Construction start on site – June 2006
- Construction completion – May 2009

### **Project Progress and Considerations**

The construction phase of the project was beset with many problems. Most of these were dealt with at site level but certain problems were beyond the control of either Council officers or the contractor. These problems lead to unavoidable delays and the project overran by some 11 months against its original target.

The principal cause of delay was the poor performance of Statutory Undertakers in diverting their underground equipment. Despite the best efforts of site staff the Undertakers performed poorly throughout the contract and the worst offenders, British Telecom, received letters of concern from the Neighbourhood Executive Director (4 September 2007) and the Chief Executive (2 July 2008). Unfortunately, despite these high-level representations, neither letter had the desired impact. In some cases, as with National Grid Gas, some of their problems arose from the age of the apparatus. Many of the mains along the TCTP route are very old, some over 100 years, and often the gas operatives did not know what existed until the ground had been opened up.

Other issues that affected progress were Network Rail being slow to give approvals for track side works and the extremely wet weather that led to widespread floods in 2007. While the ring road works were not directly badly affected by water, the flooding around the country meant that Statutory Undertaker contract labour was taken off site to deal with emergency work elsewhere.

During the construction works, one of the key objectives was to keep traffic and pedestrian routes open as much as possible. Given the volume of traffic using the ring road and the lack of general space on the existing road network, the task of managing traffic and pedestrians was always going to be a challenging one. It was inevitable that some road closures and temporary one-way systems would be required. These were always carefully planned and, on the whole, worked very well. Taking account of the scale and complexity of the project, there was very little disruption to traffic and businesses while the road was being built.

Post-completion, it is evident that the new road system is working well. There have been some teething problems while drivers familiarise themselves with the new road layouts and while traffic signal systems are optimised but even so the reduction in congestion and the ease at which traffic is passing along the route is evident.

Facilities for vulnerable road users have been greatly improved with safe crossing facilities now available at every junction. Disabled groups have been catered for with the introduction of tactile paving at crossings and an off-highway cycle route has been provided between the Manor Hospital and the Arboretum where it is linked in to the national cycle route. Bus facilities have been improved by the introduction of bus lanes and bus gates and the greater road space will have benefitted emergency vehicle response times.

There is also a lot of regeneration either happening or planned adjacent to the TCTP route. Projects such as the Manor Hospital and relocation of Walsall College are well advanced and others such as the new Tesco store are imminent. While it is not suggested that the TCTP is the sole reason for this regeneration, it is clear that the improvement of the road network is a key factor in helping developers to decide to invest in Walsall.

## **Project Costs**

The cost of the TCTP project has risen since the start of the construction work. This is due in no small part to the performance of the Statutory Undertakers however other factors have also impacted on cost. The Statutory Undertakers performance has led to substantial delay claims by the contractor. These claims are undergoing assessment and settlement has not yet been reached.

During the development of a project of this nature and complexity, it is not possible to cover all aspects of potential cost increase. On-site changes to designs and construction methods are inevitable and these will often lead to cost increases. In this case, changes were strictly controlled and only made or allowed where they were necessary for the successful completion of the works or where safety issues require alterations.

Cost increases to the project are split into 2 categories; controllable increases and uncontrollable increases. The controllable increases (instructed work and design changes) have been managed by officers through a combination of some reduction in scope of the works, downgrading of quality of some of the finishing materials and acquiring justified additional contributions from other Council budgets (e.g. LTP, Highways Maintenance). The uncontrollable increases (Statutory Undertakers' performance, Network Rail, land claims and prices) could not be contained within the original budget and consequently a successful approach was made to the Department for Transport (DfT) in Autumn 2008 for additional funding.

Since this submission to the DfT, the contractor has submitted several new claims. These are under investigation but it is apparent that there is a lot of overlap or duplication between several of the claims.

In view of the complexity of the contractual claims, the Council has engaged specialist advisors to work alongside staff in assessing and managing the claims. Current advice is that the final cost payable against the claims will be significantly less than the value

submitted. Some claims have been rejected as invalid. The contractor continues to contest these decisions and it is probable that the dispute will be taken to Arbitration. Our advisors are confident that the Council has carried out robust assessments of the claims and that we would have a strong case should Arbitration be sought. There are of course no guarantees that an independent Arbitrator will agree with the Council's decision.

## **Project After Study**

Officers have been investigating whether the project has delivered value for money and how the increased cost has impacted on this. To this end, an After Study has been carried out involving traffic counts and journey times along the TCTP route. Part of this process is to compare the actual benefits delivered compared with the benefits predicted when the project was submitted for Full Approval in 2005.

In determining if a scheme is worth funding the DfT rely on figure known as the Benefit Cost Ratio (BCR). In general if a scheme has a projected BCR of 2 (i.e. it will deliver twice the benefit value to cost) then it is considered a good project and is likely to get full consideration from DfT. At the time TCTP was submitted the BCR value was calculated at 6.85, indicating it would be extremely beneficial to the economy of Walsall.

