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: Lancashire County Council

Bid Manager Name and position: David Hurford - Bridges & Structures Manager

Contact telephone number: 01772 534667 **Email address:** david.hurford@lancashire.gov.uk

Postal address:
Lancashire County Council
PO Box 78 County Hall
Fishergate
Preston
Lancashire
PR1 8XJ

Combined Authorities
N/A

Name and position of Combined Authority Bid Co-ordinator:

Contact telephone number: **Email address:**

Postal address:

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:
http://www.lancashire.gov.uk/council/finance/budget/capital-programme-updates.aspx

SECTION A - Scheme description

A1. Scheme name: A589 Greyhound Bridge Refurbishment

A2. Headline description:

Please enter a brief description of the proposed scheme and its timetable including the completion date (in no more than 50 words)

The scheme is a complete refurbishment of Greyhound Bridge, safeguarding its future, improving resilience, and supporting local economic growth by preventing the need to implement weight restrictions requiring significant HGV and bus diversions.

The proposed programme of works is from 12/06/2017 to 05/11/2018, a detailed programme is included in the appended SOBC.

Note: Since the opening of the Bay Gateway Greyhound Bridge Road has been re-numbered as the A589, the SOBC was written before this change and refers throughout to Greyhound Bridge as the A683.

A3. Geographical area:

Please provide a short description of area covered by the bid (in no more than 50 words)

Greyhound Bridge is located in the centre of the City of Lancaster, Lancashire and carries the westbound A589 (Greyhound Bridge Road) over the River Lune. It forms an important part of Lancaster's gyratory system providing the only westbound crossing of the river in Lancaster

OS Grid Reference: 347699:462113
Postcode:LA1 1HH

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.

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

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

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

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	Total	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total	4,625	6	160	3,711	488	44	216 (Retention)
DfT Funding Sought (80%)	3,711			3,711			
LA Contribution (20%)	914	6	160		488	44	216

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.*

Non-DfT funding, comprising approximately 20% contribution costs will be provided from Lancashire County Council's (LCC) Bridges Highway Maintenance Capital Programme.

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

Section 151 Officer Declaration in Section C2

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).*

No other funding applications have been made.

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.**

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).*

The key problem addressed by the scheme is prevention of weight limit restriction implementation on the bridge proposed for 2018. Restrictions on this key river Lune crossing will impact sub-regional economic performance, place pressure on local businesses, and increase severance between communities, further details in section 1.2 of the SOBC.

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

Structural deficiencies will require the implementation of a restriction to abnormal loads in 2018 and to all HGVs and buses in 2020. Therefore it is important that the scheme is completed as soon as possible to maintain access for all vehicles and prevent HGVs and buses from using a significantly longer diversion route via the Heysham-M6-Link.

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

Section 1.7 of the appended SOBC describes the option generation and selection process. Four options were considered:

- Introduction of permanent weight restrictions and physical measures (Do Minimum)
- One-phase refurbishment (Proposed Scheme)
- Three-phase refurbishment
- Bridge Replacement

The proposed scheme aligns with the scheme objectives and would have the least impact on road users.

d) *What are the expected benefits / outcomes?*

Section 1.2 of the SOBC shows the expected benefits and outcomes of the scheme, with key outcomes shown below:

- Prevent weight restrictions being implemented on the bridge which would negatively impact alternative routes.
- Securing the gyratory system in Lancaster City Centre.
- Maintaining the longevity of the structure.

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

As shown in the appended location plan the bridge provides an east-west link from Lancaster towards Heysham, Morecambe and their designated regeneration areas. Therefore the Greyhound Bridge refurbishment will bring quality of life and economic benefits to all three areas through the maintenance of the most direct links to/from Lancaster.

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)?*

LCC would implement the 'Do Minimum' Option (weight restriction), resulting in HGVs and buses having to follow a diversion route which is 5km longer than via Greyhound Bridge.

Funding the proposed scheme from the annual Highways Maintenance Block Funding is not currently feasible without significant negative impact on the remaining bridge stock.

g) What is the impact of the scheme?

The scheme would have the following positive impacts:

- Prevention of weight restrictions on bridge
- Maintain access for all vehicles on the Lancashire gyratory
- Support development at key sites near the River Lune
- Reduce current maintenance costs
- Support LTP objectives
- Alleviate congestion on alternative routes

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 (Year 2015/16) £49,407 **figures should be entered in £000s** (i.e. £10,000 = 10)

What is the DfT contribution sought as a % of that annual total: 7.511% (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?

A detailed risk register is provided within the appended SOBC. Risks have been assessed using a slight variation on the Highways Agency Risk Management (HARM) Tool. A QRA figure of £655k has been calculated and subsequently included within the scheme cost estimate.

b) How will cost overruns be dealt with?

