

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)*: Derbyshire 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: Steve Mead – Transport Asset Manager

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 Environment
County Hall
Matlock, DE4 3AG
Derbyshire**

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 and funding profile

A1. Scheme name: Strategic Routes– Street Lighting Asset Replacement in Derbyshire

A2. Headline description:

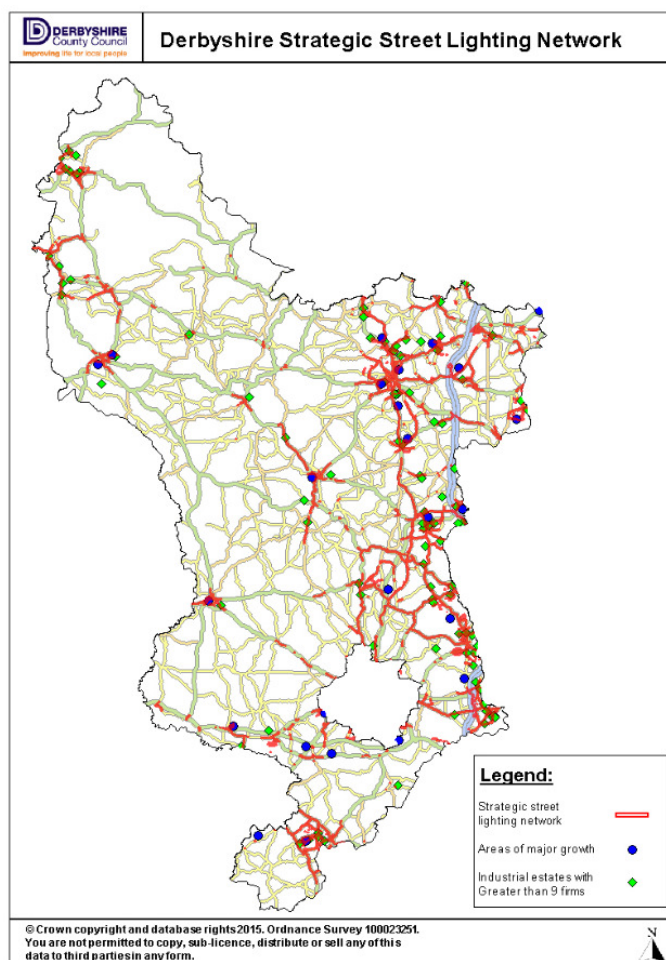
Please enter a brief description of the proposed scheme (in no more than 50 words)

To invest in new LED lanterns and columns for Derbyshire’s principal roads which, aligned with other current projects, would make Derbyshire’s roads entirely LED-lit. The project will improve the asset, provide greater reliability and user safety, and reduce maintenance and energy costs. (42)

A3. Geographical area:

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

Derbyshire sits at the heart of the UK. The Principal Road Network covers the entire county, providing strategic links between key towns, economic centres and tourist attractions within Derbyshire and with major cities such as Manchester, Sheffield, Nottingham and Derby. (40)



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 File Reference - DCC_Strategic_Lighting_04012015.jpg

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)

Major maintenance or renewal of footways or cycleways

Major maintenance or renewal of drainage assets

Upgrade of Street Lighting

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 County Council has determined that an “Invest to Save” approach to replacing its entire street lighting asset would cost £41 million (£17 million – Principal / £24 million - Non Principal) and deliver substantial savings in maintenance and energy costs over time.

Commitments made in 2014 to a separate accelerated highways maintenance (AHM) programme, costing £23 million to halt deterioration in B and C roads and significantly

reduce maintenance costs in future years, meant that the authority made a decision to restrict its street lighting investment to £24 million, raised entirely through Prudential borrowing. This would be delivered over a three year project to replace its out-of-service-life street lighting assets across the whole non-principal network and convert all lanterns to LED. This residential network, covering 78% of all street lighting, is of most concern to the public and provides the highest overall savings and cost benefits.

