

Report to the Cabinet

Meeting to be held on Thursday, 1 December 2022

Report of the Director of Strategy and Performance

Part I

Electoral Division affected:
Lancaster Rural North;

Corporate Priorities:
Delivering better services;

A601(M) Maintenance Project
(Appendix 'A' refers)

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Brief Summary

The funding of the A601(M) bridge and highway maintenance project was approved by Cabinet in July 2020. This was the lowest cost option for maintenance of the A601(M) over a 30-year period and included revoking the motorway status, reducing the speed limit and the replacement of Higher North Road bridge with an at grade junction as a means of achieving this.

It has now been found that the estimated cost of the new junction has increased significantly due to construction inflation adversely affecting the activities associated with that part of the project. It is now proposed to retain and repair Higher North Road bridge, that now being the lowest cost option within budget, whilst seeking to deliver the other aspects of the original project.

This is deemed to be a Key Decision and the provisions of Standing Order C19 have been complied with.

Recommendation

Cabinet is asked to approve that the alternative option of retaining and repairing Higher North Road bridge, is adopted and that the proposal to replace the bridge with a new junction, approved by Cabinet in July 2020, be rescinded and not implemented.



Detail

The A601(M) is a 1.38 Kilometre long section of Motorway linking the M6 with the A6 at Carnforth near Lancaster.

The road was built as part of the original M6 construction and is managed by the county council. It has several bridges in need of major repair as well as substantial highway maintenance requirements to adhere to the standards for a motorway. The future cost of maintaining the road to this standard is significant and the deterioration of the bridges could see weight restrictions applied to the road in due course if not addressed.

On 3rd October 2019 Cabinet approved the submission of a bid to the Department for Transport Local Highway Maintenance Challenge Fund for £9.245m to address the issues with maintenance of the A601(M). The objectives set out in the business case for funding were to address the long-term management of the structures, reduce the maintenance liability associated with maintaining the road as a motorway and ensuring that future development was not compromised by any proposals.

Although six options were considered in the bid, two options were found to give similar cost benefits with a preferred option presented on the basis that although the upfront cost was greater, it demonstrated a marginally lower whole life costing.

The preferred option involved the demolition of Higher North Road bridge over the motorway and its replacement with a new signalised junction of North Road with the A601(M). To facilitate this required removal of the motorway status of the road. The revocation of the special road status also provided significant benefits by reducing the future maintenance requirement for the road.

The alternative option involved the retention and refurbishment of the structures on the road together with seeking removal of the motorway status to reduce the ongoing maintenance burden. The increased maintenance cost was associated with the ongoing management of Higher North Road bridge. Although this option had significantly lower up front capital cost it was not initially preferred as the long-term cost was marginally higher than the preferred option at the time.

Between the time the bid was submitted, and an award made, the Maintenance Challenge Fund was replaced by the Transport Infrastructure Investment Fund. Additional Transport Infrastructure Fund funding of £15,891,000 was provided by the Department for Transport and Cabinet approved the allocation of £9.245m to the A601(M) project on 9 July 2020. Whilst there were no restrictions on how the Department for Transport grant was to be used, the Cabinet report set out that the allocation should address the lowest cost option for maintenance of the A601(M) over a 30-year period and highlighted the replacement of Higher North Road bridge with an at grade junction as a means of achieving this.

Current Situation

The original timeframe for delivery of the A601(M) project was for design to commence in August 2020 with a view to works starting on site in June 2021.



Detailed investigation and design work did not commence until summer 2021 due to several factors including, availability of external consultants and contractors because of pressures caused by the pandemic. It became apparent that the scope of work required to revoke the motorway status of the road was beyond that originally envisaged and detailed modelling was delayed because of the pandemic and the impact of lockdowns on traffic behaviour.

This meant that the original programme could not be achieved, and a revised programme was developed for starting the work in late 2022 or early 2023.

