

Local Highways Maintenance Challenge Fund



Department
for Transport

Application Form (for Tranche 2A)

The level of information provided should be proportionate to the size and complexity of the scheme proposed. Note that DfT funding is a maximum of £5 million per scheme. An individual local authority may apply only for one scheme.

For schemes submitted by components of a Combined Authority a separate application form should be completed for each scheme, then the CA should rank them in order of preference.

Applicant Information

Local authority name: North East Lincolnshire Council

Bid Manager Name and position: Holly Hall - Highway Asset Engineer.

Contact telephone number: 01472 324428 **Email address:** holly.hall@nelincs.gov.uk

Postal address:

Origin Two
Origin Way
Europarc
Grimsby
North East Lincolnshire
DN37 9TZ

When authorities submit a bid for funding to the Department, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, they must also publish a version excluding any commercially sensitive information on their own website within two working days of submitting the final bid to the Department. The Department reserves the right to deem the business case as non-compliant if this is not adhered to.

Please specify the weblink where this bid will be published: <https://www.nelincs.gov.uk/roads-parking-transport/business-cases-and-funding-bids/>

SECTION A - Scheme description

A1. Scheme name: South Humber Bank and A180 Major Maintenance – Phase 1

A2. Headline description:

Package of major maintenance measures to extend the life of existing carriageways, bridges, footways and cycleways, providing key access to the Port of Grimsby, Industries and Enterprise zones along the South Humber Bank in North East Lincolnshire and will future proof economic growth plans for commercial expansion towards Immingham.

A3. Geographical area:

The A180 and industrial roads link Grimsby and the Port of Grimsby to the Strategic Road Network of M180, and the wider network of M18, M1, and M62. It provides a critical transport link to the Port of Grimsby, and to the nationally important industry along this South Humber Bank Corridor.

OS Grid Reference: **E526180, N410600**

Postcode: **DN31 2SR**

Please append a map showing the location (and route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints on land use, planning etc.

Please see Appendix A for Location Plan with Development Sites, Route Plan, Phasing Plan and existing Transport Infrastructure plans.

A4. Type of scheme (please tick relevant box):

Small project bids (requiring DfT funding of up to £5 million)

This bid forms phase 1 of a 2 phase major maintenance programme to the A180 and associated industrial estate roads.

PHASE 1:

Major maintenance, strengthening or renewal of bridges, tunnels, retaining walls or other structures

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Major maintenance or renewal of carriageways (roads) ✓

Major maintenance or renewal of footways or cycleways ✓

Major maintenance or renewal of drainage assets ✓

SECTION B – The Business Case

B1. The Financial Case – Project Costs and Profile

Before preparing a scheme proposal for submission, bid promoters should ensure they understand the financial implications of developing the scheme (including any implications for future resource spend and ongoing costs relating to maintaining and operating the asset), and the need to secure and underwrite any necessary funding outside the Department's maximum contribution.

Please complete the following tables. **Figures should be entered in £000s** (i.e. £10,000 = 10).

Table A: Funding profile (Nominal terms)

£000s	2017-18
<i>DfT Funding Sought</i>	1976
<i>LA Contribution</i>	495
<i>Other Third Party Funding</i>	3

Notes:

1) Department for Transport funding is only for the 2017-18 financial year.

2) A minimum local contribution of 10% (by the local authority and/or third party) of the project costs is required.

B2 Local Contribution / Third Party Funding

Please provide information on the following points (where applicable):

- a) The non-DfT contribution may include funding from organisations other than the scheme promoter. Please provide details of all non-DfT funding contributions to the scheme costs. This should include evidence to show how any third party contributions are being secured, the level of commitment and when they will become available.

£3000 from Network Rail to resurface Woad Lane Level Crossing as part of the scheme proposals.

- b) Where the contribution is from external sources, please provide a letter confirming the body's commitment to contribute to the cost of the scheme. The Department is unlikely to fund any scheme where significant financial contributions from other sources have not been secured or appear to be at risk.

Have you appended a letter(s) to support this case? ☒ Yes ☐ No ☐ N/A

Email confirmation from Network Rail –see Appendix B

- c) Please list any other funding applications you have made for this scheme or variants thereof and the outcome of these applications, including any reasons for rejection (e.g. through the Access Fund or similar competition).

N/A

B3. Strategic Case (Maximum 50 words for each section a) to g)

This section should briefly set out the rationale for making the investment and evidence of the existing situation, set out the history of the asset and why it is needs to be repaired or renewed. It should also include how the scheme it fits into the overall asset management strategy for the authority **and why it cannot be funded through the annual Highways Maintenance Block Funding grant.**

This bid forms phase 1 of a 2 phase major maintenance programme to the A180 and associated industrial estate roads. See Appendix C for phase 1 and 2 delivery programme and plan.