The Challenge Fund offers the opportunity for the County Council to complete the whole of its LED street lighting strategy. This bid focuses on street lighting on the Principal Road Network, comprising 19,000 lighting columns - 22% of the lighting stock, and would result in entire street lighting asset being addressed resulting in reduced maintenance and conservative energy savings of £22 million over the next twenty years (212)

As well as making reductions in maintenance and energy costs, improving street lighting on the principal network recognizes the importance that the D2N2 local enterprise partnership places in better transport infrastructure as the key to connecting people to jobs, businesses to customers and towns and cities together.

Supporting Documents -

See File reference - 2014-10-21 Street Lighting_tcm44-252885.pdf (Page I Information and Analysis, Page 3 Public Consultation, Page 6 Option 3 and Option Appraisal, Page 10 Financial Considerations, Page 11 Health Considerations, Page 12 Environmental Considerations, Page 13 Officer Recommendations)

B2. The Strategic Case (Maximum 650 words) – (665)

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 county council has an ageing asset and severely reduced budgets, meaning that, without a significant one-off investment, there is no opportunity to undertake replacement at a rate that will improve the asset or halt its decline.

Public Consultation on possible changes to street lighting has identified fear of crime and concerns for public / community / highway safety if part time lighting was introduced to make savings or the lighting service continued to decline

Rising Carbon footprint and Energy costs

Rising capital outlay to maintain replace the asset on a reactive approach to minimise risk. (96)

Why the asset is in need of urgent funding?

Asset management systems indicate that asset depreciation is running faster than is affordable under the current replacement programme. Traditional lighting is placing greater demands on maintenance and energy budgets which cannot continue to be met. The condition of other highway network assets means that no additional funding can be found from annual budgets.

The last ten years expenditure on the strategic lighting network has been restricted to cyclic maintenance using asset management systems to highlight necessary cable and column replacements to manage risk. Funding does not allow a steady-state position to be maintained; planned column replacement, implementation of part night lighting in rural areas and the gradual introduction of LED lighting are not sufficient at present levels.

Supporting Documents – Extracts from the Single Asset Management System on condition and age

See File Reference - Excel_20150205_8M_Plus data.pdf & Excel_20150205_Cat3 structural condition.pdf

The majority of street lighting capital funding is currently being used for the purpose of addressing the highest risk area of failure of 1805 Type concrete columns. Across the whole network around 15000 have already been replaced.

The cost of returning the street lighting network to a steady state has become unaffordable within current budgets and the invest to Save and this Challenge Fund bid seeks to address this. (186)

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

A PFI bid was considered by the Three Counties Alliance Partnership (2007) as a result of a report into the options for renewal of street lighting infrastructure. The PFI option was not followed up due to the projected level of funding gap and the risks of a 25 year contract tied into old technology. (54)

Supporting Documents –

See File Reference - Briefing Note - Street Lighting PFI.pdf (Page 1 information)

Funding the LED / Asset replacement of the strategic street lighting network would take over 10 years through LTP capital allocations. Such a long phased approach to asset improvement would be expected to increase replacement costs by around 40%, or £7million, and the council would pay approximately £4.5 million more for energy (assuming 5% inflation) over the 10 years.

Do Minimum – a purely reactive approach to replacement would have increased risk to the public and the public purse

Part night lighting was consulted upon, but public response indicated a strong preference for the Council developing a strategic introduction of LEDs to maintain lighting while also delivering benefits of reduced energy costs / light pollution / whole of life costs. (118)

What are the expected benefits / outcomes?

Reductions are expected in; carbon emissions, energy use, outages, annual maintenance, capital funding, travel disruption (work related), light pollution, including a Peak District National Park Dark Skies initiative.

