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: **Derbyshire County Council**

Bid Manager Name and position: **Steve Mead**

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

Contact telephone number: **01629 538577**

Email address: **steve.mead@derbyshire.gov.uk**

Postal address: **Derbyshire County Council, Economy Transport and Communities**
County Hall, Matlock, Derbyshire, DE4 2HS

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: **n/a**

Contact telephone number: **n/a**

Email address: **n/a**

Postal address: **n/a**

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.derbyshire.gov.uk/transport_roads/transport_plans/transport_funding_bids/default.asp

SECTION A - Scheme description

A1. Scheme name: Renewal of gullies and replacement of drainage assets serving the Resilient Network - Phase 1

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)

Renewal of known life expired gullies / connections / highway drains, ensuring integrity of drainage assets and a safe / reliable resilient network supporting Derbyshire's economic / social wellbeing. Mitigating the risk of flooding, to the highway and adjacent properties improves safety for users, reducing emergency reactive works.
Completion 31/03/2018.

A3. Geographical area:

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

The scheme is located on or adjacent to the resilient highway network for Derbyshire. Determining the resilient network has recently been concluded, with the primary network forming it's foundation. The works are at discrete locations around the resilient network as identified by the Intelligent Gully Cleansing initiative

OS Grid Reference: **Various**

Postcode: **Various**

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 Supporting documents Appendix A - Drawing No. CF2A – 2017/01

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	*2017-18*
DfT Funding Sought	***£2,500***
LA Contribution	***£250***
Other Third Party Funding	***Nil***

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.

£250,000 to be made available from Departmental reserves / Cabinet approved Accelerated Highways Maintenance Funding

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. **n/a**

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). **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.**

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 scheme objective is to maintain the safety, integrity and availability of the resilient network, essential to maintaining economic and social prosperity by alleviating flood / standing water and structural damage to the carriageway and risk to adjacent properties, improving safety, increasing availability and avoiding costly reactive emergency works.

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

Integrity of the resilient network is essential to maintaining the economic / social prosperity of Derbyshire. Analysis of gully cleansing data indicates urgent funding is required for highway drainage. Funding this from Highways Maintenance Block Funding would be detrimental to the lifecycle approach adopted to maintain the highway network.

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

Do Nothing – Continue with reactive emergency works risking user safety, increased liability, deterioration and costs
Current funding allocations – Due to the extent / estimated costs this would have a negative effect on the lifecycle planning approach adopted to maintain the highway network.
Seek Challenge Fund support – Address unplanned works cost effectively, without detriment to the network.

d) What are the expected benefits / outcomes?

Reduced risk of flooding, increased safety for the user and increased availability of the resilient network. The opportunity to continue to use existing Highways Maintenance Block Funding to adhere to the current optimised lifecycle plans and asset management approach sought by the Incentive Fund.

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

As the proposal relates to the resilient network the scheme will benefit principal access to the Peak District for tourism, principal towns and villages, businesses, emergency motorway closure routes, safe routes to hospitals and enable / support Derbyshires' response to incident management countywide.

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)?

There is no alternative (lower cost) solution. It would be necessary to programme the works within the annual Highways Maintenance Block Funding along with competing demands across the entire highway network. This would result in the required replacements works taking considerably longer with further deterioration of assets as lifecycles lengthen.

g) What is the impact of the scheme?

The impacts of the scheme are alleviation of risk from standing water or ice on the carriageway, leading to increased safety for the user, reduced liabilities and subsequent claims and increased integrity and availability of the resilient network and reduced risk of flooding third parties adjacent to the highway.

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 **figures should be entered in £000s** (i.e. £10,000 = 10)

£ **20,422 2015/16**

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

12.242 %

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 risk allowance of 10% has been built into the estimated project cost. This reflects the possibility of unforeseen circumstances, particularly dealing with statutory undertakers apparatus

b) How will cost overruns be dealt with?