- a) What are the current problems to be addressed by your scheme? (Describe economic, environmental, social problems or opportunities which will be addressed by the scheme).

Major maintenance is currently unaffordable as the cost for reconstruction required greatly exceeds existing highway programme funding. This scheme underpins development opportunities identified in the Local Plan and wider Local Enterprise Partnership's Strategic

Economic plans, improves safety by extending the life of the carriageway by 15-20 years and creating off road cycle infrastructure, encouraging local and national investment.

Please see Appendix D for Strategic Case, Maintenance History and condition information.

b) Why the asset is in need of urgent funding?

These roads have exceeded their design lives and have structurally failed. They are unable to support future traffic growth in their current condition. This funding is urgent because highway condition will become a barrier to future economic growth of the area / existing business if the highway has to be closed or weight limits imposed.

Please see Appendix D for Strategic Case, Maintenance History and condition information.

c) What options have been considered and why have alternatives have been rejected?

Full reconstruction of the carriageway and strengthening works to the footways is the only option due to the structural failure of these industrial roads. The costs of full reconstruction of these industrial roads has restricted its full repair, as it is considerably in excess of our yearly capital funding budget.

d) What are the expected benefits / outcomes?

- **Enabling Economic growth with high quality road infrastructure supporting business, investment and delivery of North East Lincolnshire Council's Economic Strategy and Local Plan**
- **Provision of improved road infrastructure to support delivery of the South Humber Industrial Investment Programme**
- **Whole life of highway asset extended reducing maintenance liability**
- **Improved journey times**
- **Increased safety**
- **Improved access to employment**
- **Reduce congestion**

Please refer to Appendix E for detail on NELC Economic Strategy and South Humber Industrial Investment Programme

e) Please provide information on the geographical areas that will benefit from your scheme.

- **Industrial and Port Area north and south of the A180,**
- **Wider South Humber Bank Area through improved access to development and Industry,**
- **The Strategic Road Network of M180, and the wider network of M18, M1, and M62 through improved access to the nationally critical Industry along this project corridor.**

f) What will happen if funding for this scheme is not secured - would an alternative (lower cost) solution be implemented (if yes, please describe this alternative and how it differs from the proposed scheme)?

The scale of the maintenance works considerably exceeds the overall highway capital funding available to the local authority. Appropriate planned maintenance interventions would need to be spread over 5-10 years, with extensive disruption, to allow of other parts of the local highway network to undergo planned maintenance within existing budgets. There is no lower cost alternative solution.

g) What is the impact of the scheme?

- **Condition of infrastructure secured for economic growth.**
- **Road and footway/cycleway condition secured for traffic growth and sustainable travel.**
- **Economic benefits of improving access to Industrial Areas, the Port of Grimsby, and reducing disruption to motorists by addressing all maintenance issues along the route.**
- **Safety benefits for all users.**

B4. Affordability and Financial Risk (maximum 50 words for each of a) to c)

What is your Authority's most recent total outturn annual capital spending on highways maintenance (2015/16) £2087 **figures should be entered in £000s** (i.e. £10,000 = 10)

What is the DfT contribution sought as a % of that annual total 94.681 % (to 3 decimal places)

This section should provide a narrative setting out how you will mitigate any financial risks associated with the scheme

Please provide evidence on the following points (where applicable):

a) What risk allowance has been applied to the project cost?

**Detailed design has been undertaken giving greater confidence on project costs.
20% Contingency has been applied to project cost to mitigate any unforeseen risks.**

b) How will cost overruns be dealt with?

North East Lincolnshire Council will meet any cost overruns over and above the DfT contribution.

c) What are the main risks to project delivery timescales and what impact this will have on cost?

See the Risk Register in Appendix F.

These risks are primarily delivery risks. However the governance structure for the project includes a dedicated project board and team to ensure risk mitigation measures are monitored and instigated in a timely manner, and will revise as necessary as Part of Project Board Meetings. Further detail on Project Board and Governance in section B7 below.

B5. Equality Analysis

Has any Equality Analysis been undertaken in line with the Equality Duty? ☒ Yes

☐ No

Please refer to Appendix G for Equality Impact Assessment.

B6. Value for Money

a) **For all scheme bids, promoters should provide, where available, an estimate of the Benefit Cost Ratio (BCR) of the scheme.**

Where a BCR is provided please be aware that DfT may wish to scrutinise the data and assumptions used in deriving that BCR.

b) Please provide the following data will form a key part of our assessment:

Note this material should be provided even if a BCR estimate has been supplied **and** has also to be entered and returned as an MS Excel file in the VfM Annex MS Excel file).

