

# 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:** Lead Authority: Cambridgeshire County Council

Includes Cambridgeshire County Council and Peterborough City Council

**Bid Manager Name and position:** Mike Atkins – Highways Asset Manager

*Name and position of officer with day to day responsibility for delivering the proposed scheme.*

**Contact telephone number:** 01223 715560

**Email address:** mike.atkins@cambridgeshire.gov.uk

**Postal address:** Cambridgeshire County Council  
SH1313  
Shire Hall  
Castle Hill  
Cambridge  
CB3 0AP

### **Combined Authorities**

*If the bid is from a local highway authority within a Combined Authority, please specify the contact and ensure that the Combined Authority has submitted a Combined Authority Application Ranking Form.*

**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:

Cambridgeshire County Council

[http://www.cambridgeshire.gov.uk/info/20006/travel\\_roads\\_and\\_parking/68/transport\\_funding\\_bids\\_and\\_studies](http://www.cambridgeshire.gov.uk/info/20006/travel_roads_and_parking/68/transport_funding_bids_and_studies)

Peterborough City Council

<https://www.peterborough.gov.uk/residents/transport-and-streets/highway-asset-management/>

## **SECTION A - Scheme description**

**A1. Scheme name:** Cambridgeshire and Peterborough Drought Damaged Roads

### **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)

£5million challenge funding is requested towards a £6.75million programme, for completion 2017-18, to repair 65.61km of drought damaged fen roads across Cambridgeshire and Peterborough.

Investment will enable the authorities to use innovative methods to maintain fen roads and enhance the resilience of the rural road network against future weather events.

### **A3. Geographical area:**

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

The area concerned is shown on the map provided, Appendix A, being mainly north & east Cambridgeshire, and eastern Peterborough. It covers the fen area of these authorities, where soil conditions contain substantial quantities of peat and other water susceptible sub-strata.

OS Grid Reference: not applicable

Postcode: not applicable

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)**

<b>£000s</b>	<b>2017-18</b>
<b>DfT Funding Sought</b>	
<b>Total</b>	<b>£5000</b>
<b>LA Contribution</b>	
<b>Total</b>	<b>£1750</b>
<i>Other Third Party Funding</i>	£0
<b>Total Project Funding</b>	<b>£6750</b>

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.

This bid confirms that Cambridgeshire and Peterborough will allocate additional funding to the value of £1,750,000, equivalent to a contribution of 26%, reflecting the additional investment we are committed to in the fen soils area. This reflects the importance that the authorities place on the road network affected by fen soils.

It is confirmed that the additional funding has been secured through prudential borrowing

- 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

- 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).

In 2012 a consortium of four local authorities, Cambridgeshire, Norfolk, Peterborough and Lincolnshire submitted an application to the DfT for additional funding following the exceptional damage caused by severe drought. In addition, an unsuccessful Local Highways Maintenance Challenge Fund bid was made in 2015.

**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 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).

Many of the drought damaged roads in rural areas have soil conditions that contain substantial quantities of peat and other water susceptible sub-strata. Traffic restrictions that are in place due to the poor condition of the roads adversely affect local businesses and communities, restricting access to premises and employment opportunities.

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

Both authorities have allocated additional funding to help mitigate the damage experienced on the network. However, there are still a large number of A and B roads suffering from drought damage which cannot be addressed through conventional highway maintenance funding, as deterioration would continue to outpace the renewal.

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

A do-nothing scenario has been ruled out, since the impact on the rural road network to communities and businesses would be intolerable, including many more advisory 20mph limits, diversions and road closures. The current do minimum option is not sustainable, costing over £0.5 million per annum on short term repairs.

d) What are the expected benefits / outcomes?

- > No speed restrictions, road closures/diversions
- > Greater accessibility and economic activity for local communities/businesses
- > Continued inward economic investment
- > Reduced risk of fatal/serious injuries to road users
- > Application of Whole Life Costing/Asset Management principles
- > Reduced journey times and vehicle operating costs
- > Reduced accident claims

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

Covers the part of the Strategic Economic Plan area where agri-tech is concentrated and is affected by the drought damaged roads. The areas affected are predominantly rural, with limited access to services and employment, including large agricultural packaging plants. The proposed scheme is shown in Appendices A & C.

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)?

Communities across the area affected will continue to see degradation to the network, with speed limits and diversions in place for many years to follow. The existing approach delivers poor value for money, comprising reactive, unsustainable short term repairs that fail to provide a resilient network.

g) What is the impact of the scheme?

The scheme will provide the foundation for preventative long term asset management for the affected highway network and will minimise costly short term reactive repairs.

We will adopt an innovative approach to repairing these roads (see Appendix D), and will produce a best practice guide for others to use.

**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 **2016/2017**)

Combined total outturn     £31,943     **figures should be entered in £000s** (i.e. £10,000 = 10)

What is the DfT contribution sought as a % and that annual total 15.653 % (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?

