

# 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:** Cumbria County Council

**Bid Manager Name and position:** Andy Brown, Senior Manager – Strategic Asset and Network Management

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

**Contact telephone number:** 07876 707517 **Email address:** andy.brown@cumbria.gov.uk

**Postal address:** Cumbria County Council  
Economy and Highways  
Parkhouse Building  
Kingmoor Business Park  
Carlisle  
CA6 4SJ

### **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:**

[https://www.cumbria.gov.uk/Landing\\_page/roadsandtravel.asp](https://www.cumbria.gov.uk/Landing_page/roadsandtravel.asp)

## **SECTION A - Scheme description**

### **A1. Scheme name: A591 Kendal Bypass Major Maintenance**

### **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 A591 is essential to supporting tourism and local economy through the central Lake District which suffered significant impact in December 2015 floods.

The scheme provides a major asset renewal along 8km route removing the need for frequent remedial patching works, delivers improved cycle provision, safety and drainage/ resilience measures.

Tender – August 2017

Construction start – November 2017

Complete – March 2018

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

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

The scheme focuses on the A591 Kendal Bypass from Brettargh Holt Interchange (A590/A591) to Plumgarth Interchange (A591/A5284/B5284).

This route is the main spinal link to the Lake District from the M6 Motorway at junction 36 and is the main access to Kendal, Windermere, Grasmere and Keswick.

OS Grid Reference: E350415 N487060 to E349720 N494635

Postcode: LA22

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.

See Map in Appendix

### **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> |
|----------------------------------|----------------|
| <i>DfT Funding Sought</i>        | <i>£4,977</i>  |
| <i>LA Contribution</i>           | <i>£1,198</i>  |
| <i>Other Third Party Funding</i> | <i>£60</i>     |

*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.

Funding is being contributed from non-core DfT funding via resources identified for the recovery of assets following Storm Desmond in December 2015. Flood recovery funding of £1.198m is being contributed to replace culverts that caused substantial flooding and closure of the A591 in December 2015 for nearly 3 days.

Funding contributions towards the cycle route have been explored but are not mature. Land owner contributions of £60k have been offered. Sustrans North West is exploring funding resources.

- 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).

Local Highways Maintenance Challenge Fund Tranche 1 (March 2015) – bid included structural maintenance of carriageway and drainage assets on A591 between Keswick and Kendal – bid rejected but subsequent major damage occurred to this corridor following Storm Desmond in December 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 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 A591 serves the major visitor destinations in the heart of the Lake District and suffers from major congestion during holiday periods. Towns along the corridor are heavily dependent on tourism, which supports rural employment.

Flooding is a regular occurrence with the extreme event occurring in December 2015 further accelerating the damage.

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

Cumbria suffers a maintenance backlog exacerbated by recent severe weather events including the December 2015 floods. The A591 was constructed 45 years ago with a design life of 20 years. Reflective cracking and movement caused by failure of the concrete base layer is confirmed by technical pavement evaluation and replacement of the asphalt layers is necessary.

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

The following options have been considered based on HMEP approach:

1. Do nothing: not an option
2. Do minimum: reactive maintenance - unable to budget for impact and significant disruption when occurs. Ongoing problem.
3. Targeted early intervention addressing fundamental causes of accelerating deterioration. The available budget is insufficient.
4. Major renewal: not affordable or efficient

d) What are the expected benefits / outcomes?

Enhance Cumbria's economy through improved journey time reliability for tourists and workers encouraging additional visitors to the region.

Significant increase in the life expectancy of the carriageway, providing a resilient strategic local network.

Reduce reactive maintenance allowing Cumbria to target other areas.

Higher standard of facilities for cycling leading to an increase in commuter cycling numbers

Providing increased road safety to key route to the Lake District through central reservation safety restraint system, eliminating flooding and renewed carriageway.

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

The local communities adjacent to the A591 including the town of Kendal will benefit from the scheme. However, the A591 Kendal Bypass serves 29,000 vehicles a day and is a strategic north - south route through the Lake District so the whole of the Lakes will benefit from these works but especially the Windermere, Ambleside and Grasmere areas.

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)?

Cumbria have spent 25% of the South Lakes maintenance budget on the A591 over the last 4 years. It will take a further 10 years to carry out these essential works leading to closures and significant impact on the local economy.

This level of investment results in further neglect to the wider network.

g) What is the impact of the scheme?

Tourism is a vital part of the local economy, these repairs will provide network resilience and improved journey time reliability from the removal of reactive maintenance.

Achieving this is particularly important regionally and locally as the A591 allows children, workers and tourists to move easily between the north and south Lake District.

#### **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 2016/17) **£79,509 figures should be entered in £000s** (i.e. £10,000 = 10)

What is the DfT contribution sought as a % and that annual total 6.260% (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% risk allowance has been applied to the scheme. This is based on recent previous experience of delivery of similar highway surfacing and drainage schemes within the flood recovery programme.

b) How will cost overruns be dealt with?

Any cost overruns will be covered by Cumbria County Councils from its Highways maintenance budget.

