

Local Pinch Point Fund Application Form



Department
for Transport

Applicant Information

Local authority name(s)*: Middlesbrough Council

Bid Manager Name and position: Derek Gittins, Network Service Manager, Transport and Design Services.

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

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Please specify the weblink where this bid will be published:
<http://www.middlesbrough.gov.uk>

SECTION A - Project description and funding profile

A1. Project name: Manhattan Gate Crossing and Access to Middlehaven

A2. Headline description:

The installation of a fixed vehicular and pedestrian crossing across the entrance to the old Middlesbrough Dock, along with reconstructing private road up to an adoptable standard, and junction improvements. This will open up, and improve accessibility into, and across the Middlehaven regeneration development site; enabling brownfield land sites to be developed. This improved access into the Middlehaven site, whilst improving the movement of goods and people; will provide quality sustainable employment opportunities to local people, at the same time helping to unlock public transport ambitions and economic development on a brownfield site of previous heavy industry. The scheme will also include environmental improvements and quality public realm works supporting the growth of the renewable energy sector in Middlesbrough.

A3. Geographical area:

The Middlehaven site is situated in the Middlehaven Ward of Middlesbrough, which presently suffers from high levels of disadvantage. Middlesbrough is presently the 8th most disadvantaged town in England, and had the highest unemployment rate in Great Britain at 15.8% from October 2011 to September 2012.

Covering the old dockland area of 100 hectares, the Middlehaven site is one of the North East region's largest and most exciting regeneration schemes. It lies adjacent to Middlesbrough town centre and is bounded on one side by the tidal River Tees, and on the other by the main local road artery, the A66.

OS Grid Reference: **X – 450824, Y - 520115**

Postcode: **TS3 6RS (closest existing building is the Riverside Football Stadium)**

Please see appendix 1 for maps

A4. Type of bid

Small project bids

Scheme Bid

A5. Equality Analysis

Has any Equality Analysis been undertaken in line with the Equality Duty?

Yes. The bid has taken into account the needs of current users. Analysis of current usage and restrictions has been undertaken as part of the initial design process. This scheme promotes improved accessibility to all road users from a private footbridge and road; to a public road and footbridge with improved access and junction facilities.

A6. Partnership bodies

Homes and Communities Agency, St George's House, Kingsway, Team Valley, Gateshead, NE11 0NA

Contact: Chris Munro, Area Manager

Tel: 0191 497 7670, E-mail: chris.munro@hca.gsi.gov.uk

The Homes and Communities Agency (HCA) are the National Housing and Regeneration Agency for England, and work in partnership with Middlesbrough Council on the strategic direction and delivery of Middlehaven. Together they form the Middlehaven Partners, with a Middlehaven Project Board meeting held once every six weeks to formally make decisions. The HCA own the land on the Shepherdson Way side of the dock entrance (where the proposed bridge crossing will be located) and some 25 metres past the entrance towards Scott Road, which they have contributed towards the proposed scheme. This will be required together with some of the adjacent Middlesbrough Council adopted road. Furthermore, the HCA will provide capital match funding to the scheme to enable the crossing and road realignment to be built, thus vastly improving access around the Middlehaven site, and unlocking the economic potential of the area.

Able UK, Billingham Reach Industrial Estate, Haverton Hill Road, Billingham, TS23 1PX

Contact: Neil Etherington, Group Development Director

Tel: 01642 806080, E-mail: info@ableuk.com

Able UK are an environmental specialist in complex demolition processes, site reclamation and associated property development in regenerating new from old, and the decommissioning (and re-cycling) of marine structures including oil and gas platforms and ships. The construction of the crossing would unlock Able UK's employment site at Middlehaven, which will be beneficial to the company and provide much needed employment in Middlesbrough. Part of the crossing roadway will partly fall on Able UK's land; and as a result, Able UK are a partner and has contributed said land to the scheme.