The project would deliver improvements in; reliability, light coverage, colour rendition (supporting CCTV and crime reduction), public perception, council reputation

In addition, it would mitigate concerns about part night lighting and the possible effects on crime and safety identified in public consultation and EIA. A resident recently wrote "I regularly cycle to work The new street lighting white lights has turned the exceptionally dark roads and junction into a much safer environment; I am more visible to cars and am able to see the road surface. Please keep up the good work, many thanks." (122)

Supporting Documents -

Safer Derbyshire Research and Information – See File Reference - 2013 02 27 Street LightingEvaln.pdf (Pages 1 and 2 Summary of Benefits, Page 3 Detailed Analysis)

Supporting Letters –

D2N2 – See File Reference - Derbys_LMHC_Support.pdf

Derbyshire and Nottinghamshire Chamber of Commerce – See File Reference - Letter of Support for Derbyshire County Council Street Lighting Bid.pdf

DCC Community Safety Partnership – See File Reference - Bid Support - Community Police.pdf & Bid Support Community Safety.pdf

Please provide information on the geographical areas that will benefit from your scheme. You should indicate those areas that will directly benefit, areas that will indirectly benefit and those areas that will be impacted adversely.

Benefits the strategic network as it cuts through the majority of Derbyshire's; residential settlements, existing business / industrial / retail sites including those earmarked for growth – (27)

See File Reference - DCC_Strategic_Lighting_04012015.jpg (Page 3 of this Local Highways Maintenance Challenge Fund Application Form)

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)?

No- there are insufficient reserves to pursue a lesser alternative other than the ten year phased replacement using LTP funding described above. (20)

What is the impact of the scheme?

Minimal negative impacts as it is an asset for asset replacement and involves little disruption to the built or rural environment. Appropriate design and timing of works will minimise impact upon any conservation areas, SSSIs scheduled ancient monuments and designated wildlife sites. (42)

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
<i>DfT Funding Sought</i>	£4,500	£5,000	£5,000	£14,500
<i>LA Contribution</i>	£500	£1,000	£1,000	£2,500
<i>Other Third Party Funding</i>				

Whilst the Councils investment to the Challenge Fund Bid is £2.5 million, it has already approved £24 million prudential borrowing for the Non principal – Residential Street Lighting Network works that will start later this year.

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.

Whilst the Councils investment to the Challenge Fund Bid is £2.5 million, it has already approved £24 million prudential borrowing for the Non principal – Residential Street Lighting Network works that will start later this year.

- 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.

None

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.

None

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?

Derbyshire County Council are currently progressing a joint procurement for the purchase of materials and a framework contract to obtain suitable installation contractors with Leicestershire County Council, and two contracts are intended to be advertised to the market through the OJEU process. . This joint procurement is anticipated to deliver economy of scale savings that would not have been available if each authority had let separate contracts.

Cost contingency has been built in to the bid through the year-on-year reducing price of the LED technology to be utilised. Currently the materials price of LED lanterns is reducing by 5 – 10% per annum. There will be cost savings through the life of the contract as the product price continues to fall. (118)

b) How will cost overruns be dealt with?

This would be accommodated within County budgets, underwritten through the £24 million already set aside by the Council for its “Invest to Save“ project on the non-strategic network. However, cost overruns are unlikely as the principle contingency in the contract is the reducing price of LED technology to be utilised. (50)

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

Availability of resources and materials appear to be the main risks but the intention is to purchase in advance through the framework contract advertised this March 2015 (we can alter the spec if this bid is successful). This will provide flexibility in both the supplier and contractor and ensure we can engage sufficient workforce to deliver. (46)

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.

The Challenge Funding would enable the Council to make a £25.5 million saving over a twenty year period providing a return on;

Councils investment of £2.5 million of 1 to 10 (1000%)

DfTs investment of £14.5 million of 1 to 1.7 (174%)

