

<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>LEADER'S REPORT</b></p> <p><b>NOVEMBER 2019</b></p>	
<p><b>HAMMERSMITH BRIDGE OPTIONS AND INSURANCE REPORT</b></p>	
<p><b>Report of the Leader – Councillor Stephen Cowan</b></p>	
<p><b>Open Report</b> with exempt appendix  <i>Appendix 1 of this report is currently exempt from disclosure on the grounds that it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings under paragraph 5 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</i></p>	
<p><b>Classification - For Decision</b></p> <p><b>Key Decision: Yes</b></p>	
<p><b>Other services consulted:</b></p>	
<p><b>Wards Affected:</b> All</p>	
<p><b>Accountable Director:</b> Sharon Lea, Strategic Director of The Environment</p>	
<p><b>Report Author:</b> Ian Hawthorn  Assistant Director – Environmental Special projects and Highways</p>	<p><b>Contact Details:</b>  Tel: 07968857843  E-mail:  ian.hawthorn@lbhf.gov.uk</p>
<p><b>AUTHORISED BY:</b></p> <p>The Leader has signed this report.</p> <p><b>DATE:</b> 7 November 2019</p>	

## **1. EXECUTIVE SUMMARY**

- 1.1. After extensive investigations Hammersmith Bridge has been found to need considerable refurbishment. LBHF working with TfL have completed a feasibility report on the requirements needed to refurbish the bridge. From that report a few options for Hammersmith Bridge refurbishment have been developed.
- 1.2. This report recommends the progression of one option out of three and Transport for London (TfL) have committed funding for this work including the cost of insurance for the works. The funding committed is £25 million.
- 1.3. The Council will be required to purchase additional insurance for some advanced works on the pedestals that will significantly reduce the refurbishment works programme. The cost of this will be reimbursed as part of the £25m indicated above, however as the Council will be the principal insured party, this report is seeking approval to place the insurance contract. This report will be one of a series of reports as the works progresses.

## **2. RECOMMENDATIONS**

### **The Leader is recommended to approve:**

- 2.1. The option recommended as a result of the feasibility report which is to restore Hammersmith Bridge to its previous level of operation of allowing motor traffic up to 7.5 tonnes and two single decker buses in each direction (and future proofed for heavier electric buses) subject to funds being made available to carry out the works.
- 2.2. That the Council enter into an agreement with TfL for it to carry out preliminary works on all four pedestals to investigate micro cracks found and for the development of a concept design for more major works.
- 2.3. A waiver of the provisions of Contract Standing Order 10 (pursuant to CSO 3) concerning the usual tendering requirements for services contracts, in relation to the requirement to purchase specialist construction insurance for the preliminary works, on the grounds that the nature of the services to be provided have been investigated and demonstrated to be such that a departure from CSO 10 is justifiable.
- 2.4. The award of contracts for the purchase of specialist construction insurance contracts for the preliminary works by means of an Owner Controlled Insurance Programme (OCIP) placed by the Council's insurance brokers, Marsh JLT Specialty Ltd, on the Council's behalf, at a total cost £139,206.48
- 2.5. A waiver of the usual requirements of contract standing order 19.5.1 (pursuant to CSO3) for contracts worth in excess of £100,000 to be sealed as a deed, to enable the contracts referred to in the previous recommendation to be entered

into by the issue of a policy document in accordance with standard industry practice, on the grounds that this is in the overall interest of the Council.

### **3. REASONS FOR DECISION**

- 3.1 From the three options assessed within the body of the report, the most cost effective and timely outcome is the option to restore the bridge to its previous level of operation. Approving the advanced works will reduce the time on either of the options by several months.
- 3.2 The Council must enter into an associated agreement with TfL and obtain insurance cover for the advanced pedestal works.

### **4. PROPOSAL AND ISSUES**

- 4.1. After extensive investigation and assessment, a feasibility report was produced by Mott Macdonald looking at all the key elements of the bridge. The bridge is listed so all three options would need to comply with any restrictions. From this report there were three options developed.
- a) Walking and cycling bridge - maintain the current operation (no motorised traffic permitted)
  - b) Restore to previous level of operation - motor traffic up to 7.5 tonnes and two single decker buses in each direction (and future proofed for heavier electric buses)
  - c) Option C: Enhanced bus usage - motor traffic up to 7.5 tonnes and increased single decker buses (and with the flexibility to introduce double decker buses).

### **5. OPTIONS AND ANALYSIS OF OPTIONS**

- 5.1. **Option A:** Walking and cycling bridge would give the shortest amount of design and construction time with a lower cost. However this would still take approximately 2 years because the bridge faults, including the micro-cracks in the pedestals, would need to be dealt with alongside refurbishment works.

#### **Benefits**

- Lowest cost solution
- Shortest programme 2 years
- Positively contributes to Mayor's Active Travel strategy and Improves cycling safety
- Air quality benefits

#### **Dis-Benefits**

- Requires declassification of 'A' Road and public consultation
- Wider traffic disruption
- Reduces resilience of road network by removing a vehicular Thames crossing
- Increased bus operation costs and reduces TfL revenue

- 5.2. **Option B:** Restoration to previous level of operation and previous status which is the middle range of costs and time required to complete the works.