As design work progressed a high-pressure gas main was identified as needing to be diverted and in mid-2022 an estimate for the work was received for £3.5m. The time required to resolve the requirements associated with the gas main diversion also meant that the programme would be delayed further to start in mid-2023 at the earliest and this introduced a significant delivery risk.

After a review of the project cost in summer 2022, it was found that the estimated cost of the new junction had increased significantly due to construction inflation adversely affecting the activities associated with that part of the project.

The change in anticipated scope, the need to divert the gas main and the increase in construction cost for the junction mean that the project as originally envisaged cannot be delivered within the budget and the risk to the programme due to the delay for resolving issues with the gas main mean that inflation could have a further negative effect on delivery.

The Scheme to revoke motorway status has been made and is now with the Secretary of State who are considering various issues.

The repair work to the Higher North Road bridge is able to proceed without the S16 Scheme yet confirmed.

Business Case

Taking account of the cost increase associated with the current preferred option, means that this is no longer the most cost-effective proposal either in terms of up-front cost or whole life cost including future maintenance of the road.

The original business case presented in the bid now supports the alternative option of repairing Higher North Road bridge rather than removing it and still seeking to revoke the special status of the road with consequential changes as this is now the most cost-effective option and can be delivered within the available budget.

There are several reasons that this option has become the most cost-effective way of dealing with the current condition issues and future maintenance of the A601(M). The cost and programme uncertainty associated with the diversion of the gas main would not apply to this option. Inflationary pressures associated with the current economic climate affect the new junction proposal more adversely than the bridge repair option due to the areas involved in the new junction layout.



The alternative proposal meets the objectives of the Department for Transport bid. It addresses issues with the structures, reduces the future liability associated with maintaining the road as a motorway. The county council are pursuing de-specialisation of the road. De-specialisation will ensure that future development is not constrained.

The works proposed to the Higher North Road bridge stand-alone but are part of the overall project, but can be achieved independently of other aspects of the original project. Removal of the motorway status will result in the road becoming an all-purpose dual carriageway with a proposed 50 mile per hour speed limit. Works to deliver on this objective will involve replacing hard shoulders where necessary with grass verges and laying a new asphalt overlay to the road surface together with new lines and road studs. Changes to signage and some improvements to drainage and landscaping will also be incorporated in the works. There may be further maintenance work required to ensure the ongoing operation of the A601 that lies outside the scope of the current project. It is anticipated that this will be considered in terms of priority, as and when that is necessary within the county councils' future maintenance budget. Whilst the proposed project does not allow for enhancements such as specific new facilities for pedestrians and cyclists, the project is designed such that these can be accommodated should a suitable proposal be brought forwards in the future.

A breakdown of the original and revised cost projections for the project are set out at Appendix 'A' and are deemed to be Part II for the reason set out below.

Consultations

None

Implications:

This item has the following implications, as indicated:

Risk management

Financial Risk

Detailed design work has identified a high-pressure gas main as needing to be diverted and in mid-2022 an estimate for the work was received for £3.5m, in addition the estimated cost of the new junction had increased significantly due to construction inflation adversely affecting the activities associated with that part of the project. As a result, the original agreed scheme cannot be delivered within budget or funds available.

The revised proposal to retain Higher North Road bridge and change in the scope of the works will mean that essential maintenance works are carried out whilst ensuring the road remains open and the motorway status is removed whilst substantially reducing future maintenance liabilities.

Not implementing the revised proposal will mean substantial costs incurred beyond current funding available.



The proposal can be delivered within the funding previously approved including the Department for Transport grant, so no additional borrowing is required.

Ongoing maintenance costs will form part of the annual Transport Asset Management Plan process of allocating annual funding based on maintenance priorities within the funding available at that time.

Legal

The S16 Scheme was made in March 2022 and duly advertised and is now with the Secretary of State. Various issues are being discussed.

Some changes to this highway are dependent upon the motorway status being removed.

The repair to the Higher North Road bridge is not so dependent.

List of Background Papers

Paper	Date	Contact/Tel
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None		
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Reason for inclusion in Part II, if appropriate

Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. Appendix 'A' contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