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>

<p>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:</p> <ul style="list-style-type: none"> - 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. 	
<p>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).</p>	
<p>A description of the do-minimum situation (i.e. what would happen without Challenge Fund investment).</p>	<p>If Challenge Funding is not made available the council would have to fund the change to LED's and replacement of columns on the strategic network over a 10 year period through Local Transport Plan Capital funding. This phased approach to asset improvement would increase costs by around 40% or £7 million, and the council would pay approximately £4.5 million more for energy (5% inflation) over the 10 years.</p>
<p>Details of significant monetised and non-monetised costs and benefits of the scheme (quantified where possible)</p>	<p>Monetised</p> <p>Using the Challenge Fund the Council will see a saving of £25.5 million over a twenty year period, providing an additional £2.5 million per annum for reinvestment into the network</p> <p>In the event it was to pursue the 10 year plan, discussed with Cabinet, the only option without the Challenge Fund, then the savings arising would only amount to £500k over the same period due to;</p> <ul style="list-style-type: none"> a) the council having to find the £14.5 million b) the effects of inflation over the 10 year period c) the time taken to accrue the energy savings d) and the fact that the longer period involved in tackling the problem would inevitably lead to more failures in the aging asset which would require reactive replacement <p>Supporting Documents – See File Reference – challenge fund cost benefits.pdf</p> <p>Non Monetised</p>

Economic
 Reducing energy consumption by 5 million kwh, saving an average of £1 million per year over the next twenty years
 Bringing the street lighting asset to steady state
 Minimising disruption to road users and journey times.
 Supporting the night time visitor economy.
 Reducing the number and cost of maintenance visits.

Environmental
 Minimising light pollution in towns and villages, while offering support for dark sky areas including the Peak District National Park Dark Skies initiative.
 Reduction of 2790 tonnes CO2 per annum.
 Minimising the effects on biodiversity and townscapes through careful planning and product selection.

Safety
 Further reducing collisions during hours of darkness (over 40% reduction compared to 2005-2009 average).
 Retaining street lighting hours in communities and along economic corridors.
 Supporting the use of sustainable travel modes including walking, cycling and public transport.

Public Perception
 Further increasing public satisfaction with street lighting (currently 67.4%).
 Reducing time taken to repair outages (currently 5.4 days).
 Personal security and efforts to reduce crime, particularly burglary and theft

Length of scheme (km)	543 km																				
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.	<p>Average AADT 9339</p> <table border="1"> <thead> <tr> <th></th> <th>Traffic</th> <th>Length</th> <th></th> </tr> </thead> <tbody> <tr> <td>A roads</td> <td>12500</td> <td>302</td> <td>3775000</td> </tr> <tr> <td>B roads</td> <td>7500</td> <td>148</td> <td>1110000</td> </tr> <tr> <td>C roads</td> <td>2000</td> <td>93</td> <td>186000</td> </tr> <tr> <td></td> <td></td> <td>543</td> <td>5071000</td> </tr> </tbody> </table>		Traffic	Length		A roads	12500	302	3775000	B roads	7500	148	1110000	C roads	2000	93	186000			543	5071000
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C roads	2000	93	186000																		
		543	5071000																		

d) Other VfM information where relevant - depending on type of scheme bid:

Details of required restrictions/closures if	For road lighting works a full road closure
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<p>funding not provided (e.g. type of restrictions; timing/duration of restrictions; etc.)</p>	<p>is not normally required. Working under standard traffic management, with 2/3/4 way traffic lights or up to 500m lane closures, will be utilised to minimise the impact on journey times Delivery has been estimated at 12 lantern changes or 3 column changes per day/lane closure so any traffic management will be of minimal duration. It is unlikely that any of the proposed works would affect statutory undertakers apparatus. The works would all be within the existing highway boundaries.</p>																												
<p>Length of any diversion route, if closure is required (over and above existing route) (km)</p>	<p>None</p>																												
<p>Regularity/duration of closures due to flooding: (e.g. number of closures per year; average length of closure (hrs); etc.)</p>	<p>N/A</p>																												
<p>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)</p>	<p>Accidents per annum – 229.3</p> <p>Accident Rate – 12 Accidents per million vehicle kilometres with lighting</p> <p>No rate available for Accidents per million vehicle kilometres without lighting</p> <table border="1" data-bbox="916 1081 1382 1939"> <thead> <tr> <th>site</th> <th></th> </tr> </thead> <tbody> <tr> <td>(DM Total Accidents/yr)</td> <td>229.33</td> </tr> <tr> <td>(DM Slight Accidents/yr)</td> <td>187.6</td> </tr> <tr> <td>(DM Serious Accidents/yr)</td> <td>38.33</td> </tr> <tr> <td>(DM Fatal Accidents/yr)</td> <td>3.33</td> </tr> <tr> <td>(DM Accident Rate - PIA/MVKm)</td> <td>0.12</td> </tr> <tr> <td>(DM Total Pedal Cycle Accidents/yr)</td> <td>20</td> </tr> <tr> <td>(DM Slight Pedal Cycle Accidents/yr)</td> <td>16</td> </tr> <tr> <td>(DM Serious Pedal Cycle Accidents/yr)</td> <td>4</td> </tr> <tr> <td>(DM Fatal Pedal Cycle Accidents/yr)</td> <td>0</td> </tr> <tr> <td>(DM Total Pedestrian Accidents/yr)</td> <td>40</td> </tr> <tr> <td>(DM Slight Pedestrian Cycle Accidents/yr)</td> <td>28.33</td> </tr> <tr> <td>(DM Serious Pedestrian Accidents/yr)</td> <td>10.66</td> </tr> <tr> <td>(DM Fatal Pedestrian Accidents/yr)</td> <td>1</td> </tr> </tbody> </table> <p>See File Reference - 2015 Primary Roads Collisions in Hours of Darkness.pdf</p>	site		(DM Total Accidents/yr)	229.33	(DM Slight Accidents/yr)	187.6	(DM Serious Accidents/yr)	38.33	(DM Fatal Accidents/yr)	3.33	(DM Accident Rate - PIA/MVKm)	0.12	(DM Total Pedal Cycle Accidents/yr)	20	(DM Slight Pedal Cycle Accidents/yr)	16	(DM Serious Pedal Cycle Accidents/yr)	4	(DM Fatal Pedal Cycle Accidents/yr)	0	(DM Total Pedestrian Accidents/yr)	40	(DM Slight Pedestrian Cycle Accidents/yr)	28.33	(DM Serious Pedestrian Accidents/yr)	10.66	(DM Fatal Pedestrian Accidents/yr)	1
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<p>Number of existing cyclists; forecasts of</p>	<p>This scheme addresses assets on the A, B</p>																												

cycling usage with and without the scheme (and if available length of journey)

and C road network. It is difficult to quantify the number of cyclists affected by the scheme as the authority does not collect this level of detail on specific road users across its network for cost and practicality reasons. As a result we do not have the level of detail required to forecast the level of cycle use should the scheme be promoted.

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.

Derbyshire has discussed its project funding model, procurement and build approach with the Government's Green Investment Bank who are developing a data base of all UK councils lighting assets and funding choices. The GIB acknowledged that the Council has developed 'a sensible approach' to funding and project implementation to achieve against key objectives.

Derbyshire is already engaged in a joint procurement with Leicestershire County Council where two contracts are intended to be advertised to the market through the OJEU process for the purchase of materials and a framework contract to obtain suitable installation contractors. These contracts will enable the Council to progress similar works on the strategic network if a Challenge Fund bid were successful.

