

# Local Highways Maintenance Challenge Fund



Department  
for Transport

## Application Form

The level of information provided should be proportionate to the size and complexity of the scheme proposed. As a guide, for a small scheme we would suggest around 10 to 15 pages including annexes would be appropriate and for a larger scheme, 15 to 30 pages.

**A separate application form should be completed for each scheme up to a maximum of one large bid and one small bid for each local highway authority.**

### Applicant Information

**Local authority name(s)\*:** Essex County Council

*\*If the bid is a joint proposal, please enter the names of all participating local authorities and specify the lead authority*

**Bid Manager Name and position:** Paul Bird, Director for Commissioning, Transport and Infrastructure

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

**Contact telephone number:** 07584 218307 **Email address:** paul.bird@essex.gov.uk

**Postal address:** Essex County Council  
County Hall  
Market Road  
Chelmsford  
Essex  
CM1 1QH

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.essexhighways.org/Transport-and-Roads/Highway-Schemes-and-Developments/Bids-and-Funding/Challenge-Fund-Bid.aspx>

## **SECTION A - Scheme description and funding profile**

**A1. Scheme name:** A127 Major Maintenance Scheme

### **A2. Headline description:**

Please enter a brief description of the proposed scheme (in no more than 50 words)

This scheme comprises a 36 month 'total maintenance' programme of asset maintenance and renewal which includes all assets within the boundaries of the A127 primary route, thereby improving reliability of the asset and ensuring the long-term resilience of this critical route in south Essex.

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

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

This proposal covers the 26 km stretch of the A127 two lane dual carriageway and associated slip roads from its border with the London Borough of Havering at the junction with the M25 in the west to the border with Southend Unitary Authority at Progress Road junction in the east.

OS Grid Reference: TQ 5859 8846 (west) to TQ 8251 8903 (east)

Postcode: N/A

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 etc.

See Annexe 1 – Location and Route Map and Annexe 2 – Extract from A127 Corridor for Growth document.

### **A4. Type of bid (please tick relevant box):**

#### **Small project bids** (requiring DfT funding of between £5m and £20m)

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

Upgrade of Street Lighting

#### **Large project bids** (requiring DfT funding of between £20m plus)

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

|   |                                     |
|---|-------------------------------------|
| Major maintenance or renewal of carriageways (roads)  | <input checked="" type="checkbox"/> |
| Major maintenance or renewal of footways or cycleways | <input checked="" type="checkbox"/> |
| Major maintenance or renewal of drainage assets       | <input checked="" type="checkbox"/> |
| Upgrade of Street Lighting                            | <input checked="" type="checkbox"/> |

**A5. Equality Analysis**

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

## **SECTION B – The Business Case**

**B1. The Scheme – Summary/History** (Maximum 200 words)

Please select what the scheme is trying to achieve (this will need to be supported by short evidence in the Business Case).

The A127 is one of the busiest non-trunk roads in the Country. Lane or carriageway closures along the route cause extensive and widespread delay and disruption to traffic on the A127 and on the local road network. This means that a long term forward programme of small scale piecemeal asset maintenance and renewal projects along the route would be highly disruptive to travel and the local economy over a sustained period. The preference is to carry out work in one carefully planned end to end scheme, with extensive stakeholder consultation, and within a well-publicised traffic management plan to mitigate disruption, but this is expensive and beyond the budget normally available for capital highway maintenance.

The assets are now reaching or surpassing their design life, requiring urgent attention to mitigate the risk of failure and unplanned interventions. The scheme will be a comprehensive fence to fence approach focusing on carriageway reconstruction, inlay surfacing and joint repairs as necessary, replacement of vehicle safety barrier and street lighting columns including the upgrade of lanterns to LEDs. Other works including structures repairs, footway and cycleway maintenance, traffic sign replacement, drainage investigations and repairs will be included within the traffic management arrangements as appropriate.

**B2. The Strategic Case** (Maximum 650 words)

This section should set out the rationale for making the investment and evidence of the existing transport problems, set out the history of the asset and why it is needed to be repaired or renewed. It should also include how it fits into the overall asset management strategy for the authority.

In particular please provide evidence on the relevant questions/issues at paragraph 15 onwards of the accompanying Challenge Fund guidance.