Robust project management techniques will be employed to manage the programme and budget throughout the execution of the scheme. In the unlikely event, then any projected cost overrun will be addressed by additional funding sought from county reserves.

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

Weather / Winter working: allowance made for winter working and Christmas / New Year., Availability of resource: proposed delivery uses a mixed market approach ensuring appropriate resources are deployed at local level through existing framework contracts, i.e. Midland Highway Alliance Term Maintenance Contracts minimising impact of risk / cost.

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 benefit cost ratio has been derived for the scheme. For budget purposes an average cost of the works at each gully location (i.e. replacement gully and connection / highway drain to water company maintained surface water sewer) has been estimated as £3925.62. It has been assumed that the replaced drainage asset will have a life of 50 years, though in reality this may

be longer providing adequate maintenance is scheduled (i.e. gully cleansing, etc.). This is an equivalent annual capital expenditure of £78.51. (£3925.62 / 50 yrs)

It is assumed that reactive emergency works will be required at each location annually following incidents of exceptional rainfall, fallen debris or prolonged run-off accumulating on the carriageway. These works would comprise the removal of excess water for safety of the user, followed by attempted works to cleanse the gully / alleviate the blockage.

Estimated cost of reactive flood water management / removal, temporary road closures, sandbag deployment, attendance at site by highway inspector and reactive gang with vehicle = £273.20 / incident (current 'in house' staffing / vehicle costs)

Estimated cost of reactive cleansing, jetting and traffic management
= £253.14 / gully (current contract rates)

See Supporting documents Appendix B – BCR Supporting Rates - Confidential

Assuming one attendance per year by 'in house' DCC staff, followed by a reactive contractor cleanse, then the total annual cost of reactive maintenance;
= £526.34 / gully

.....and the saving of this current annual reactive cost is assumed to be the cost benefit.

The benefit cost ratio is therefore:- **6.7** **(£526.34 / £78.51 = 6.70)**

The approach makes no allowance for accident costs/savings, claims or delays in journey time to the user and there are many other benefits not all of which can be attributed a direct cost;

Construction benefits
Increased carriageway pavement longevity
reduced water erosion and infiltration into carriageway layers
reduced risk of carriageway surrounding gully collapsing consequent of washout
Safety benefits
Improvements for cyclist using carriageway adjacent kerb
reduced standing water
reduced broken carriageway surrounding gullies
Improvements for pedestrians
reduced spray from standing water
Improvements for vehicle users
reduced spray
reduced risk of aqua planning
reduced risk of ice forming on roads resultant of standing water
Adjacent occupants benefits
reduced risk of garden / property flooding (homes / businesses etc)
Network Benefits
reduced disruption resulting in increased reliability of journey times

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	As set out in section B3 c) the do minimum would be to seek funding from existing funding streams in

investment).	competition with other demands. Completion of the works would take longer as the competing demands of the network as a whole, for scarce maintenance funding, would have to be apportioned to maintain the whole network reducing the benefits of the lifecycle approach to maintaining Derbyshire's highway network
Details of significant monetised and non-monetised costs and benefits of the scheme (quantified where possible)	**Monetised costs - £2,500,000** Monetised benefits - £526.34 (current annual reactive emergency cost) x 636 (no of gullies affected) x 50 (year life) = £16,737,612 **Monetised benefits= £16,737,612.** Non-monetised Benefits – Reduced risk to the user, increased availability of the resilient network, reduced liabilities. • reduced disruption resulting in increased reliability of journey times • Increased carriageway pavement longevity • reduced water erosion and infiltration into carriageway layers • Reduced risk of carriageway surrounding gully collapsing consequent of washout • Reduced standing water • Reduced broken carriageway surrounding gullies • Reduced spray from standing water • Reduced risk of aqua planning • Reduced risk of ice forming on roads resultant of standing water • Adjacent occupants benefits reduced risk of garden / property flooding (homes / businesses etc).
Length of scheme (km)	Replacement Drainage – 3180m Replacement Gullies – 636 This scope of works covers 636 gullies as Phase 1. However the Intelligent Gully Cleansing Initiative identified 1210 gully locations in total on the resilient road network. Data was captured in the field by gully cleansing operatives using 'connected devices' transferred direct to the Council's Single Asset Management System See Supporting documents Appendix C - Intelligent Gully Cleansing Data The remaining locations, 574 gullies, will form Phase 2. Should the DfT be minded to fund a larger grant than that sought, Phase 1 and 2 could be combined for an additional £2,250,000.