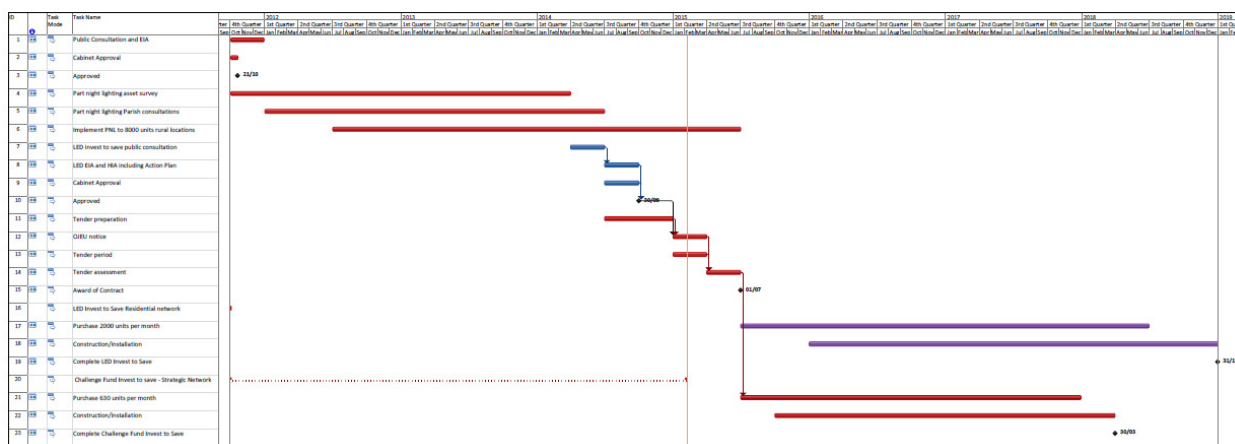
Procurement procedures will be used to ensure any cost reduction or specification improvements can be incorporated into the project. Economy of scale for procurement to improve the whole life cost of the lighting stock will provide the most competitive prices from the market. Use of suppliers who are on the NHSS schedule of contractors and suppliers held by Lantra Awards will assist to ensure whole life cost benefits are realised. (185)

**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.



See File Reference - Microsoft Project - Challenge fund street lighting rev3.pdf

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

- 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.

On occasion, issues of public concern can arise during consultation into detailed proposals for schemes, once the extent of the works is understood. This project has the considerable benefit of a lot of public consultation having already been carried out into street lighting future options. There was overriding support for new LED street lights, with any other options being roundly rejected by the public. (64)

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.

Strategic Director Mike Ashworth will ensure that the project and its delivery meet the outcomes of the approval report and that it delivers efficiency savings.

Service Director Geoff Pickford (Senior Responsible Owner) has overall responsibility for project delivery and accountability for finance confirming actual progress against targets and the benefits realised by the project.

Commercial Service Manager Peter Booth will act as Project Manager and is responsible for delivery to the agreed budget and to the timeframe identified.

Senior Project Engineer Debbie Anderson will be responsible for the monitoring and day to day management of the project and will chair regular project reviews with the project

team which will include representation from support functions such as procurement, finance, legal, road permit team.