Supporting evidence may be provided in annexes – if clearly referenced in the strategic case. This may be used to assist in judging the strength of your strategic case arguments but is unlikely to be reviewed in detail or assessed in its own right. So you should not rely on material included only in annexes being assessed.

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

The A127 is an important primary route connecting the M25, Basildon and Southend and serves as a vital economic and social artery for the area. Opened in 1924, over 74,000 vehicles per day are recorded on some sections putting the assets under great pressure. The perception is that the A127 is an old, substandard road which has been neglected for many years, a view reinforced by frequent reactive emergency repairs and unreliable journey times. This discourages confidence in the resilience of the route and undermines economic investment along the route. The A127 is recognised as a key access route to promote growth and regeneration in this area, including in neighbouring Southend-on-Sea, by SELEP who are supporting several improvement schemes along the A127 corridor with funding allocation in future years (See Annexes 2 and 3). The proposal aims to support this investment by undertaking as much major maintenance works as possible within the limitations of time and resource to reduce the risk of disruption from reactive works in following years and encourage economic investment in the area.

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

ECC have adopted a largely reactive approach to A127 maintenance in order to minimise traffic disruption which has led to asset condition declining to the point where this approach is no longer sustainable. ECC has carried out regular monitoring of the A127 assets through monthly safety inspections. Additional data and supporting documents (See Annex 3) show that many of the assets are in need of urgent maintenance or replacement.

Issues identified in the carriageway are a combination of cracking, excess moisture and de-bonding requiring partial reconstruction, deep inlay surfacing and joint repairs. The vehicle restraint system is well beyond its service life, surveys show that extensive repairs are required which warrant its complete replacement. Lighting columns are also beyond their service life and we will replace these and the private supply cable network. We also propose to upgrade lighting to LED technology, reducing future energy costs and the frequency of future bulk lamp changes.

This scheme will include pump replacement and drainage works at Rayleigh Weir underpass, and we will also take advantage of planned traffic management to investigate problems in the edge beams of Warley Street Flyover identified in a recent draft assessment.

Drainage CCTV investigations, jetting and clearance of drains and gullies will also be carried out during the works and repairs undertaken as appropriate.

Whilst the works are extensive and will cause major travel disruption and short term impact on local businesses, using normal capital funding routes these works would take many years to complete causing prolonged and avoidable disruption. Via the Challenge Fund, this scheme could be delivered over a two year construction period, the first year of Tranche 1 being set aside for procurement, consultation, and detailed planning of the works.

ECC are planning long-term capacity improvement schemes focused on key interchanges along the A127 during and after the Tranche 1 Challenge Fund period. This scheme will support these schemes which have already received provisional SELEP funding.

#### **What options have been considered and why have alternatives have been rejected?**

1. Continue present strategy – reactive repairs and minimal works such as resurfacing to keep disruption to a minimum. Deteriorating asset condition and increasing risk of asset failure and unplanned repair work. Increasing risk of traffic disruption and deteriorating journey time reliability. Undermines attractiveness of route for economic investment.
2. Fund scheme from available capital maintenance allocations – this will have a significant effect on available budget for the wider Essex network and the postponement or cancellation of planned capital works elsewhere.

#### **What are the expected benefits / outcomes?**

1. Reduced asset failures and unplanned maintenance.
2. Reduced future asset investment funding requirement.
3. Reduced revenue maintenance and energy costs (from LED lighting).
4. Improved safety through the replacement of failing assets (eg vehicle restraint barriers).
4. Improved asset condition.
5. Improved journey time reliability.
6. Increased economic activity due to the improved appearance and confidence in the route from businesses leading to increased investment along the A127 corridor.

Also see Annexes 2 and 5.

#### **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)?**

If full funding for this scheme is not secured we would reduce the extent of the scheme to save cost and construction time. The assets on the remaining length of the route will still require major maintenance at a future date in a further major project. Leaving a 'gap' in the scheme will draw criticism from the public and undermines the growth strategy supported by SELEP.