The calculation of the BCR is complicated but in very basic terms relates vehicle benefits (journey time, operating cost) to scheme cost. At the time of submission, the Benefit element of the equation was based on forecast figures using traffic modelling software. The Cost element used the submitted tender value and the estimates for Land, Statutory Undertakers and Fees.

The recent report uses the current final cost predictions and on-site traffic counts and journey times have been used to ascertain the Benefits. The traffic counts were taken in June 2009, before the school holidays but before the opening of the new College campus.

So that genuine like-for-like comparisons can be made, the After Study document has looked at the original BCR value, what that BCR value would have been if the current Benefit levels were used but the original cost maintained and finally what the current BCR value is based on current Benefits and current predicted costs. The results are as follows:

- Original BCR predicted at application in 2005 – 6.85
- Original BCR adjusted to current vehicle benefits – 3.78
- Current BCR based on current benefits and costs – 3.62

This indicates that although the Benefit Cost Ratio of the TCTP project is much lower than originally predicted, the majority of this difference is due to road usage levels being lower than predicted. The increase in scheme costs has much less affect. It is observed in the After Study text that even with a BCR of 3.62 the TCTP project would still remain very high in terms of the DfT value for money equation.

There are a number of reasons why the traffic volumes on TCTP are so much lower than predicted. Firstly, the traffic counts were carried out fairly soon after the road was completed. The Study suggests that some motorists will have found alternative routes while the construction work was underway and that traffic patterns have yet to settle

down post-completion. The other, and most significant factor, is the economic downturn. The study document indicates that traffic numbers are between approx 61% to 68% of those predicted. This is in keeping with a recent AA study which has found that traffic congestion in general has fallen by about 31% during the downturn.

In order to put the scheme value for money into better context, the After Study has made some predictions for increases in traffic over the next 6 months. It should be stressed that this is only a prediction and assumes some economic growth and some displaced traffic returning to the ring road. With the predicted Benefits approximately half way between the original prediction and the current levels, the BCR rises from 3.62 to 5.00.

As part of the After Study, journey times were recorded along the stretch of road from Wolverhampton Road (at its junction with Alumwell Street) to Broadway North (at its junction with Beacon Street). The observed times are compared to the journey times prior to the improvements and also to the predicted times based on traffic modelling.

The following results are taken from the study document and show the time saving achieved by TCTP compared with the journey times before construction.

Travelling West to East	Time Period	Time Saving (secs)
Wolverhampton Rd to Broadway North	AM Peak	96
	Inter Peak	0
	PM Peak	52
Travelling East to West	Time Period	Time Saving (secs)
Broadway North to Wolverhampton Rd	AM Peak	30
	Inter Peak	-41
	PM Peak	120

These results clearly show that significant journey time savings have been made during the peak periods with savings of up to 1½ minutes eastbound and 2 minutes westbound. Inter peak results show that the TCTP has had no effect on journey times for eastbound traffic and has worsened westbound times by 41 seconds.

The question arises why such good time savings can be found on peak and delays introduced off peak. The answer largely lies at the Arboretum junction. It was always evident that during the off peak periods the roundabout worked very well. The introduction of traffic signals has caused traffic to wait during inter peak periods that would previously have driven through the junction with little delay. However is reversed during both the AM (morning) and PM (afternoon) peaks. Here noticeable time savings are realised despite traffic having to wait for signals.

The roundabout was unable to cope with peak flows of traffic and was the cause of much delay. It is worth noting that the time savings shown are related to the ring road as it was. The TCTP has increased road capacity and now delivers greater volumes of traffic to the Arboretum junction from the west. Had the roundabout been retained instead of the new signal junction, the delays at this junction would have been much worse than before. The removal of the Arboretum junction was always a contentious issue, but the journey times recorded support the decision to change to the current junction layout.

Another point worthy of note is that the traffic times were recorded shortly after scheme completion. The traffic signal systems are still undergoing fine tuning and the SCOOT system, which reacts to on-site queues and automatically adjusts signal timings, is yet to become fully operational. This suggests that further journey time improvements can be realised.

## **Conclusions**

Given the results derived from the After Study exercise it is apparent that, despite the delayed progress during construction and the increase in project costs, the TCTP project has delivered good value for money. The benefits to all road users are already evident and there is sufficient capacity on the network to cope with increased use generated from regeneration and economic upturn.

Officers are continuing to deal with contractual matters and the final costs of the project will not be known until these issues are settled. Once these matters are concluded officers will carry out the exercise of examining the various stages of the project to ascertain where and why things went well or not so well and any lessons learnt or good practices to be shared will be highlighted.