A description of the do-minimum situation (i.e. what would happen without Challenge Fund investment).

North East Lincolnshire Council would have to carry out planned maintenance within its current and future annual highway maintenance needs based funding allocations. The impact being a further managed decline of the route, and more costly maintenance reducing the viability of the area to potential

	<p>developers and businesses.</p> <p>Road closures may have to be implemented severely disrupting access to nationally critical industry and the Port of Grimsby and the development of the new Humberland Link Road with a considerable impact on the economy of the area.</p>						
Details of significant monetised and non-monetised costs and benefits of the scheme (quantified where possible)	<p>For cycle route improvements : BCR = 3.88:1</p> <p>Estimated monetised benefits:</p> <table> <tr> <td>Mode shift</td><td>£248,000</td></tr> <tr> <td>Health benefits</td><td>£757,000</td></tr> <tr> <td>Ambience</td><td>£76,000</td></tr> </table> <p>Please see Appendix H for further detail of monetised and non-monetised costs, and benefits of Phase 1.</p> <p>These infrastructure improvements will be mutually supportive for the Access Fund Program recently approved, acknowledging the greatest benefits are achieved where infrastructure is supported by softer measures (eg. Travel planning and cycle training).</p>	Mode shift	£248,000	Health benefits	£757,000	Ambience	£76,000
Mode shift	£248,000						
Health benefits	£757,000						
Ambience	£76,000						
Length of scheme (km)	2km						
Number of vehicles on affected section (Average Annual Daily Traffic in vehicles and if possible split by vehicle type) – to include details of data (age etc.) supporting this estimate.	<p>4312</p> <p>See Appendix I for traffic count data.</p>						

c) Other VfM information where relevant - depending on type of scheme bid:

Details of required restrictions/closures if funding not provided (e.g. type of restrictions; timing/duration of restrictions; etc.)	An annual programme of planned restrictions would be required to carry out urgent repairs. In the event of a serious failure occurring this would result in permanent, lane or road closures until such time that funds are available for necessary repairs.																
Length of any diversion route, if closure is required (over and above existing route) (km)	2km																
Regularity/duration of closures due to flooding: (e.g. number of closures per year; average length of closure (hrs); etc.)	0																
Number and severity of accidents: both for the do minimum and the forecast impact of the scheme (e.g. existing number of accidents and/or accident rate; forecast number of accidents and or accident rate with and without the scheme)	<table> <tr> <td>(DM Total Accidents/yr)</td><td>0.8</td></tr> <tr> <td>(DM Slight Accidents/yr)</td><td>0.6</td></tr> <tr> <td>(DM Serious Accidents/yr)</td><td>0.2</td></tr> <tr> <td>(DM Fatal Accidents/yr)</td><td>0</td></tr> <tr> <td>(DS Total Accidents/yr)</td><td>0.3</td></tr> <tr> <td>(DS Slight Accidents/yr)</td><td>0.1</td></tr> <tr> <td>(DS Serious Accidents/yr)</td><td>0.2</td></tr> <tr> <td>(DS Fatal Accidents/yr)</td><td>0</td></tr> </table> <p>See Appendix I for Accident History Report</p>	(DM Total Accidents/yr)	0.8	(DM Slight Accidents/yr)	0.6	(DM Serious Accidents/yr)	0.2	(DM Fatal Accidents/yr)	0	(DS Total Accidents/yr)	0.3	(DS Slight Accidents/yr)	0.1	(DS Serious Accidents/yr)	0.2	(DS Fatal Accidents/yr)	0
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(DS Serious Accidents/yr)	0.2																
(DS Fatal Accidents/yr)	0																
Number of existing cyclists; forecasts of cycling usage with and without the scheme (and if available length of journey)	<p>Re-allocation of on road cycle lane to a safer off road facility will result in increased usage.</p> <p>Existing: 47 people (94 trips per day assuming each person makes a return journey each day).</p>																

B7. The Commercial Case

This section categorizes the procurement strategy that will be used to appoint a contractor and, importantly for this fund, set out the timescales involved in the procurement process to show that delivery can proceed quickly.

What is the preferred procurement route for the scheme? For example, if it is proposed to use existing framework agreements or contracts, the contract must be appropriate in terms of scale and scope.

Framework Contract ☒

Council Contractor ☐

Competitive Tender ☒

Should North East Lincolnshire Council (NELC) be successful in securing funding from the Challenge Fund, the proposed strategy for procurement is to access the YORcivil framework.

This Framework covers two regions, North & East, and South & West. NELC fall within the footprint of the North & East Boundary, and are eligible to access the seven LOTS that are available. YORcivil permits more than one LOT to be accessed per tender. Given the variety of the proposed works (both civils & surfacing), the proposal is to procure the package of works to both LOTS 2 & 4. This will then open the tender to 11 companies.