### **B3. The Financial Case – Project Costs**

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                     | 2015-16 | 2016-17 | 2017-18 | Total   |
|---------------------------|---------|---------|---------|---------|
| DfT Funding Sought        | £4,262  | £24,697 | £16,355 | £45,314 |
| LA Contribution           | £2,348  | £4,849  | £4,848  | £12,045 |
| Other Third Party Funding |         |         |         |         |
| Total                     | £6,610  | £29,546 | £21,203 | £57,359 |

Notes:

1) Department for Transport funding must not go beyond 2017-18 financial year.

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

**B4. The Financial Case - 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.

Not applicable

- 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.

Not applicable

**B5. The Financial Case – Affordability and Financial Risk** (maximum 300 words)

This section should provide a narrative setting out how you will mitigate any financial risks associated with the scheme (you should refer to the Risk Register – see Section B10).

*Please ensure that in the risk register that you have not included any risks associated with ongoing operational costs and have used the P50 value.*

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

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

A 15% risk allowance has been included in the cost estimate for this scheme.

b) How will cost overruns be dealt with?

A detailed cost plan and profile will be agreed in conjunction with the ECI contractor. Spend against the profile and the outturn forecast will be monitored monthly at Delivery team level and at the Project Board (see B9). The intention is to deliver the full scheme within the agreed budget and to use value engineering to drive down costs and reduce the construction period and maximise efficiency.

Should costs escalate or the programme to complete extend, action plans will put in place to bring back on-line, and if necessary consideration will be given omitting lower priority works elements such as slip road carriageway works, footway and cycleway works, which could be completed in a future scheme. Works will proceed on a progressive section by section basis, a major cost overrun or delay may be dealt with by reducing the overall number of sections completed.

Any further cost overrun beyond Year 3 would be met by re-profiling ECC capital funding allocation for highway maintenance in future years.

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

1. Protracted agreement with Utilities regarding working in the central reserve where high pressure gas main and other services exist. Could delay the start of advance works and construction. This will be mitigated by early engagement through a scheme specific HAUC group. Low cost impact.

2. Insufficient supplier capacity for required materials to meet planned programme leading to a potential delay to completion. We will mitigate this by procuring materials in advance of the construction works during Years 1 and 2. This is likely to apply to lighting columns, LED lanterns, VRS barriers, and some smaller sized roadstone aggregates.

3. Severe inclement weather during the construction phase leading to a delay in completion. This will be mitigated by re-programming work and using the terminal float in the programme.

## **B6. The Economic Case – Value for Money**

**a) If available for smaller scheme bids, promoters should provide an estimate of the Benefit Cost Ratio (BCR) of the scheme.**

**b) For larger schemes costing £20 million or more we would expect the bid to include a BCR and this should align with WebTAG - <https://www.gov.uk/transport-analysis-guidance-webtag>**

See Annexes 4, 5a and 5b.

Where a BCR is provided please provide separate reporting in the form of an Annex to the bid to enable scrutiny of the data and assumptions used in deriving that BCR. This should include:

- A description of the key risks and uncertainties in the data and assumptions and the impact these have on the BCR;

- Key assumptions including (but not limited to): detail of the data used to support the analysis, appraisal period, forecast years, level of optimism bias applied; and
- A description of the modelling approach used to forecast the impact of the scheme and evidence to demonstrate that it is fit-for-purpose.

**c) Please provide the following data which may form a key part of our assessment:**

Note this material should be provided even if a BCR estimate has been supplied (unless already covered in a VfM Annex).

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

ECC has to date been able to maintain the A127 to levels that kept traffic interruptions to a minimum. As set out in other parts of the submission, the asset condition of the road is moving closer to failing point. Current levels of expenditure will not be able to prevent sudden failures at unpredictable times and periods in the near future. It is expected that accidents will increase in frequency and level of seriousness.

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

BCR 2.14  
 Construction cost (2010 and market prices) including risk £53.671M.  
 Net impact of user cost during construction and user benefits of Do Something: £98.529M.  
 Increased speed due to surface quality:  
 1.5km/h in free flow £7.163M  
 Accident savings:  
 Lighting: 2PIA per year NPV of Benefits £2.272M  
 Road Surface: 3PIA per year NPV of Benefits £3.27M  
 Veh Restraint System: 1 Serious Injury: £3.089M  
 Value to business of well-maintained road £162M

Length of scheme (km)

26 km in each direction

Number of vehicles on affected section (AADT in vehicles and if possible split by vehicle type) – to include details of data (age etc.) supporting this estimate.