**Benefits**

- Restores operation of bridge to previous levels of motor vehicles
- Restores public transport benefits and connectivity
- Will allow electric buses to use bridge
- Reduces traffic disruption
- Restores resilience to road network
- Improve air quality with electric buses

**Dis-Benefits**

- Higher costs than Option B- affordability
- Programme in excess of 3 years
- No segregation for cyclists
- Requires measures to control traffic restrictions and buses

- 5.3. **Option C:** Enhanced bus usage - motor traffic up to 7.5 tonnes and increased single decker buses (and with the flexibility to introduce double decker buses). This would require the highest costs and works time for the need to enhance the foundations as well as refurbish the bridge.

**Benefits**

- Restores operation of bridge to previous levels of motor vehicles
- Restores and enhances bus service, potentially including double deckers
- Future-proofs bridge though more substantive structural works
- No traffic control measures required
- Reduces traffic disruption
- Restores resilience to road network

**Dis-Benefits**

- Affordability – highest cost solution
- Longest programme 5 years +
- No segregation for cyclists
- High engineering risks, e.g. foundations and cables
- New structural elements will impact on historical and architectural features

**6. Other issues**

- 6.1 The preliminary works will involve removing the four pedestal covers to expose the bridges deviator saddles. This is where the two sets of micro-cracks appeared. Exposing these will allow further analysis and metal testing.
- 6.2 Since the preparation of the Mott Macdonald report, TfL have committed to providing funding of up to £25m for all the works required under option 2

include appointing and managing a works contractor. However, this is on the condition that the insurance responsibility should remain with the Council.

- 6.3 The Council's current Property and Liability insurance policies cannot be extended to include the Hammersmith Bridge project, as it requires the placement of a specialist construction insurance policy. The Council's brokers have thus been instructed to source an Owner Controlled Insurance Programme (OCIP) on best possible terms and quotations have now been received. The quotations are based on insuring the enabling works – contract value of circa £4.94m - only, as LBHF and TfL are not yet able to outline exactly what the major works will entail. The total insurance cost of the enabling works is £139,206.48, with this insurance covering circa £4.94m contract works (including professional fees and internal management costs) and with £100m Liability cover attached to the project. The OCIP will consist of a contract works insurance policy with Allianz as the primary insurer and a liability insurance policy with AIG as the primary insurer. As the project develops, it should be possible to extend the OCIP by attaching the Main Works to the programme, with the existing insurers providing further quotations to do so when further project details are available. This has been jointly agreed with TfL as the most suitable method of insuring the project: TfL arranging the works insurance was assessed to not be a feasible option when the Council is the asset owner. TfL will instead be jointly named on the OCIP policies, as will their works contractor, sub-contractors and consultants.
- 6.4 Pursuant to their funding commitment, TfL prepared the first draft of an agreement setting out a method statement for the work (approved by the Council) and the responsibility of TfL to manage their contractor. This agreement is in the process of being finalised following negotiation with TfL, and further details of its contents is set out in the Legal Implications. Under this agreement, TfL will reimburse the Council for the works insurance policy described in the previous paragraph.
- 6.5 Council officers will play a key role in the project delivery and be funded by the project funding already allocated by TfL.

## **7. CONSULTATION**

- 7.1 A number of public meetings have been held with the public on Hammersmith Bridge.
- 7.2 A letter has gone to all borough residents from the Leader of the Council.
- 7.3 Discussion has taken place with the London Borough of Richmond upon Thames Council at all levels.
- 7.4 The project team are working closely with TfL, Historic England, Port of London Authority and Environment Agency.

## **8. EQUALITY IMPLICATIONS**

- 8.1 The bridge is a key transport link for a number of vulnerable user groups. Its closure continues to impact these group so its restoration is a key priority.

8.2 *Implications verified/completed by: Fawad Bhatti, tel 020 8753 3437.*

## **9 LEGAL IMPLICATIONS**

9.1 The first recommendation to the report is for the Leader to approve the selection of Option B as the way forward for the repair and restoration of the Bridge. The decision-maker needs to be satisfied that this option is in the best interests of the Council.

9.2 These works will be carried out by TfL under a section 8 agreement agreed by the Council. The report is recommending approval for such an agreement, relating to the proposed preliminary works, and (where the preliminary works identify these) approval for a further agreement to cover interim stabilisation works. A section 8 agreement is under section 8 of the Highways Act 1980, which empowers local highways authorities and strategic highways companies to enter into agreements with other local highways authorities or strategic highways companies in relation to the construction, reconstruction, alteration, improvement or maintenance of a highway for which any party to the agreement are the highway authority.

9.3 Section 8 contains little prescription about the contents of a section 8 agreement, except that it may take effect as a delegation of function, and the parties may allocate the costs of things done pursuant to the agreement as they see fit. Here the proposed section 8 agreement is only for the purpose of carrying out preliminary works, and TfL occupy the Bridge pursuant only to a licence as opposed to delegation of the Council's function as highways authority to maintain the Bridge.