A7. Local Enterprise Partnership / Local Transport Body Involvement

It would be beneficial (though not essential) if the relevant LEP or LTB (or shadow(s)) have considered the bid and, if necessary, prioritised it against other bids from the same area. If possible, please include a letter from the LEP / LTB confirming their support and, if more than one bid is being submitted from the area, the priority ranking in order of growth significance.

Have you appended a letter from the LEP / LTB to support this case? Yes (see Appendix 3b)

SECTION B – The Business Case

B1. The Scheme - Summary

Please select what the scheme is trying to achieve

- x Improve access to a development site that has the potential to create housing
- x Improve access to a development site that has the potential to create jobs
- x Improve access to urban employment centres
- x Ease congestion / bottlenecks

B2. The Strategic Case

a) What is the problem that is being addressed, making specific reference to barriers to growth and why this has not been addressed previously?

The bid will be delivered in a key strategic location, focusing on economic benefits for business and stakeholders to thrive. Historically, the town's development has been closely associated with heavy manufacturing; retaining strengths in several of these areas. Massive industrial restructuring has changed the face of the town's economy, and the service sector is now the main economic driver, with the town centre providing most of the town's employment opportunities.

1. Historically, there has been poor transport links into the Middlehaven, limiting new opportunities for economic growth in the area. Through improved access to the area (and the attraction of new businesses to the area), this would directly open up opportunities for businesses in the renewable energy sector.

2. There is poor connectivity between the trunk road network, Town Centre and wider Middlehaven area - restricting business growth and customer engagement, both new and old. The area has never been served by a commercial bus service, and this barrier restricts economic activity and growth, due to desirability of the area to businesses setting up, or relocating to the town.

3. Lack of opportunities for business development and employment opportunities for local people. The global financial crisis has restricted inward investment into this particular area of Middlesbrough, which is now a prime location for office, residential and renewable energy companies to be located. This area is in a prime location to Teesport, to ensure ease of importing and exporting goods outside of the UK.

4. The need for a quality of place to underpin other project elements by public realm improvements to stimulate business and customer engagement, by making vehicular and pedestrian movement an easier and safer experience, and improving the overall presentation of the area.

These issues have previously not been addressed, due to a lack of inward investment to Middlesbrough to unlock the development potential, and also not being able to obtain external funding, whereby this scheme is more naturally aligned to the funding criteria set by the Department.

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

Options:

Do Nothing - This is not an option, as the area has suffered over a long period of time with the parts of the site not being utilised to its full potential. Without the improved access within the allotted time frames, future development of the site will not take place as quickly (the business development and employment opportunities will not be realised) and the full potential of this key, strategic site will not be reached.

Develop a Reduced Scheme / Over a longer timescale – This option will be investigated if this application is unsuccessful. However, such delays or reductions will ensure that the development site would struggle to develop in a designated timeframe, and the full vision of the Greater Middlehaven Strategic Framework Plan will become undeliverable.

Chosen Option - This option is for a complete scheme, which can be delivered at the described levels, and delivered in a timeframe that will enhance, and act as a catalyst to increase momentum to strategic development in both designated and surrounding areas; unlocking further links to neighbouring local authority areas of employment.

c) What are the expected benefits / outcomes? For example, job creation, housing numbers and GVA and the basis on which these have been estimated.

The scheme is situated within the Greater Middlehaven development, which is a major regeneration site in the North of the Town. This development provides a unique opportunity to attract major inward investment by supporting renewable and sustainable energy business enterprises, office space, homes, leisure facilities, bars and restaurants; developed following sustainable 'one planet living principles'.

Following the completion of an £18M reclamation and restoration contract for the dock basin and surrounding land, over 15 hectares has been prepared for commercial and residential development. The HCA (previously English Partnerships) own the land, and has previously invested £40M in the overall development. The development is estimated to create 750 new homes, over 1000 jobs, and is aimed to be one of Europe's biggest carbon neutral waterside developments.