| 2013 AADT           |        |
|---------------------|--------|
| (Total Vehs - AADT) | 66,584 |
| (Cars - AADT)       | 52,263 |
| (LGV - AADT)        | 10,815 |
| (HGV - AADT)        | 2,914  |

AADT is calculated from DfT Traffic Data Vehicle Kilometres (<http://www.dft.gov.uk/traffic-counts/>) for all sections of the A127 comprising the entire length of the scheme)

Sectionalised AADTs are shown in the accompanying vfm pro-forma



| <b>d) 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.)  | <p>Current levels of expenditure will not be able to prevent sudden failures at unpredictable times and periods in the near future.</p> <p>The following is likely to occur following failures:</p> <ul style="list-style-type: none"> <li>• Reduction of speed limit to 50mph from years 5 to 10 into the assessment, for safety purposes until permanent repairs can be implemented</li> <li>• Unplanned closure of the road for 10 days per year over years 5 to 10 into the assessment and 15 days a year for year 11 to 21 into the assessment</li> <li>• Closure for 1 day a year from year 3 onwards in the assessment due to failure of the pumps at Rayleigh Weir.</li> </ul> |              |                          |                |            |              |        |      |      |         |      |     |       |      |      |       |      |      |                                 |       |       |
| Length of any diversion route, if closure is required (over and above existing route) (km)  | <p>Traffic destined to and from west/north. Route using A130 - A12 to the M25: +15.6km</p> <p>Traffic destined to and from west/south. Route using A130 - A13 to the M25: +3.5km</p>   |              |                          |                |            |              |        |      |      |         |      |     |       |      |      |       |      |      |                                 |       |       |
| Regularity/duration of closures due to flooding: (e.g. number of closures per year; average length of closure (hrs); etc.)  | Currently flooding does not occur to an extent that it affects traffic operations. It is however expected that without refurbishment soon, the pumps at Rayleigh Weir will fail causing road closures estimated at one day per year, with diversion routes and lengths as above.   |              |                          |                |            |              |        |      |      |         |      |     |       |      |      |       |      |      |                                 |       |       |
| Number and severity of accidents: both for the do minimum and the forecast impact of the scheme (e.g. existing number of accidents and/or accident rate; forecast number of accidents and or accident rate with and without the scheme) | <table border="1"> <thead> <tr> <th rowspan="2">Severity</th> <th>2010-2013 Annual Average</th> <th>Annual Average</th> </tr> <tr> <th>Do Minimum</th> <th>Do Something</th> </tr> </thead> <tbody> <tr> <td>Slight</td> <td>57.8</td> <td>51.5</td> </tr> <tr> <td>Serious</td> <td>10.3</td> <td>8.8</td> </tr> <tr> <td>Fatal</td> <td>0.50</td> <td>0.47</td> </tr> <tr> <td>Total</td> <td>68.5</td> <td>60.8</td> </tr> <tr> <td>Accident Rate (PIA/million Vkm)</td> <td>0.114</td> <td>0.101</td> </tr> </tbody> </table> <p>Accidents per year between 2010-2013 are shown in the accompanying vfm pro-forma</p>  | Severity     | 2010-2013 Annual Average | Annual Average | Do Minimum | Do Something | Slight | 57.8 | 51.5 | Serious | 10.3 | 8.8 | Fatal | 0.50 | 0.47 | Total | 68.5 | 60.8 | Accident Rate (PIA/million Vkm) | 0.114 | 0.101 |
| Severity  | 2010-2013 Annual Average   |              | Annual Average           |                |            |              |        |      |      |         |      |     |       |      |      |       |      |      |                                 |       |       |
|   | Do Minimum   | Do Something |                          |                |            |              |        |      |      |         |      |     |       |      |      |       |      |      |                                 |       |       |
| Slight  | 57.8   | 51.5         |                          |                |            |              |        |      |      |         |      |     |       |      |      |       |      |      |                                 |       |       |
| Serious   | 10.3   | 8.8          |                          |                |            |              |        |      |      |         |      |     |       |      |      |       |      |      |                                 |       |       |
| Fatal   | 0.50   | 0.47         |                          |                |            |              |        |      |      |         |      |     |       |      |      |       |      |      |                                 |       |       |
| Total   | 68.5   | 60.8         |                          |                |            |              |        |      |      |         |      |     |       |      |      |       |      |      |                                 |       |       |
| Accident Rate (PIA/million Vkm)   | 0.114  | 0.101        |                          |                |            |              |        |      |      |         |      |     |       |      |      |       |      |      |                                 |       |       |
| Number of existing cyclists; forecasts of cycling usage with and without the scheme (and if available length of journey)  | <p>2013 AADT on-carriageway Pedal Cycles = 32</p> <p>The A127 Schemes are not envisaged to promote on carriageway cycling but maintenance improvements along the off-carriageway shared footway/cycle lanes are proposed as part of the scheme.</p> <p>AADT is calculated from DfT Traffic Data Vehicle Kilometres (<a href="http://www.dft.gov.uk/traffic-counts/">http://www.dft.gov.uk/traffic-counts/</a>) for all sections of the A127 comprising the entire length of the scheme)</p> <p>Sectionalised AADTs are shown in the accompanying vfm pro-forma</p>   |              |                          |                |            |              |        |      |      |         |      |     |       |      |      |       |      |      |                                 |       |       |