In order to ensure quality of tender submission, a quality section will be incorporated into the tender package, this will consists of 5-10 questions which would be scored in accordance with NELC procurement rules. These quality scoring and tender values will then be added to a scoring matrix, this will in-turn calculate the winning tenderer.

**Detailed design has been undertaken giving greater confidence on project costs.
20% Contingency has been applied to project cost to mitigate any unforeseen risks to delivery.**

The tender will be let for a period of 4 weeks under an NEC3 contract.

Rail possession required for surfacing of Network Rail Level Crossing on Woad Lane. Approval granted by Network rail with contribution to cost confirmed. Initial discussions between Network Rail and the Project Team/Project Manager have already begun. Specific detail and requirements for possession to be confirmed subject to funding award.

Please see Appendix J for Project Organogram and Detailed Project Delivery Plans.

**It is the promoting authority's responsibility to decide whether or not their scheme proposal is lawful; and the extent of any new legal powers that need to be sought. Scheme promoters should ensure that any project complies with the Public Contracts Regulations as well as European Union State Aid rules, and should be prepared to provide the Department with confirmation of this, if required. An assurance that a strategy is in place that is legally compliant and is likely to achieve the best value for money outcomes is required from your Section 151 Officer below.*

B8. Delivery (maximum 50 words for a) and 100 words for b)

a) Are any statutory procedures required to deliver the project, if yes please provide details below;

☒ Yes ☐ No

Details of statutory procedure (50 words maximum)

Rail possession required for surfacing of Network Rail Level Crossing on Woad Lane. Early communication with Network Rail undertaken to secure closure of Woad Lane Level Crossing for resurfacing of level crossing to ensure all statutory procedures are adhered to. Initial discussions between Network Rail and the Project Team/Project Manager have taken place. Specific detail and requirements for possession to be confirmed subject to successful funding award.

b) Please summarise any lessons your authority has learned from the experience of delivering other DfT funded programmes (such as Challenge Fund tranche 1, pinch point schemes, local majors, Local Sustainable Transport Fund, Better Bus Areas) and what would be different on this project as a result.

Local Sustainable Transport Fund - Issues arose through use of external designers- poor design, no concern for addressing local issues, lacking in detail. Lessons learned – in house design preferable for more detailed and considered design for local conditions, however if external designers used, greater communication and regular updates to solve any potential design weaknesses before potential to cause delay to scheme delivery – In house design team used for this project, detailed design has already been undertaken.

A18/A180 Link Road – Delays caused to start of construction due to issues with land sales.- Lessons learned – earlier communication with land owners/consider CPOs. – There is no land purchase required to deliver this scheme proposal, and support has been given from key landowners/business for the scheme.

B9. Stakeholder Support (maximum 50 words for a) and 100 words for b)

c) Does this proposal have the support of the Local MP(s);

☒ Yes ☐ No

Name of MP(s) and Constituency

- 1 Melanie Onn – Grimsby
- 2 Martin Vickers – Cleethorpes

d) List other stakeholders supporting the Scheme:

- 1 Humber LEP
- 2 Associated British Ports (ABP)
- 3 Highways England (acknowledgement of scheme proposals- no objections)

Please see Appendix K for Letters of Support

SECTION C: Declarations

C1. Senior Responsible Owner Declaration

As Senior Responsible Owner for [scheme name] I hereby submit this request for approval to DfT on behalf of [name of authority] and confirm that I have the necessary authority to do so.

I confirm that [name of authority] will have all the necessary powers in place to ensure the planned timescales in the application can be realised.

Name: Angela Blake

Signed:

Position: Director of Economy and Growth, NELC



C2. Section 151 Officer Declaration

As Section 151 Officer for [North East Lincolnshire Council] I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that [North East Lincolnshire Council]

- has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution
- will allocate sufficient staff and other necessary resources to deliver this scheme on time and on budget
- accepts responsibility for meeting any costs over and above the DfT contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties
- accepts responsibility for meeting any ongoing revenue requirements in relation to the scheme
- accepts that no further increase in DfT funding will be considered beyond the maximum contribution requested
- has the necessary governance / assurance arrangements in place
- has identified a procurement strategy that is legally compliant and is likely to achieve the best value for money outcome
- will ensure that a robust and effective stakeholder and communications plan is put in place

Name:

Sharon Wroot

Signed:



Submission of bids:

The deadline for bid submission is 5pm on:

31 March 2017 for Challenge Fund Tranche 2A (2017/18 funding)

An electronic copy only of the bid including any supporting material should be submitted to:

roadmaintenance@dft.gsi.gov.uk copying in Paul.O'Hara@dft.gsi.gov.uk

