

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Cabinet Member for Regeneration and Environment
2.	Date:	24 January 2011
3.	Title:	A57 Worksop Road / Sheffield Road Improvement M1 Junction 31 to Todwick Crossroads
4.	Programme Area:	Environment and Development Services

5. Summary

The report outlines the current position relating to the A57 Worksop Road / Sheffield Road Major Scheme, the Department for Transport's (DfT) review of the 'best and final offers', and the subsequent request from the DfT to reduce their contribution towards the scheme. It seeks to gain Cabinet Member's support to use LTP Integrated Transport capital funding and Maintenance allocations and to increase RMBC's local contribution and to confirm with the DfT our continued support for the scheme.

6. Recommendations

- i) That Cabinet Member approves an increase in the Councils local contribution towards the A57 (M1 to Todwick Crossroads) Major Scheme from £2,000,000 to £2,900,000 using £900,000 of Local Transport Plan Integrated Transport capital funding and Maintenance allocations, thereby reducing the DfT contribution towards the scheme from £12,700,000 to £11,800,000.
 - ii) The agreement of the Mayor be sought to exempt this decision from the provisions of the call in procedure on the grounds that it is urgent. The DfT require notification of the Councils decision to increase the local contribution by the 24 January 2011.
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7. Proposals and Details

Background

Following the Comprehensive Spending Review, in late October 2010 the A57 scheme was confirmed as being one of only ten schemes nationally, and the only scheme in South Yorkshire, that the DfT had identified within a 'Supported Pool' of major schemes.

In November the DfT wrote to all of the scheme promoters with schemes in the Supported Pool and asked them to submit a 'best and final offer' setting out the level of funding the Council will provide for the scheme, the level of funding available from third party contributions, and the maximum funding that will be required from the DfT to deliver the scheme. The DfT stressed that scheme promoters had to demonstrate that all reasonable efforts had been made to reduce costs and secure additional local and third party contributions, whilst carefully considering the impact in of any changes to the scope of a scheme in terms of cost reduction which would impact on the overall benefits.

On 15 December 2010 Cabinet approved the submission of a 'best and final offer' to the Department for Transport for the implementation of an amended A57 (M1 Junction 31 to Todwick Crossroads) major highway improvement scheme. (Minute Number C134 refers)

Previously the scheme provided for a dual carriageway designed for the National Speed Limit with a subway to the west of the junction with Goosecarr Lane which the DfT had indicated they were prepared to invest £12.77m and the Council had also pledged a contribution of £2m, a total of £14.77m. Following completion of detailed design the scheme cost was estimated at £16.3m. It was proposed that any funding gap, at that time £1.53m, would be sought from the Geographic Programme funded by Yorkshire Forward (YF). However, following the decision by the coalition Government to abolish Regional Development Agencies this funding source was no longer available.

The 'best and final offer' approved by Cabinet and submitted to the DfT allows for a reduction in scope which includes the retention of a dual carriageway scheme designed for a 50mph speed limit including an at grade signalised crossing to replace the subway at a total scheme cost of £14.7m. The offer sought a £12.7m contribution from the DfT and included a £2.0m local contribution from the Council's Capital Programme.

The amended scheme therefore removed the funding gap created by the lack of YF funding and reduced the DfT contribution from around £12.8m to £12.7m.

Current position

The DfT have commenced their review of the 'best and final offers' and they have indicated to the Council that the promoters of the other schemes within the Supported Pool have reduced their requested DfT contribution by significant amounts and that, by virtue, these are being considered more favourably.

The DfT have suggested that the A57 (M1 to Todwick Crossroads) Major Scheme is unlikely to receive continued support from the DfT unless their contribution is

reduced by a further £900,000. It is now clear that whilst the change in scope to the scheme was successful in removing the funding shortfall created by the loss of the Yorkshire Forward funding and in retaining significant benefit, that the DfT now consider that it did not go far enough to reduce their contribution.

Proposal

In order to reduce the DfT contribution by a further £900,000 either the cost of the scheme would have to reduce; the local contribution would have to increase; or a combination of the two. Whilst the report to Cabinet indicated that further cost savings may be achievable at the time the scheme is put out to tender, at present these costs have not been quantified. It is therefore considered that in order to confirm the Council's continued support of the scheme that additional funding is identified.

Should the A57 Major Scheme not go ahead that reconstruction of part of Todwick Road currently included within the scheme, would need to be implemented at a cost of approximately £500,000 from maintenance allocations. This along with other funding from the Local Transport Plan could be used to increase RMBC's local contribution to £2,900,000.

8. Finance

It is recommended that the Council identifies £900,000 of additional funding from LTP Integrated Transport capital funding and future Maintenance allocations as a contribution towards the A57 Major Scheme. It is anticipated that the additional funding would be required in 2013/14.

This increases the Council's Local Contribution to £2,900,000 thereby reducing the DfT contribution to £11,800,000.

9. Risks and Uncertainties

Within the new guidance for Major Schemes the previous risk layer cost sharing mechanism has been removed. This effectively means that the DfT contribution will be a maximum contribution and *all* of the risk associated with an overspend in the delivery of the scheme lies with RMBC. In addition, should the accepted tender price be lower than the scheme estimate we have been advised to assume that the tender price 'saving' would be shared between both the DfT and RMBC in proportion to the contributions.

Given the increased local contribution, in order to mitigate against the additional risk associated with overspend, at the time of confirming the Council's position, officers will request that the DfT consider that their contribution be provided as a fixed contribution and not a maximum contribution.

From 2011/12 all Local Transport Plan (LTP) funding (Maintenance and Integrated Transport) will be paid directly to the South Yorkshire Integrated Transport Authority (SYITA) and final decisions on how funding will be reallocated to districts and the SYPTE are still to be made. In addition the LTP settlements for 2013/14 and 14/15 have been announced as provisional figures and are potentially subject to change. It should also be noted that providing additional LTP funding towards the A57 is likely to have an adverse impact on the level of LTP funding received by the Borough for

other initiatives or schemes, although this is mitigated to a certain extent due to the known requirement to fund future maintenance of this section of the A57.

All other risks and uncertainties identified within the report to Cabinet dated 15 December 2010 remain valid.

10. Policy and Performance Agenda Implications

The scheme is a named major highway improvement scheme in LTP2 and the draft Sheffield City Region Transport Strategy (LTP3) and accords with the aims and objectives to assist the improved management of traffic, provide road safety benefits and support regeneration and economic growth. The improvement supports the aims and objectives of the Traffic Management Act 2004 in reducing congestion and improving the free and safe flow of traffic.

11. Background Papers and Consultation

Financial Services have been consulted on, and approved, the content of this report. South Yorkshire Local Transport Plan 2006-2011.

Sheffield City Region Transport Strategy 2011 – 2026.

Minute No. 131 of Cabinet held on 2 November 2005 approving £2m contribution from the Council's Capital Programme.

Minute No. 176 of Cabinet on 11th February 2009 reaffirming the need to progress the scheme and pursue the necessary CPO/SRO processes.

Minute No. C134 of Cabinet on 15th December 2010 approving the submission of a best and final offer bid to the DfT for the implementation of an amended scheme, with the bid to seek £12.7m funding from DfT and £2.0m from the Council's Capital Programme.

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