## **B7. The Commercial Case** (maximum 300 words)

This section should set out the procurement strategy that will be used to select 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.

ECC will commission Ringway Jacobs through their existing Highways Strategic Transformation (HST) partnership term contract to act as their managing agent for the procurement of the works and the project management of the scheme. Given the size and complexity of the project it is intended to procure the works through an Early Contractor Involvement (ECI) contract with ECC as the Employer through the OJEU process. This approach provides time for the Contractor, using his expertise and experience, to fully understand the scope and constraints of the scheme and integrate those issues into the design process in order to;

- optimise buildability and phasing of the works
- develop innovative solutions
- mobilise resources
- minimise risks
- value engineer the works where possible

The process will involve an integrated Contractor and Designer team appointed under an incentivised two phase contract.

Following on from an initial section process via a pre-qualification exercise and prior to inviting tenders the specification and design will need to be developed sufficiently to clearly set out the employers / contract requirements. The ECI contract will be a bespoke contract based on the NEC3 Option C Target Contract with Activity Schedule containing two key Phases.

Phase 1 will be a Fixed Price or Time Charge, and  
Phase 2 will be a Target Cost

The ECI Contractors role during Phase1 will be;

- To provide expertise and take ownership of develop and optimise the design
- Commence construction planning
- Prepare and develop the Target Cost

Phase 1 will last between 6 and 12 months giving enough time to sensibly carry out the above phase 1 roles.

The ECI Contractors role during Phase 2 will be to take responsibility for the complete detailed design and construction of the works.

*\*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 is likely to achieve the best value for money outcomes is required from your Section 151 Officer below.*

**B8. Management Case - Delivery** (maximum 300 words – for b)

Deliverability is one of the essential criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.

- a) An outline project plan (typically in Gantt chart form) with milestones should be included as an annex, covering the period from submission of the bid to scheme completion. The definition of the key milestones should be clear and explained. The critical path should be identifiable and any contingency periods, key dependencies (internal or external) should be explained.

Has a project plan been appended to your bid?  Yes  No

See Annexe 6.

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

As part of the 2012 pinch point funding ECC were successful in their application for 4 junction improvement schemes with a total construction value of £11m. A number of lessons were learnt from the delivery of these schemes, which will be applied to future major scheme improvement works.

**Statutory Undertakers Coordination:** Each of the four pinch point schemes required significant diversions of statutory undertaker plant, which accounted for a significant proportion of the scheme costs and increased the design programme. Following this experience a specialist stats coordination consultant has been appointed to support the identification, coordination and design of all stats related works for the major projects being delivered by ECC. Where necessary this includes conducting detailed Ground Penetrating Radar (GPR) and trial holes to ensure the optimum design solution and minimise risk during construction. Integrated Delivery: The design team were co-located with the client throughout the duration of the works, which allowed for any issues or decisions to be made quickly without impacting the programme.

**Network Integrity:** One of the challenges of the major schemes being delivered within Essex has been maintaining the integrity of the existing network throughout construction. The Major Projects team have developed a strong relationship with the Authority's Network Management department, to ensure schemes were well coordinated and that the impact of the works on the overall network were minimised.