	A corresponding increase in the benefits will ensue.
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.	The resilient network is shown on the attached plan; See Supporting documents Appendix D - Drawing No. CF2A – 2017/02. The AADT on these routes varies from 7,500 to 20,000, based on 2015/2016 figures; See Supporting documents Appendix E – Traffic Flow Data
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.)	The Councils priority is that a safe and reliable resilient network is available for the user at all times. However it is likely that failure to address the problems identified through the intelligent gully cleansing initiative will ultimately lead to the risks of flooding / standing water and associated pavement deterioration requiring closures or restrictions.
Length of any diversion route, if closure is required (over and above existing route) (km)	The nature of the highway network in Derbyshire, outside of the resilient and principal road networks, is narrow with poor vertical and horizontal alignments. Diversion routes are not practical, particularly for HGV's.
Regularity/duration of closures due to flooding: (e.g. number of closures per year; average length of closure (hrs); etc.)	This information is held at a local area / sub-area maintenance depots and it is not possible to collate the information in the time frame required for the submission.
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)	Accident figures are available for the resilient network. A search for accidents within 50 metres of each defective gully location indicates the following accidents in wet / damp road conditions in 2015/2016:- Fatal: 1 Serious: 17 Slight: 137 See Supporting documents Appendix F – Accident Data It is anticipated that following the alleviation of standing water and potential road surface icing on the carriageway these figures will reduce.
Number of existing cyclists; forecasts of cycling usage with and without the scheme (and if available length of journey)	Whilst the Peaks are popular for recreational cycling, there is limited information available regarding cyclists on the resilient network. The scheme will benefit cyclists in wet weather due to reduced standing water and ultimately through a reduction in carriageway deterioration in the nearside lane predominantly used by cyclists. See Supporting documents Appendix F – Accident Data

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 ☐

We propose to utilise existing framework contracts that cover regions of Derbyshire. All of these contracts are of sufficient scope to execute the works required for this scheme.

**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)
N/A

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 importance of understanding the outcome monitoring requirements / reports that may be required by the DfT in future audits of grant expenditure. The guidance provide is concentrated on the bid process and doesn't address what information may be required by the DfT / HM Treasury in future years

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

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

☑ Yes ☐ No

The following members of Parliament have been written to canvassing support for the Challenge Fund Bid, although no written responses have been received to date

Name of MP(s) and Constituency
1 Amber Valley – Nigel Mills
2 Bolsover – Dennis Skinner
3 Chesterfield – Toby Perkins
4 Derbyshire Dales – Patrick McLoughlin
5 Erewash – Maggie Throup
6 High Peak – Andrew Bingham
7 Mid Derbyshire – Pauline Latham
8 North East Derbyshire – Natasha Engel
9 South Derbyshire – Heather Wheeler
etc.

See Supporting documents Appendix G – Letter to Patrick McLoughlin MP - Derbyshire Dales

b) List other stakeholders supporting the Scheme:

The following stakeholders have been written to canvassing support for the Challenge Fund Bid, although no written responses have been received to date

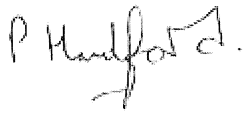
1 Local Enterprise Partnership
2 Derbyshire Chamber of Commerce
3 Public Transport Operators
4 Peak District National Park
etc.

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: **Mike Ashworth**	Signed:
Position: **Strategic Director - Economy Transport and Communities**	

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:	Signed:
Peter Handford	

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