

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	<b>Meeting:</b>	<b>Cabinet</b>
2.	<b>Date:</b>	<b>6 February 2013</b>
3.	<b>Title:</b>	<b>DfT Local Pinch Point Fund: RMBC scheme bids</b>
4.	<b>Programme Area:</b>	<b>Environment and Development Services</b>

### 5. Summary

The report outlines the Department for Transport (DfT) announcement on a Local Pinch Point Fund that Local Highway Authorities can bid into for schemes that address local congestion issues, provide new or improved links to key economic sites, or address the condition of bridges or other highway structures that are near to the point of becoming a barrier to access. Officers have considered the DfT's criteria and deem that there are two strategic schemes within Rotherham that would benefit from submitting bids into the fund.

### 6. Recommendations

It is recommended that Cabinet:

- i) Support bids to the Local Pinch Point Fund for the following schemes:
  - A630 Centenary Way / Pool Green Roundabout – Conversion to signalised crossroads. Total cost £5m.
  - Old Flatts Bridge, A630 Parkway – Structural maintenance scheme. Total cost £3m.
- ii) Notes the requirement for a 30% Rotherham MBC financial contribution to be provided for each scheme.

## 7. Proposals and Details

### Background

As part of the 2012 Autumn Statement Government announced the creation of a Local Pinch Point Fund worth £170m over the period 2013-15 to remove bottlenecks on the local highway network which are impeding growth. On the 3 January 2013 the Department for Transport (DfT) issued guidance on scheme eligibility and the application process. The deadline for bids to be submitted to the DfT is 21 February 2013.

The fund is designed to promote economic growth through the rapid deployment of schemes that remove transport barriers or prevent the emergence of new transport barriers. The types of scheme that DfT are seeking to support are those that:

- Address congestion or provide or improve access to key economic sites through solutions that can be delivered quickly, particularly where they:
  - improve access to a development site that has the potential to create jobs and housing;
  - improve access to urban employment centres;
  - improve access to Enterprise Zones; or
- Address the condition of structures which, if left unresolved, could impose restrictions that cause congestion, restrict access or lead to lengthy diversions

The fund is 100% capital and the funding will be split with £70m available in 2013/14 and £100m in 2014/15. If successful the DfT funding must be spent by 2015.

The DfT envisage that potential projects will fall into two categories, with the vast majority falling into the first category given the delivery timescales for investment:

- Small schemes requiring DfT funding of between £1m and £5m; and
- By exception, large schemes requiring DfT funding above £5m but no more than £20m. The DfT have a presumption against bids over £10m unless they are of truly exceptional value.

In order to demonstrate a strong level of local commitment to schemes, a local contribution of at least 30% of scheme costs must be included in the bid. This can be made up of both local authority and other third party funding. Evidence of funding and support from the private sector would further strengthen the evidence that the scheme has a demonstrable link to growth and jobs.

Bid applications must identify the source of the local contribution and explain how the funding has been secured. We would expect to see a letter from the promoter's Section 151 Officer confirming that the authority has the available funds to meet the total local funding contribution. As the Fund is a competitive process, the greater the overall local contribution towards the cost of the scheme, and the more the contribution comes from the private sector and other external organisations, the more positively the bid will be considered in the assessment process.

The Department's agreed contribution will be the maximum that the scheme will receive and the Department will not be able to provide any funding beyond 31 March 2015 nor will it entertain any contribution to cost increases that may arise.

The level of information and detail of appraisal that the DfT will require promoting authorities to submit is also proportionate to the level of funding sought. If authorities are seeking above £5m of funding, which is the threshold for Local Major Schemes, the DfT will expect a full major scheme business case. For small scheme seeking less than £5m the application process is less onerous, although a significant amount

of evidence will need to be provided, including: the strategic and economic case; value for money; financial requirements; and deliverability. Therefore only schemes that have been developed and appraised are considered appropriate for submission given the very short deadline for schemes to be submitted.

Scheme promoters are advised that as a key objective of this Fund is to deliver economic growth it would be useful (but not essential) if scheme promoters could demonstrate support for any schemes from the relevant Local Enterprise Partnership or Local Transport Body so as to show that it is an agreed growth priority and enjoys strong local business support. South Yorkshire Partners are currently considering how this support should be provided.

### **Proposed Rotherham bids**

Officers have considered the guidance in detail and have identified two schemes that they consider meet the DfT's criteria and feel a suitable bid can be prepared by the deadline. The two schemes are:

#### **Pool Green Roundabout, Rotherham Town Centre – Proposed signalised crossroads**

Pool Green (junction of A630 Centenary Way and Main Street) currently experiences significant congestion and officers have previously investigated options to improve the capacity of the junction in order to improve journey time reliability and reduce delay. This review found that the most appropriate solution is to convert this junction to a signalised crossroads. A plan of the proposed scheme is attached at Appendix A

The limited capacity at the existing junction is identified as a restricting factor on further development sites in the Town Centre, these potentially include the further supporting uses at the Stadium, Guest & Chrimes, Forge Island, Liquid nightclub and the wider Town Centre. The proposed junction improvement will therefore enable/facilitate development and remove this barrier to growth.

