

Norfolk County Council**Minutes of the Extraordinary Meeting Held on 2 September 2015****Present:**

Mr A ADAMS	Ms A KEMP
Mr S AGNEW	Mr M KIDDLE-MORRIS
Mr C ALDRED	Mr J LAW
Mr S ASKEW	Mrs J LEGGETT
Mr M BAKER	Mr I MACKIE
Mr R BEARMAN	Mr I MONSON
Mr R BIRD	Ms E MORGAN
Mr B BORRETT	Mr S MORPHEW
Dr A BOSWELL	Mr G NOBBS
Mr B BREMNER	Mr R PARKINSON-HARE
Mrs J BROCIEK-COULTON	Mr J PERKINS
Mr A BYRNE	Mr G PLANT
Mr M CASTLE	Mr A PROCTOR
Mrs J CHAMBERLIN	Mr D RAMSBOTHAM
Mr J CHILDS	Mr W RICHMOND
Mr S CLANCY	Mr D ROPER
Mr T COKE	Mr M SANDS
Mr D COLLIS	Mr E SEWARD
Mr D CRAWFORD	Mr N SHAW
Mr A DEARNLEY	Mr R SMITH
Mrs M DEWSBURY	Mr P SMYTH
Mr N DIXON	Mr B SPRATT
Mr J DOBSON	Mr M STOREY
Mr T FITZPATRICK	Dr M STRONG
Mr C FOULGER	Mrs A THOMAS
Mr T GARROD	Mr J TIMEWELL
Mr P GILMOUR	Miss J VIRGO
Mr A GREY	Mr C WALKER
Mrs S GURNEY	Mr J WARD
Mr P HACON	Ms S WHITAKER
Mr B HANNAH	Mr A WHITE
Mr D HARRISON	Mr M WILBY
Mr M Chenery of HORSBRUGH	Mrs M WILKINSON
Mr H HUMPHREY	
Mr B ILES	
Mr J JORDAN	
Mr J JOYCE	

Apologies for Absence:

Apologies for absence were received from Mr M Carttiss, Ms E Corlett, Mrs H Cox, Mr T East, Mr S Hebborn, Mr T Jermy, Mr B Long, Mr J Mooney, Mr W Northam, Ms C Rumsby, Mrs M Somerville, Mr D Thomas and Mr B Watkins.

1 Chairman's Announcements

- 1.1 There were no Chairman's Announcements.

2 Declarations of Interest

- 2.1 No Declarations of Interest were made.

3 Norwich Northern Distributor Road Budget

- 3.1 Council received the report of the Executive Director of Communities and Environmental Services and the Executive Director of Finance updating Members on the final target cost for the scheme and asking Members to approve a mechanism to fund a budget shortfall of £29.9m.
- 3.2 Members were asked to:
1. Accept the funding proposals from Department for Transport (DfT) and the New Anglia Local Enterprise Partnership (LEP) and confirm a Norfolk County Council contribution of up to £9.9m to meet the budget shortfall;
 2. Approve the funding mechanism set out in paragraph 2.8 of the report to deliver the additional funds of up to £9.9m to support the NDR and approve an adjustment to the 2015-18 capital programme to reflect the additional budget requirement and funding as set out in the report.
 3. Subject to the approval by DfT of the NDR 'full approval' submission, the Council confirms the award of the Stage 2 construction works to Balfour Beatty, to set the project in motion for an anticipated October 2015 start.
- 3.3 In light of the concerns raised by Dr A Boswell about the application of construction inflation costs, the Executive Director of Communities and Environmental Services, Mr T McCabe, clarified the costings for the NDR scheme.

The Executive Director drew Council's attention to Appendix C of the report, and the target costs offered by Balfour Beatty shown as £178.45m. He added that, as this was a considerable increase on the £148.5m previously proposed, he had asked the Highways Team to develop benchmark figures that could be compared against the Balfour Beatty target to test the reasonableness of the figures proposed by Balfour Beatty.

The first piece of work the Executive Director had commissioned was from Franklin and Andrews, a cost consultant specialist, asking them to assess construction inflation costs between 2010 and 2015. Franklin and Andrews had concluded that the NDR inflation closely matched that experienced on other highways schemes. The Executive Director added that he was happy to concede Dr Boswell's point that the figure of 22%

extracted from the Franklin and Andrews report and quoted on page 17 of the agenda papers, should in fact read 15.68%, although this did not detract from the analysis that the proposed cost was reasonable and reflected construction inflation elsewhere.