**Traffic Management:** On the Parkway Widening project in Chelmsford, the scheme footprint did not initially allow for all of the existing live lanes to be retained, whilst still providing adequate working room for the work force. However, the design team engaged with a specialist traffic management contractor at an early stage to ensure the optimum traffic management solution could be achieved, without impacting the capacity of the existing carriageway.

### **B9. Management Case – Governance** (maximum 300 words)

Please name who is responsible for delivering the scheme, the roles (Project Manager, SRO etc.) and set out the responsibilities of those involved and how key decisions are/will be made. An organogram may be useful here. This may be attached as an Annex.

Paul Bird (ECC Director for Commissioning, Transport and Infrastructure) is responsible for ECC's governance of this scheme and has an overarching role in ensuring delivery within budget and programme. As mentioned in B7, ECC will commission Ringway Jacobs to procure the works, and project manage the scheme through the contractual arrangements in the existing HST term contract.

Due to the size, complexity and high impact of this scheme, a separate delivery team will be established by Ringway Jacobs with its own governance protocols, distinct from the normal HST delivery and governance arrangements, and this will be integrated with the ECI Contractor team once appointed. Ringway Jacobs will appoint an experienced Project Manager at the outset specifically to manage this project to avoid distraction on other HST contract delivery issues. The Project Manager will report directly to Ringway Jacobs Operations Director responsible for delivery of the HST contract, Phil Skegg, and will be a member of the Ringway Jacobs senior management team.

A Project Board, meeting monthly, will be established to agree the programme and cost plan, monitor progress and spend against profile, manage risks and make key decisions for this scheme. The Board will comprise Paul Bird, Phil Skegg, Mark Coates (Ringway Jacobs Head of Finance & Commercial) and the Project Manager, plus key managers from the integrated Designer and Contractor delivery team as required. This Board will report to the ECC Cabinet Member for Highways and the ECC Head of Finance.

The Project Manager will establish the project delivery plan, and the project management and reporting protocols with the Design and Contractor delivery team. There will be triggers for escalation of issues to Project Board for key decisions. The Project Manager will attend delivery team meetings and will make decisions on the scheme on a day to day basis as needed.

### **B10. Management Case - Risk Management**

A risk register covering the top 5 (maximum) specific risks to this scheme should be attached as an annex including, if relevant and in the top 5, financial, delivery, commercial and stakeholder issues.

*Please ensure that in the risk register cost that you have not included any risks associated with ongoing operational costs and have used the P50 value.*

Has a risk register been appended to your bid?

Yes

No

The Scheme is not yet sufficiently developed to include a Quantified Risk Assessment (QRA). We have therefore included a 15% global allowance for cost risk in the scheme cost estimate which, from our experience of delivering major maintenance schemes, is a realistic allowance. Our knowledge of the A127, its history and the potential risks of working there is good, and the key scheme risks we have identified are generally controllable and can be mitigated as mentioned in the risk register and elsewhere. This maintenance scheme offers good scope to

limit any significant cost overruns, should they arise, by reducing the extent of the works carried out if necessary.

No cost risk allowance has been included for ongoing operational risks.

An outline register of key risks is shown in Annexe 7. It is our intention that the project delivery team develops a QRA with the Tender Design should this scheme proceed, and this will be taken forward with the ECI Contractor once appointed.

## **SECTION C – Monitoring, Evaluation and Benefits Realisation**

### **C1. Benefits Realisation (maximum 250 words)**

Please provide details on the profile of benefits, and of baseline benefits and benefit ownership. This should be proportionate to the size of the proposed scheme.

The benefits of the scheme will be assessed through before and after evaluation of:

Journey Times  
Journey Time Reliability including flows  
Recorded personal injury accidents  
Instances of scheduled and unscheduled maintenance activities  
Public Satisfaction  
Road condition surveys  
Defect/fault numbers  
Asset specific inspections

The anticipated positive outcomes of the proposed scheme will be achieved by ensuring that a suitable benefit realisation plan is in place (attached in Annexe 8.) The likely benefits will be jointly owned and managed by Essex County Council and Essex Highways who will be responsible for the delivery, the timescale for delivering the benefits and ensuring that a suitable review process is in place.