A further associated benefit of the scheme is that the footprint of the signalised junction is smaller than the current roundabout. This will create development plots on the west side of the junction which would be in the Councils ownership and offer a future capital receipt, which initial views suggest could be worth up to £600k. The cost of the scheme is £5m. The 30% local contribution would be £1.5m. Currently £500k of Local Transport Plan (LTP) Integrated Transport funding could be earmarked to the project but a further £1m of capital funding is required.

#### **Old Flatts Bridge, A630 Parkway – Proposed structural maintenance scheme**

The Old Flatts bridge is the first bridge that drivers on the A630 Parkway cross when heading towards Waverley, the EZ, and Sheffield from the M1 Motorway. Inspections of this bridge indicate that a scheme of strengthening will be required. We are currently awaiting further details from the inspection but it is considered that the maintenance works will be in the region of £3m. The 30% local contribution required would be £900k. There would be an opportunity to fund £400k from LTP structures maintenance budgets but a further £500k capital funding would be required.

Should the decision be made not to support a bid at this stage the requirement to fund the full costs of maintaining the bridge would fall to the Council. Alternatively a weight restriction or potential closure of the bridge would be required. In the worst case this could result in the A630 Parkway effectively being shut to all traffic or a

weight restriction imposed to heavy vehicles, with this being the only dual carriageway access to Sheffield, Waverley and the EZ the ensuing diversions, congestion and cost to the economy would be significant. A plan of the location of Old Flatts Bridge is attached at Appendix B.

## 8. Finance

The Council will be required to underwrite the 30% local contributions for the submitted bids. Whilst detailed costs of the schemes are in the process of being refined the implications for RMBC are shown in the table below:

Scheme	Total scheme cost (£m)	DfT funding sought (£m)	Local contribution	
			LTP (£m)	Prudential Borrowing (£m)
Pool Green	5.0	3.5	0.5	1.0
Old Flatts	3.0	2.1	0.4	0.5

There is no cost associated with utilising Local Transport Plan (LTP) funding to contribute towards the 30% Rotherham MBC contribution.

In order for the Council to “top up” the LTP funding the only available funding source is Prudential Borrowing. It has been confirmed that if the Council was to proceed with this bid the scheme would not be completed until the 2014/15 financial year. Therefore, capital financing charges would apply from the 2015/16 financial year. These are estimated to be £108,333. There is no revenue budget provision built into the Medium Term Financial Strategy (MTFS) to meet these costs. If the scheme is to be supported budget provision will have to be made in the MTFS and the scheme will be incorporated in the Council’s Capital programme.

Officers will develop a policy which establishes the traffic implications on Pool Green roundabout as a result of potential developments within the vicinity of the junction. This will also define and calculate the level of financial contribution that we will seek from developers towards the proposed signalised crossroads. A similar policy to establish contributions towards Old Flatts Bridge will also be considered. These will be presented to Cabinet Member for Regeneration and Environment for endorsement.

Whilst it cannot be confirmed at this time we would also seek opportunities to minimise the Councils borrowing implications, including the potential to bring in further LTP funding (subject to programme underspends), or future funds that may arise.

## 9. Risks and Uncertainties

The bidding process is on a National basis and schemes will be considered on their merits. Submitting a bid is therefore no guarantee that the DfT will award funding to the above schemes.

Should the Old Flatts Bridge bid not be successful or the capital funding requirements not be supported the future maintenance requirements for will remain, with the Council liable for the full cost of repairs and strengthening.

Should the Pool Green Signalised Crossroads bid not be successful or the capital funding requirements not be supported the existing congestion will continue and potentially worsen and the constraint on further development within the town centre will remain and act as a barrier to future economic growth.

The responsibility for estimating and controlling all project costs lies entirely with RMBC as bidding authority. The Department's agreed contribution will be the maximum that the scheme will receive and the DfT will not be able to provide any funding beyond 31 March 2015 nor will it entertain any contribution to cost increases that may arise.

#### **10. Policy and Performance Agenda Implications**

The proposed schemes meet the following policies of the SCR Transport Strategy 2011-26:

Policy B: To improve the reliability of the road network

Policy C: To promote efficient and sustainable means of freight distribution

Policy F: To improve connectivity between major settlements

Policy G: To deliver interventions required for development and regeneration

Policy L: To reduce the amount of productive time lost on the strategic road network and improve its resilience and reliability

#### **11. Background Papers and Consultation**

The DfT's Local Pinch Point guidance can be found at:

<https://www.gov.uk/government/publications/local-pinch-point-fund-application-pack>

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