Any expenditure above the estimated scheme costs will be covered by LCC's Bridges Capital Programme

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

As per the QRA in the SOBC, the main risk, both in terms of time and cost, is escalation of concrete repairs. A contingency to cover this risk has been included within the scheme costs. Mitigation measures also include the chosen contract specification and a detailed programme to avoid delays.

B5. Equality Analysis

Has any Equality Analysis been undertaken in line with the Equality Duty? ☒ Yes ☐ No

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.

The scheme's BCR has been calculated as 5.1, which represents "Very High" Value for Money.

The scheme's BCR has been calculated in accordance with the DfT's WebTAG guidance.

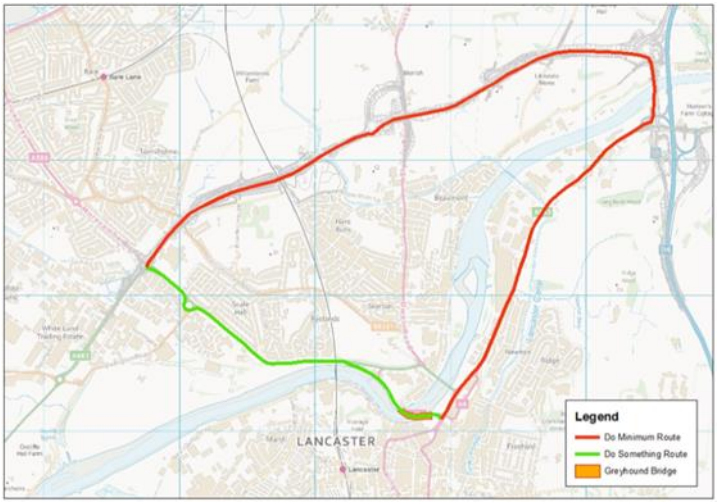
The Present Value of Benefits (PVB) have been derived based upon the reduction in distance and journey times for HGVs and buses that would be able to continue to use Greyhound Bridge. These benefits have been monetised using values taken from the DfT's WebTAG databook.

Further details on the economic assessment methodology are included within the appended SOBC.

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).	In the Do-Minimum scenario, continued monitoring of the condition of the bridge viaduct would be required. Management of permitted traffic loading would be implemented by introducing permanent weight restrictions and permanent physical measures such as reduction in no. of lanes. These measures would result in initial costs of £120k in 2018/19 The Do-Minimum scenario would lead to HGVs and buses being diverted to use the Heysham to M6 link, this is approximately 5km longer than the existing route using Greyhound Bridge and would take over 7 minutes longer than the current route in peak periods. It is acknowledged that some of the HGVs are likely to transfer to using the newly opened Heysham to M6 Link anyway. Consequently, in order to ensure the number of HGVs affected in the Do Minimum scenario is not being overstated, modelled proportions of the reduction in flow have been extracted from the SATURN traffic model built in support of the Heysham to M6 Link scheme.
Details of significant monetised and non-monetised costs and benefits of the scheme (quantified where possible)	A detailed economic assessment of the scheme has been undertaken and is provided as part of the SOBC appended to this application. A summary of the estimated costs and benefits is provided below:

	<table><tr><th>Benefits</th><th>Greyhound Bridge Refurbishment (2010 prices, discounted to 2010)</th></tr><tr><td>Noise</td><td>£51,283</td></tr><tr><td>Air Quality</td><td>£0</td></tr><tr><td>Greenhouse Gases</td><td>£150,860</td></tr><tr><td>Journey Quality (Congestion)</td><td>£12,660,488</td></tr><tr><td>Physical Activity</td><td>-</td></tr><tr><td>Infrastructure Maintenance</td><td>£29,211</td></tr><tr><td>Accidents</td><td>£756,908</td></tr><tr><td>Economic Efficiency: Consumer Users (Commuting & Other)</td><td>£18,187,282</td></tr><tr><td>Economic Efficiency: Business Users and Providers</td><td>£9,073,306</td></tr><tr><td>Construction Delay Disbenefits</td><td>-£8,487,319</td></tr><tr><td>Wider Public Finances (Indirect Taxation Revenues)</td><td>-£710,760</td></tr><tr><td>Present Value of Benefits (PVB)</td><td>£31,711,439</td></tr><tr><td>Present Value of Costs (PVC)</td><td>£6,165,529</td></tr><tr><td>Net Present Value (NPV)</td><td>£25,545,910</td></tr><tr><td>Benefit to Cost Ratio (BCR)</td><td>5.1</td></tr></table> An Appraisal Summary Table (AST) for the scheme is included in the appended SOBC. The AST summarises the social and environmental benefits generated by the scheme, as well as the monetised benefits presented above.
Length of scheme (km)	Greyhound Bridge itself is approximately 0.3km in length.
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.	A 12 hour Manual Classified Turning Count was carried out on Greyhound bridge on the 10th February 2016 in order to inform the economic assessment of the scheme. The traffic count has been factored in line with observed sites nearby in Lancaster City Centre in order to calculate the classified AADT figure presented below. <table><tr><th>Vehicle Type</th><th>AADT</th></tr><tr><td>All vehicles</td><td>22,718</td></tr><tr><td>Car</td><td>18,212</td></tr><tr><td>LGV</td><td>2,239</td></tr><tr><td>HGV</td><td>1,401</td></tr><tr><td>Bus</td><td>484</td></tr><tr><td>Motorcycle</td><td>341</td></tr><tr><td>Pedal Cycle</td><td>42</td></tr></table> The traffic count data shows that Greyhound Bridge is used by over 1,800 HGVs (including buses) on an average day. The scheme is therefore critical to ensuring that the bridge can continue to be used by a significant volume of HGVs and buses.