### **C2. Monitoring and Evaluation (maximum 250 words)**

Evaluation is an essential part of scheme development and should be considered and built into the planning of a scheme from the earliest stages. Evaluating the outcomes and impacts of schemes is important to show if a scheme has been successful.

Please set out how you plan to measure and report on the benefits identified in Section C1, alongside any other outcomes and impacts of the scheme

An extensive monitoring and evaluation framework has been developed to ensure that the expected benefits of the proposed scheme are fully realised. This framework will use the benefits realisation methodology in Annexe 8 to assess the impacts of the scheme. The outcomes and impacts are planned to be reviewed at a set frequency using appropriate monitoring methodology.

Additionally Annexe 8 sets out in more detail the specific monitoring and evaluation techniques that will be utilised to ensure the benefits of this scheme are fully captured.

The results / output of the scheme will be included in an evaluation report following completion and published on the Essex County Council Website.

*A fuller evaluation for large schemes may also be required depending on their size and type.*

## **SECTION D: Declarations**

### **D1. Senior Responsible Owner Declaration**

As Senior Responsible Owner for A127 Major Maintenance scheme I hereby submit this request for approval to DfT on behalf of Essex County Council and confirm that I have the necessary authority to do so.

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

Name: Paul Bird

Signed:

Position: Director for Commissioning, Transport and Infrastructure



### **D2. Section 151 Officer Declaration**

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

#### **In relation to this bid for capital funding ECC declares as follows:**

1. Any additional costs over the Department's agreed maximum contribution and any spend incurred after 31st March 2018 will be the responsibility of ECC. ECC further acknowledges that there will be no facility for the Department's funding to slip beyond the end of March 2018 for Tranche 1 bids and the Department will not be liable for any cost overruns or delivery slippage. This Section 151 Officer letter confirms that the promoting authority (ECC) accepts this liability.
2. ECC accepts that no further increase in DfT funding will be considered beyond the maximum contribution requested.
3. ECC accepts that a local contribution of at least 10% of total scheme costs must be included in the bid. ECC hereby confirms that it has the available funds to meet the total local funding contribution. ECC match funding of at least 10% of the bid value will be forthcoming from the Highways and Transportation capital programme 2015/16 to 2017/18. This will be funded from ECC's various un-ring fenced capital grant as well as ECC's other own resources.

**In fact ECC proposes a local contribution significantly above this 10%, as follows**

**ECC commits to commissioning this match funding in the order of £12.045m over the 3 year period equating to**

- **21% of the total scheme cost of £57.359m**
- **27% of the Dft funding sought**

This match funding will be expenditure that ECC will commission and manage in relation to the A127 (ie the bid project). Of this £12.045m, £7.045m is within existing draft budget levels, with an additional £5.0m to be allocated if the bid is successful.

4. ECC confirms that processes will be able to record, monitor and evidence the actual ECC match funding and this information will be available at any time and used to satisfy the grant claim processes as required
5. This funding is 100% capital. ECC acknowledges that the Department's funding can only be used for capital expenditure in line with accepted accounting practices. It is confirmed that ECC will confirm this via an annual grant usage return. ECC confirms that the expenditure within this project (ie the bid value and the ECC match funding) is capital in nature and classes as capital within ECC's capitalisation rules (which in turn satisfy appropriate capitalisation regulations and external audit requirements)
6. ECC commits to allocating sufficient staff and other necessary resources to deliver this scheme on time and within budget.
7. ECC accepts responsibility for meeting any ongoing revenue requirements in relation to the scheme.
8. ECC confirms that it has the necessary Governance and Assurance arrangements in place.
9. ECC confirms it has a procurement strategy and arrangements in place that is legally compliant and is likely to achieve the best value for money outcome.
10. ECC will ensure that a robust and effective stakeholder and communications plan is put in place
11. ECC confirms that Scheme cost estimates quoted in this bid are accurate.

Name:  
Patrick Birch



Signed:

9<sup>th</sup> February 2015

### **Submission of bids:**

The deadline for bid submission is 5pm, **9 February 2015**

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 [steve.berry@dft.gsi.gov.uk](mailto:steve.berry@dft.gsi.gov.uk)