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

The main risks to the delivery of this scheme have been identified in the risk register as:

1. Programme – The Tourism economy is key factor in summer so the works cannot impact at this time. Mitigation: Through local knowledge and experience we have developed a programme to manage and coordinate all works on the network and delivery of this scheme starting in Autumn 2017.

2. The ability of the supply chain to provide sufficient resources to meet additional demands placed upon it through this scheme. Mitigation: flexible supply chain access and early contractor engagement to identify this scheme within Cumbria's capital delivery programme.

3. The impact of prolonged periods of poor weather. Mitigation: contingency time built into programme, high risk activities scheduled for optimum time including night time working.

4. Condition of existing pavement/unforeseen ground conditions. Mitigation: Early ground investigations and site surveys already complete. Contingency included in estimate for these works and early completion of detailed design planned for spring 2017.

## 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.

A separate appraisal of journey time savings only due to the scheme as a result of no future road closures due to flooding and pavement failure incidents has also been completed. This appraisal calculates a PVB of £15.6m. The PVC is calculated as £5.24m, assuming 60% spend in 2017 and 40% spend in 2018. This would give a high value for money, and excludes other benefits including reduced works costs and reduced roadworks delays. Further details are provided in the appendix.

### 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).

Current levels of A591 maintenance would continue for next 10 years, leading to closures and delays. Current maintenance spend would equate to £6m (current prices, not discounted) over next 10 years.  
Flooding incidents would continue to occur and pavement failure is expected in at least one location in the next 10 years.

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

The scheme is expected to save around £2m on contract and traffic management costs (current prices, not discounted). The scheme would save up to £15.6m (2010 prices) due to preventing road closures due to flooding and pavement failure. The reduced total length of roadworks could save £2.3m (2010 prices)

Length of scheme (km)

8.1 km

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.

29,183 two-way AADT(October 2016)  
Data from permanent traffic counter located north of Brettargh Holt (A590 roundabout).

### 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.)

Temporary road closures expected for regular flooding events and pavement failure also expected as carriageway is past end of life.

Length of any diversion route, if closure is required (over and above existing route) (km)

60.1km increase (68.2 km total length, via M6/A6 Shap).

Regularity/duration of closures due to flooding: (e.g. number of closures per year; average length of closure (hrs); etc.)

Average of two incidents per year, closing road for two days.

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

Number of collisions 2012 – 34 (2 fatal, 5 serious, 27 slight)  
Number of collisions 2013 – 31 (0 fatal, 6 serious, 25 slight)

|  |   |
|--|---|
| the scheme)  | <p>Number of collisions 2014 – 33 (0 fatal, 3 serious, 30 slight)<br/> Number of collisions 2015 – 36 (1 fatal, 7 serious, 28 slight)<br/> Number of collisions 2016 – 33 (1 fatal, 10 serious, 22 slight)</p> <p>Total number of collision 2012-2016 is 167.</p> <p>Estimated 3% reduction due to road restraint system.<br/> Further 2% reduction due to better cycling facilities.</p> |
| Number of existing cyclists; forecasts of cycling usage with and without the scheme (and if available length of journey) | <p>Cumbria is making significant investment into sustainable measures recognising the transfer from the private car to cycling is key to the promotion of sustainable development.<br/> Existing number of cyclists estimated at 30 per day, forecast use with cycleway 120 per 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

Due to the scale and nature of the works competitive design and build tenders will be sought using a restricted process under EU procurement rules with approval required from Cabinet to award the contract. The process is well established and is currently being adopted for major works associated with the December 2015 flood recovery programme. Template contractual documents already exist and scoping and employer's requirements work are ongoing to allow tenders to be issued in early May subject to funding confirmation. It is planned that this scheme will be managed and delivered in parallel to these similar work packages with approvals, programme, risks and delivery reported to the existing Highways Capital Programme Board.

### 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)

Road closures are required to complete the works and there is a 12 week lead in period for organising these. These timescales are accounted for in the programme, Cumbria County Council will lead on this with the delivery team liaising with the Traffic Manager to plan and implement these.

- 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.

Technical consistency – as part of the Infrastructure Recovery Programme CCC have developed design guidance around different class of roads and set up a Technical Approval Authority of Chartered Engineers to interrogate designs to ensure quality and suitability.

Programme – a dedicated Programme Team to oversee and manage the works ensuring control of timescales, cost and deliverables. It is recognised that the competitive tender process has potential implications on timescale. These have been carefully considered and approval to award by the Cabinet meeting on the 21st September is more than achievable allowing works on site to start in early October.

**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 Tim Farron MP, Westmorland and Lonsdale

- d) List other stakeholders supporting the Scheme:

1 National Trust

2 Sustrans

3 Lake District National Park Authority

4 Cumbria Local Enterprise Partnership (CLEP)

5 Cumbria Tourism

Letters of support are attached in Appendix

## 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: STEPHEN HALL

Signed:



Position: ASSISTANT DIRECTOR HIGHWAYS

### **C2. Section 151 Officer Declaration**

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

- 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:

JULIE WILLIAMS CRELLIN

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)