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.)	In the case of funding not being secured, LCC will implement the Do-Minimum scheme. In the Do-Minimum scenario the bridge would be permanently closed to HGVs and buses, resulting in significant volumes of HGVs and buses being diverted along Parliament Street towards the M6 to use the new Heysham to M6 Link.
Length of any diversion route, if closure is required (over and above existing route) (km)	In the case of funding not being provided the proposed diversion route for HGVs and Buses is to use the Heysham to M6 link, as illustrated in the figure below.  Assuming that all diverted traffic would continue on the existing route to the A589 / Morecambe Road junction the length of the diversion route is approximately 5km longer than the existing route via Greyhound Bridge.
Regularity/duration of closures due to flooding: (e.g. number of closures per year; average length of closure (hrs); etc.)	There has been one recorded closure of Greyhound Bridge due to flooding. Both Greyhound Bridge and Skerton Bridge (the bridge that carries the Eastbound/southbound traffic across the river Lune) were closed between the 5th-7th December 2015. However, this was a freak occurrence where a shipping container had been washed into the river and was considered a danger. The scheme is unlikely to have any impact on flood resilience.
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)	Rather than considering the actual number of observed accidents, the estimation of safety benefits has been carried out through assessing the change in vehicle kilometres due to the scheme and then applying a standard accident rate per million vehicle kilometres from guidance using the Marginal External Costs approach. Using this approach, the safety benefits of the scheme have been estimated at £756,908 over the 30 year scheme appraisal period.
Number of existing cyclists; forecasts of cycling usage with and without the scheme (and if available length of journey)	The traffic count undertaken in February 2016 showed that 42 cyclists used Greyhound Bridge in the 12 hour period between 07:00-19:00. However, the scheme is not expected to impact the numbers of cyclists or their average trip length due to there being good off road cycling facilities

	available via the adjacent Millennium Bridge.

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 ☒

The LA will be utilising its existing Council Contract to deliver the 12 weeks enabling works. The main contract will be awarded using competitive tender. This will allow delivery within stated timescales and best value to be maintained.

The scheme will be procured through a two stage quality and then price, New Competitive Tender process.

Contractors will be appointed using a NEC3 Option A contract. The Option A: Activity Schedule establishes a lump sum price for a range of activities according to the defined activity schedule set out in the tender documentation. This form of contract means that risk is transferred to the contractor. The contractor would also take on the risk of programme overrun on the basis of a target date-of-completion contract.

Approval and Control processes are in place via the establishment of Project Board / Project Sponsor and Authority's Capital Board and Democratic Process.

**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)

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.

The key Lessons Learnt from the DfT Challenge Fund Street Lighting Project Board have been incorporated into the scheme, these include:
1 Ensuring a Senior Officer is chair of the Project Board

Project Board meets regularly to monitor performance and manage Risks
2 Engaging with Procurement in advance of project start up to ensure smooth delivery of the scheme once funding in place and ensure contractual monitoring throughout delivery of the project
3 Ensuring all project objectives are clearly stated at the start of the project to allow results to be easily assessed

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
Cat Smith MP – Lancaster and Fleetwood
David Morris MP – Morecambe and Lunesdale

d) List other stakeholders supporting the Scheme:
1 Lancaster City Council
2 County Councillor Collinge for Lancaster East
3 Lancashire Enterprise Partnership – the scheme is included in the LEP Strategic Economic Plan

SECTION C: Declarations

C1. Senior Responsible Owner Declaration

As Senior Responsible Owner for A589 Greyhound Bridge Refurbishment I hereby submit this request for approval to DfT on behalf of Lancashire County Council and confirm that I have the necessary authority to do so.

I confirm that Lancashire County Council will have all the necessary powers in place to ensure the planned timescales in the application can be realised.

Name:	Signed:
Position:	

C2. Section 151 Officer Declaration

As Section 151 Officer for Lancashire County Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Lancashire County 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: Neil Kissock	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