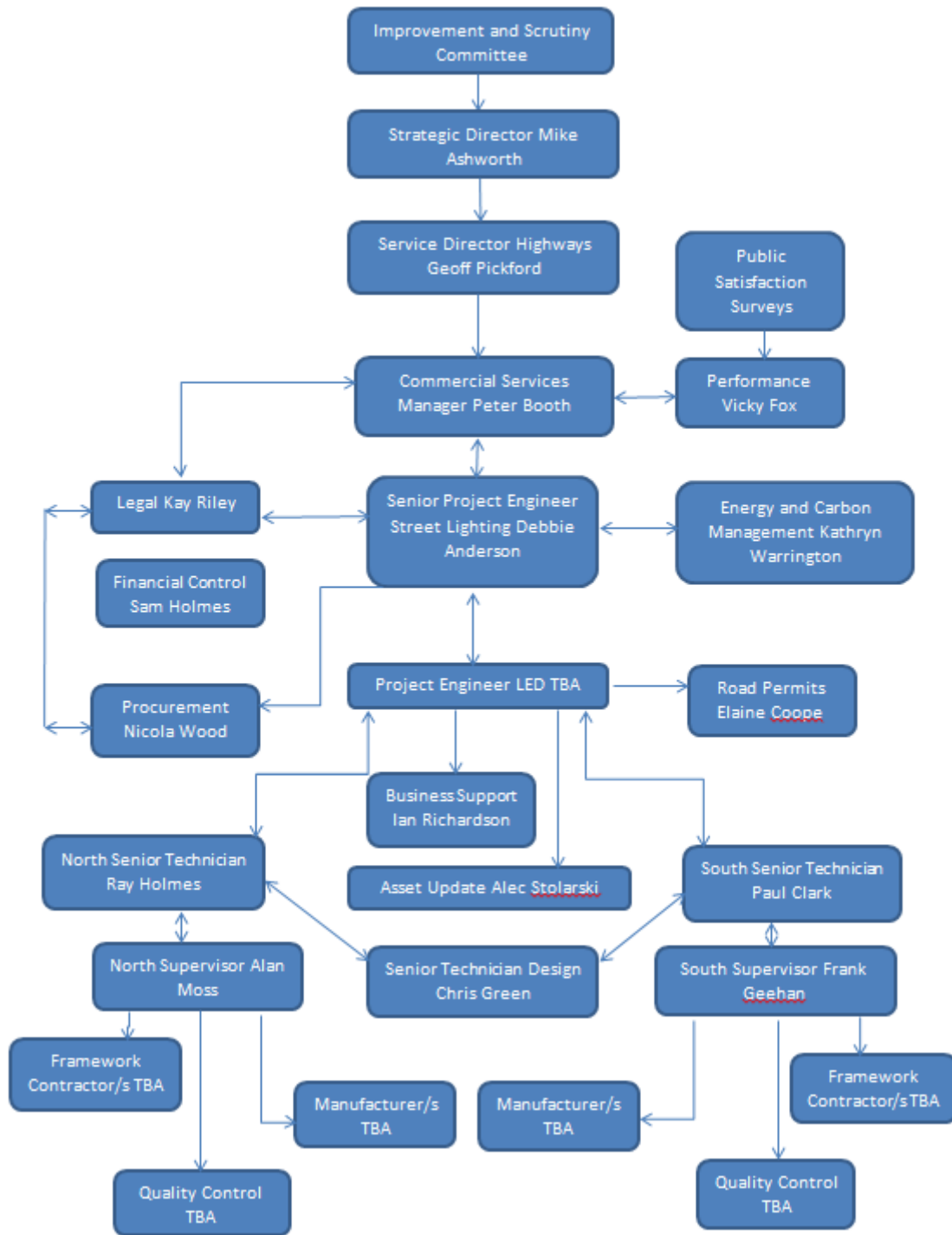
The core project team will be made up of members of the council's street lighting section who already have considerable experience of managing street lighting asset upgrade projects supported by external resources for the duration of the project to ensure delivery timescales can be achieved. Some key staff positions are to be appointed through the procurement process to manage delivery and will be fixed term until completion of the project.

All County Council highways and transport capital projects are managed through a standard process. An investment panel comprising Strategic and Service Directors receives progress reports on a monthly basis and interviews the Senior Responsible Owner (SRO) of each project, identifying corrective action where required.

Any projects funded through the Challenge Fund would be monitored through the above process. For each of these the SRO would convene a bespoke steering group and appoint a project manager, responsible for maintaining deliverables such as a risk register

The Council's well-developed asset management system will be used to support identification of required asset improvement and updating asset information which will contribute to the production of regular monitoring reports on how the project is achieving against key objectives including time and cost targets.

Financial systems will be used to manage the finance of the project through monthly reports and project board meetings. (343)



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.

Resource availability to achieve against required project outcomes

1. **Lack of installation resource to deliver project requirements to time - Derbyshire is currently developing contract documents to deliver a similar project for 78% of its street lighting stock. Works to the remaining 22% of street lights funded through Challenge Fund could be incorporated into this contract. The installation contract will be a three year framework enabling several contractors to be utilised to achieve implementation timelines. Joint procurement with Leicestershire County Council for materials will generate considerable interest from manufacturers.**
2. **Inability to achieve required Challenge Fund monies spend profile within required timeframe - The installation framework contract provides a potential to specifically target with some contractors works on the strategic road network. For example resources could be targeted to spend the monies during first two contract years. Works only requiring lantern replacement will be quick wins with only minimum preparation requirements relating to asset component verifications.**
3. **Installation costs contained within the project estimate. - Estimate preparation is based upon contractor rates obtained through a recent procurement exercise. Economy of scale for a procurement to improve the whole of Derbyshire's lighting stock will provide the most competitive prices from the market.**
4. **LEDs are a developing technology with potential for performance improvement and cost reduction over contract period. - Utilisation of annual procurement for materials will assist to ensure any cost reduction or specification improvements can be incorporated into the project.
Joint procurement with Leicestershire County Council should provide economy of scale savings**
5. **Delivery of the whole life cost benefits. - Works to be progressed to National Highways Sector Scheme 8, utilising contractors that are incorporated on the Highways Electrical Registration Scheme and of materials suppliers who are on the NHSS Schedule of suppliers held by Lantra Awards.**

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

See File Reference - Challenge Fund Risk Register.pdf

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.