9.4 Negotiations over the contents of the Agreement have led to the following main terms being agreed:

9.4.1 A Board will be established to manage the works;

9.4.2 The works are to proceed in accordance with an approved method statement;

9.4.3 Any need to change the method statement is managed by the TfL project manager in consultation with the wider project team including Council officers. More serious issues will be referred to the Board;

9.4.4 TfL will appoint a works contractor using one its highways works frameworks, and TfL act as project manager under the works contract;

9.4.5 TfL takes financial risk for overruns in both time and cost;

9.4.6 The Council has the right to suspend the works in the event of structural concerns or similar issues;

9.4.7 Council to arrange insurance as above in joint names with TfL and the contractor, as well as maintaining its existing property insurance;

9.4.8 Council to carry out daily inspections and make staff available;

9.4.9 Possession of the Bridge reverts to the Council on completion of the preliminary works;

9.4.10 Public communications to be jointly agreed and managed.

9.5 The decision-maker is referred to the exempt appendix to this report for advice on the further provisions in the agreement.

9.6 The report is also seeking approval for the award of contracts for specialist insurance contracts. This has not been subject to a public quotation process via an advert on “Contracts Finder” as would normally be required for services contracts of this value. Accordingly, and due to the specialist nature of insurance contracts, two waivers are requested in relation to this proposed contract, pursuant to Contract Standing Order 3. It is confirmed that the grounds specified in the recommendations are among those prescribed in CSO 3. The decision-maker is also requested to approve the award of the insurance contracts.

9.7 *Implications completed by: Deborah Down Senior Associate (Sharpe Pritchard) on secondment to the Council [dtdown@sharpepritchard.lbhf.gov.uk](mailto:dtdown@sharpepritchard.lbhf.gov.uk)*

## 10 FINANCIAL IMPLICATIONS

10.1 TfL are funding all preparation and preliminary work including for the completed feasibility report and concept design with initial detail design plan. preliminary works on the four pedestals and the two towers. This includes the cover of auxiliary costs such as insurance, staffing, project management and traffic marshalls and traffic management. They have allocated £25 million for these works.

10.2 Implications verified/completed by: Kellie Gooch Head of Finance Environment Dept Tel 0208 753 2203

### **Financial Risks**

10.3 In all procurement award will be done through TfL frameworks and a Joint Project Board has been set up to manage the project, chaired by the Council's Chief Officer for Public Realm.

10.4 The main financial risk is securing the funding for the main construction works.

10.5 *Implications verified/completed by:* Implications verified/completed by: Kellie Gooch Head of Finance Environment Dept Tel 0208 753 2203

10.6 *Implications verified by Emily Hill – Assistant Director (Corporate Finance), Tel. 020 873 3145”.*

## 11 IMPLICATIONS FOR LOCAL BUSINESS

11.1 Currently there is an impact on local businesses from the closure of the bridge and a re-opening will benefit businesses in the borough.

11.2 *Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583*

## **12 COMMERCIAL IMPLICATIONS**

- 12.1 Procurement will be under TfL Frameworks and governed by a Project Board with an officer from the Councils Procurement Team as a member.
- 12.2 *Implications verified/completed by: Andra Ulianov Head of Procurement*

## **13 IT AND IM IMPLICATIONS**

- 13.1 IT Implications: The service has confirmed that the systems being used for this project already exist in the Councils and any specialist systems will be managed by TfL. Should the service or TfL procure any new systems or amend existing systems specifically to support this project, IT services should be consulted.
- 13.2 IM Implications: Privacy Impact Assessment has been completed. All TfL contractors on the framework have completed their Security Supplier Questionnaire and their staff with GDPR training. TfL have been given H&F's data protection and processing schedule.
- 13.3 The service has confirmed that all TfL contractors on the framework have completed their Security Supplier Questionnaires and their staff have completed GDPR training. The service has also confirmed that TfL have been given H&F's data protection and processing schedule.
- 13.4 *Implications verified/completed by: Tina Akpogheneta, Interim Head of Strategy and Strategic Relationship Manager, IT Services, tel 020 8753 5748.*

## **14 RISK MANAGEMENT**

- 14.1 This project has its own risk register, health and safety file plus all works will come under CDM regulations. The Project has a joint board to monitor all aspects of the works made up of both TfL and Council Officers.
- 14.2 Being ruthlessly financially efficient means that we must ensure value for money is being achieved, through the procurement process, to protect and enhance this significant Council asset. A rigorous programme management approach and governance arrangements will be put in place to ensure that the Council's statutory obligations are met and its objectives delivered through these works.
- 14.3 Officers will need to ensure that the project is run, and appropriate agreements sought with TfL, in line with the advice set out in the Legal Implications section.
- 14.4 Appropriate specialist insurance arrangements are being put in place to cover the Council's insurable risks for this first phase of the works.



14.1 *Implications verified/completed by: David Hughes, Director of Audit, Fraud, Risk and Insurance, tel 020 7361 2389.*

**15 BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1	Mott MacDonald Feasibility Report - published	Ian Hawthorn	Environment Department

**LIST OF APPENDICES;**

**APPENDIX 1 – EXEMPT - Additional Legal Implications**