The second piece of benchmarking work compared the cost of the A11 dualling with the NDR target cost. The A11 scheme completed by Balfour Beatty, at a cost of £13.7m per mile compared to the NDR costs of £12.5m per mile, which suggested that the NDR target cost was reasonable.

Neither of these benchmarks changed the target cost developed by Balfour Beatty, they simply provided a benchmark against which the reasonableness of the Balfour Beatty proposal could be tested.

The Executive Director added that the alternative to accepting the proposal would be to re-tender the contract which would inevitably lead to a delay of a minimum of six months, which in itself would cost money. He added that, with what was known about construction inflation, there remained a high risk that the actual tender costs would be higher than that proposed from Balfour Beatty. Therefore, the strong advice given by the Executive Director of Communities and Environmental Services was that Council should not re-tender the contract.

3.4 Mr G Nobbs, seconded by Mr T Coke, moved the recommendations contained within the report and set out in paragraph 3.2 above.

3.5 Following debate and upon being put to a recorded vote (appendix A), Council
RESOLVED:

1. To accept the funding proposals from Department for Transport (DfT) and the New Anglia Local Enterprise Partnership (LEP) and confirm a Norfolk County Council contribution of up to £9.9m to meet the budget shortfall;
2. To approve the funding mechanism set out in paragraph 2.8 of the report to deliver the additional funds of up to £9.9m to support the NDR and approve an adjustment to the 2015-18 capital programme to reflect the additional budget requirement and funding as set out in the report.
3. Subject to the approval by DfT of the NDR 'full approval' submission, the Council confirmed the award of the Stage 2 construction works to Balfour Beatty, to set the project in motion for an anticipated October 2015 start.

The meeting ended at 10.50am.

Chairman

Norfolk County Council

Wednesday 2 September 2015 - Recorded Vote

ITEM No 3 – Norwich Northern Distributor Road Budget.

FOR	AGAINST.	ABST.		FOR	AGAINST	ABST	
X			ADAMS Tony	X			KEMP Alexandra
X			AGNEW Stephen	X			KIDDLE-MORRIS Mark
X			ALDRED Colin	X			LAW Jason
X			ASKEW Stephen	X			LEGGETT Judy
	X		BAKER Michael	Absent			LONG Brian
	X		BEARMAN Richard	X			MACKIE Ian
X			BIRD Richard	X			MONSON Ian
X			BORRETT Bill	Absent			MOONEY Joe
	X		BOSWELL Andrew		X		MORGAN Elizabeth
X			BREMNER Bert	X			MORPHEW Steve
X			BROCIK-COULTON Julie	X			NOBBS George
X			BYRNE Alec	Absent			NORTHAM Wyndham
Absent			CARTTISS Michael			X	PARKINSON-HARE Rex
X			CASTLE Mick			X	PERKINS Jim
X			CHAMBERLIN Jenny	X			PLANT Graham
X			CHILDS Jonathon	X			PROCTOR Andrew
X			CLANCY Stuart		X		RAMSBOTHAM David
X			COKE Toby	X			RICHMOND William
X			COLLIS David	X			ROPER Daniel
Absent			CORLETT Emma	Absent			RUMSBY Chrissie
Absent			COX Hilary	X			SANDS Mike
X			CRAWFORD Denis	X			SEWARD Eric
	X		DEARNLEY Adrian	X			SHAW Nigel
X			DEWSBURY Margaret	X			SMITH Roger
X			DIXON Nigel			X	SMYTH Paul
X			DOBSON John	Absent			SOMERVILLE Margaret
Absent			EAST Tim	X			SPRATT Bev
X			FITZPATRICK Tom	X			STOREY Martin
X			FOULGER Colin	X			STRONG Marie
X			GARROD Tom	X			THOMAS Alison
	X		GILMOUR Paul	Absent			THOMAS David
	X		GREY Alan	X			TIMEWELL John
X			GURNEY Shelagh	X			VIRGO Judith
X			HACON Pat	X			WALKER Colleen
X			HANNAH Brian	X			WARD John
X			HARRISON David	Absent			WATKINS Brian
Absent			HEBBORN Stan	X			WHITAKER Sue
X			HORSBRUGH Michael Chenery of	X			WHITE Tony
X			HUMPHREY Harry	X			WILBY Martin
X			ILES Brian	X			WILKINSON Margaret
Absent			JERMY Terry				
X			JORDAN Cliff				
X			JOYCE James				

With 59 votes in favour, 8 votes against and 3 abstentions, Council **RESOLVED** to agree the recommendations in the report.