10% has been applied. Detailed asset condition data has been utilised when developing treatments and costs. The authorities have a robust understanding of historic and future costs, based on past experience and term contracts. A low element of risk has therefore been applied to reflect external price fluctuations.

b) How will cost overruns be dealt with?

Both authorities are confident that the works can be delivered in year 2017/18. Any cost over-runs will be the responsibility of the two authorities. Please see Appendix G for Section 151 Officers' confirmation.

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

- > Price fluctuation
- > Weather
- > Unforeseen ground conditions
- > Unforeseen hazardous materials
- > Plant/labour/material availability

10% allowance has been calculated to allow for these risks

**B5. Equality Analysis**

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

See Appendix E

## 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 BCR for this project has been calculated as 9.0. This represents high Value for Money. The data and assumptions for this BCR are included within a Technical Report in Appendix B and further details are provided in Appendix I.**

**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).

A do-nothing scenario is not an option, the impact on the rural road network to communities and businesses would be intolerable, including many more advisory 20mph limits, diversions and road closures.

In addition, the do-minimum option is for the authorities to spend over £0.5 million per annum on short term repairs. This would require significant diversion of funds from other areas of the authorities, and would fetter the ability of both authorities to apply their asset management strategies to the remainder of their networks.

These short term repairs do not represent a sustainable solution and do not accord with the asset management approach.

Details of significant monetised and non-monetised costs and benefits of the scheme (quantified where possible)

The monetised NPV benefits are calculated £13.3m (at 2010 prices discounted to 2010). See Appendices B and I for details.

Non-monetised benefits of the scheme include improved journey times on roads for residents and local businesses, as well as confidence in the resilience of the network in the future. Improving drought damaged roads will also improve the safety of the routes, and improve the accessibility of the area, which may in turn bring inward investment.

Length of scheme (km)

The approximate scheme length is as follows(taking into account some schemes are place to place treatments and not full length)

Total scheme length – 65.61km

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.

Due to the varied network affected, including A and B classified routes a weighted average AADT figure 3,551 has been calculated for Cambridgeshire and Peterborough

<b>c) Other VfM information where relevant - depending on type of scheme bid:</b>	
Details of required restrictions/closures if funding not provided (e.g. type of restrictions; timing/duration of restrictions; etc.)	Current restrictions on the network include 20mph advisory speed limits and diversions. These restrictions are supported by a consistent area wide signing protocol agreed by both authorities, including advisory signing in place since the drought damage occurred and in some cases permanent signing to reduce the risk of accidents and minimise any claims.
Length of any diversion route, if closure is required (over and above existing route) (km)	N/A for this project
Regularity/duration of closures due to flooding: (e.g. number of closures per year; average length of closure (hrs); etc.)	N/A for this project
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)	Safety benefits are anticipated through the implementation of the carriageway resurfacing.
Number of existing cyclists; forecasts of cycling usage with and without the scheme (and if available length of journey)	Although the proposal does not directly impact of the number of cyclists, the number of cyclists continues to grow across Cambridgeshire/Peterborough and an improvement to the condition of rural roads may encourage an increase in cycling across the area.

### **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

*\*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.

Both highway authorities have extensive experience in delivering major transport programmes on time and to budget.

The authorities have learnt that the key to delivering DfT capital funded maintenance programmes effectively is to utilise Early Contractor Involvement and “lean” processes such as “walk, talk and build” whenever appropriate. This enables the efficient and effective programming and allocation of resources.

Lessons learnt include the long-term advantages of adopting the ‘prevention is better than cure’ approach, as promoted by HMEP. This approach is a key driver for the proposed scheme; existing levels of funding preclude an asset management approach to these roads.

**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 **Please see Appendix F for letters received.**

Name of MP(s) and Constituency

- 1 Stephen Barclay – North East Cambridgeshire
- 2 Shailesh Vara – North West Cambridgeshire

d) List other stakeholders supporting the Scheme:

- 1 Greater Cambridge and Greater Peterborough LEP
- 2 Opportunity Peterborough

**SECTION C: Declarations**

**C1. Senior Responsible Owner Declaration**

As Senior Responsible Owner for Cambridgeshire and Peterborough Drought Damaged Roads I hereby submit this request for approval to DfT on behalf of Cambridgeshire County Council and confirm that I have the necessary authority to do so.

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

Name: Richard Lumley

Position: Head of Highways

Signed:



## C2. Section 151 Officer Declaration

As Section 151 Officer for Cambridgeshire County Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Cambridgeshire 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: Tom Kelly – Head of Finance & Deputy S151 Officer

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](mailto:roadmaintenance@dft.gsi.gov.uk) copying in [Paul.O'Hara@dft.gsi.gov.uk](mailto:Paul.O'Hara@dft.gsi.gov.uk)