Economic

Reducing energy consumption by 5 million kwh, saving an average of £1 million per year over the next twenty years

Bringing the street lighting asset to steady state

Minimising disruption to road users and journey times.

Supporting the night time visitor economy.

Reducing the number and cost of maintenance visits.

Environmental

Minimising light pollution in towns and villages, while offering support for dark sky areas including the Peak District National Park Dark Skies initiative.

Reduction of 2790 tonnes CO2 per annum.

Minimising the effects on biodiversity and townscapes through careful planning and product selection.

Safety

Further reducing collisions during hours of darkness (over 40% reduction compared to 2005-2009 average).

Retaining street lighting hours in communities and along economic corridors.

Supporting the use of sustainable travel modes including walking, cycling and public transport.

Public Perception

Further increasing public satisfaction with street lighting (currently 67.4%).

Reducing time taken to repair outages (currently 5.4 days).

Personal security and efforts to reduce crime, particularly burglary and theft. (157)

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

Key outcomes of the project are:

- **Reduced maintenance costs**
- **Lower energy expenditure**
- **Improved community safety**
- **Reduction of the environmental impacts of street lighting**
- **Promotion of sustainable travel alternatives**
- **Supporting the night time economy**

Annual technical and financial data will be utilised to monitor the achieved outcomes against those identified through the initial financial modelling for the project. Improved outcome targets will be developed for each future year to reflect the known ongoing development of LED's to deliver improved whole life costing benefits. The annual project outcome and future targets will be reported to the Council's Improvement and Scrutiny Committee and made publicly available.

Public satisfaction in street lighting will be measured through the annual National Highway and Transport Public satisfaction survey. Highway safety, community safety and environmental monitoring requirements have been identified within an EIA action plan which will be updated each year of the project. Community safety performance is monitored in conjunction with key partners i.e. the police, district, parish and town councils, Derbyshire Fire and Rescue and other agencies.

The Council monitors and reports on key performance indicators and targets in relation to:

- **The average cost of a working street light**
- **Percentage of working street lights**
- **Average number of days to repair a street light fault**
- **Average cost of a street light repair**
- **Energy Kwh reduction street lighting**
- **CO2 Reduction street lighting**
- **Number of people killed or seriously injured in road accidents**
- **Number of new businesses created**
- **Percentage of small businesses showing growth**
- **Total number of bus passengers carried on Council supported services**
- **Kilometres of strategic cycle network completed**

Quarterly outcomes for these will assist to identify the positive impact of the project investment in achieving against current and improved future targets.

The EIA Action Plan and the energy saving which will be reported to the Councils improvement and Scrutiny group on a regular basis. (307)

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 Strategic Routes– Street Lighting Asset Replacement in Derbyshire I hereby submit this request for approval to DfT on behalf of Derbyshire County Council and confirm that I have the necessary authority to do so.

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

Name:

Geoff Pickford

Signed:



Position:

Service Director – Highways (Senior Responsible Owner)

D2. Section 151 Officer Declaration

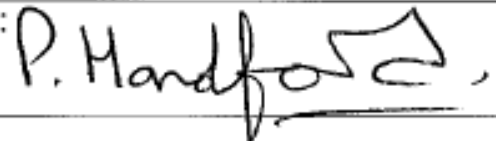
As Section 151 Officer for Derbyshire County Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Derbyshire County Council

- 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

Name:

**PETER HANDFORD
DIRECTOR OF FINANCE**

Signed:



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 copying in steve.berry@dft.gsi.gov.uk