

Cambridge News

Wednesday, February 24, 2010

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GRANDPA IN MY POCKET

The local talent
behind the hit
children's show

£161 million

► True cost of the guided
busway finally revealed

Tesco in appeal over alcohol sale

TESCO has
promised
magistrates
that it would
sell alcohol
responsibly
at its Mill
Road store if
granted a licence.

The supermarket has taken
Cambridge City Council to
court after it was told it could
not sell alcoholic drinks
because the area was a
'cumulative impact zone'.

► Full story – page 2

Cycle lane plans are put on hold



► Council borrows £41m to pay – but promises the public purse won't be hit

THE total building costs of the guided busway have soared to £161 million – £45 million above the initial price.

The escalating costs of the St Ives-Cambridge route have been revealed as council chiefs said they had borrowed £41 million to ensure the busway is completed.

In new budget papers, Cambridgeshire County Council says it will hand over £161 million up front for the project, but ultimately intends to pay only marginally above the £116 million stated in its contract with contractor BAM Nuttall.

The authority says it will claw back £40

■ JACK GROVE

million of the overspend after the contractor hands over the busway – but it is feared the matter will end in court.

A council spokesman said: "The council forecasts that the busway is likely to come in just over the original £116 million budget. It will not cost the council £160 million.

"The contractor is forecasting they will spend more building the scheme than the contracted target price.

"However, there is a robust contract in place which sets out that the council only

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CONTROVERSIAL cycle lane plans which would ban residents from parking along their own road have been put on hold.

The £400,000 scheme in Gilbert Road, Cambridge, which would stop parked cars getting in the way of cyclists, has divided the community.



► Full story – page 5

Scheme to expand Hilton by 56 rooms

MASSIVE extension plans for the Hilton hotel, by the River Cam, have been unveiled.

The 122-bed hotel would be extended with another 56 modern bedrooms and suites if the scheme is approved.

► Full story – page 7



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£161m true cost of guided busway

■ From front page

picks up a small proportion of these costs, and only up to a certain point.

"As set out in the contract, the council pays the actual cost of the building works until the whole project is completed and handed over.

"At that point the contractor will be required to pay back to the council the difference between the target price and the actual cost they have been paid, minus the small share of the overspend the council pays."

Transport bosses added that some cash to pay for the project will also come from developers – but contributions have dried up.

As well as borrowing £41 million in this financial year, the council will borrow £10.2 million next year to cover the project's

costs. Chief finance officer Nick Dawe said: "It is anticipated that £24.7 million from future developer contributions will be available to partly repay this debt, and the balance repaid by the contractor with interest on completion of the risk share process."

The busway was due to open last February. A year later, there is still no opening date and a legal battle is looming over the cost and condition of the track.

About £92.5 million will be covered by the Government. The rest is set to come from planning gain contributions from large-scale projects, like Northstowe.

But Cllr Mike Mason, who represents Histon and Impington, said taxpayers might be forced to pay for the interest payments on the massive loans.

He said: "With long delays to Northstowe and the Cambridge station projects, payments from developers are almost non-existent. We can't rely on getting massive sums from these developments any more and the legal battle with BAM Nuttall could rumble on for years."

Cllr Roy Pegram, cabinet member for growth at the county council, said: "No local council tax money will be spent if there is an overspend on the busway. It will come from the Government or contributions from organisations benefiting from the busway. We have been fining BAM Nuttall about £14,990 a day and that is where the money will be coming from."

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Wednesday, February 24, 2010

Opinion

Crunch time for our £161m

THE news that Cambridgeshire County Council is budgeting to hand over £161 million to contractors building the guided busway casts a new shadow over the repeatedly delayed project.

The council says it will be able to claim back £40 million from contractor BAM Nuttall, under the terms of the contract. We hope that is the case. But if, as expected, the dispute ends up in the courts, can anyone know for sure what the outcome will be?

The fact there is still not even an estimated opening date adds to the uncertainty.

We have repeatedly said the project needs to be given a chance. It will benefit nobody to see it fail. But there is only one thing that can put a stop to the constant stream of criticism – buses on the busway.