The overarching aim of this scheme is to create a stronger economic base in the Middlehaven area by:

1. Creating opportunities for economic growth through improved access to, and across the site, as well as attracting new businesses to the area, especially those in the renewable energy sector;
2. Improving linkages and removing barriers to the transport network to stimulate economic activity and growth;
3. Improving connectivity with the Town Centre to stimulate business and customer engagement, both new and old;
4. Creating opportunities for business development and employment opportunities for local people;
5. Achieving a quality of place to underpin other project elements by public realm improvements to stimulate business and customer engagement, by making vehicular and pedestrian movement an easier and safer experience, and improving the overall presentation of the area by de-cluttering.

By April 2016 the scheme will provide:

- 2 hectares of brownfield land reclaimed or redeveloped
- 100 direct full time equivalent jobs
- 500 indirect full time equivalent jobs

d) What is the project's scope and is there potential to reduce costs and still achieve the desired outcomes?

There is no potential to reduce the costs of the scheme further than is included in this application. A similar exercise has already been undertaken as a result of a feasibility study by an external consultant which provided various options for types of bridge that would be suitable to be placed over the dock basin. It was decided that to realise the schemes full potential, improvements to the surrounding road network are a necessity.

As can be seen in appendix 1; the road on the Northern side of the bridge needs to be upgraded to an adoptable standard; maximising heavy goods vehicles using the road for access and egress. Providing another link joining up the newly aligned road layout, to an existing road will alleviate congestion elsewhere on the trunk road network at peak times.

e) Are there any related activities, that if not successfully concluded would mean the full economic benefits of the scheme may not be realised?

Some land acquisition is required to progress the proposal –

The Homes and Communities Agency (HCA) - The HCA own the land on the Shepherdson Way side of the dock entrance (where the proposed bridge crossing will be located) and some 25 metres past the entrance towards Scott Road, which they have contributed to the proposed scheme. The HCA are a project stakeholder, and fully support the project (**see Appendix 3**).

Able UK - The construction of the bridge crossing and road would unlock Able UK's site at Middlehaven; which will be beneficial to the company and provide much needed employment in Middlesbrough. Part of the crossing roadway will fall on Able UK's land; and as a result, Able UK are a partner and has contributed said land to the proposed scheme. (**see Appendix 3a**).

Additional Consents required;

Marine Management Organisation (MMO) – The MMO represents a number of agencies associated with the River, and any proposed works. The MMO will inform the relevant agencies of what work is being proposed, and grant a license to carry out proposed works. Discussions already undertaken with the organisation indicate that the scheme in principal will not cause adverse effects to the area by working on the local waterway.

PD Ports - Operate Teesport; one of the largest container ports in the North of England. PD Logistics delivers flexible portcentric solutions to improve business supply chains. PD Ports grant licenses for third parties to work on the river. Discussions undertaken, indicated that constructing a vehicular bridge over the dock basin will not cause adverse conditions for the main thoroughfare on the river, or that the construction of a vehicular bridge would have detrimental effects on the surrounding local area.

The Environment Agency - There is the Water Framework Directive (for improving water quality), which will result in applying for consent from the Agency to work on / near a main river. The project has taken this major consent into account in the designing and construction of the proposed road element of the scheme. The project management team will ensure that all relevant European and national environmental directives are complied with.

Planning Permission – This is a major factor for the project to commence. The required documentation such as technical drawings and community consultation have been produced, ready to be submitted to the local Planning Authority, subject to a funding announcement.

f) 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)?

A lower cost scheme is not an option, as the current format is a revised scheme based on an initial scope of a swing bridge crossing. This was revised to include the realignment of the road junction; to fully maximise the benefits that the scheme promotes.

If funding for the scheme is not secured from this application, the Council would seek an alternative funding method, such as additional funding from the HCA. However, such delays / reductions in funding allocations may result in the development site struggling to reach its potential, and the full vision of the Greater Middlehaven Strategic Framework Plan may become undeliverable. At the same time the Council would apply to the Devolved Major Scheme application fund that is managed by the Tees Valley LEP. This would result in a priority bidding

process with the other Tees Valley authorities, which could further delay the scheme, and its critical path.

g) What is the impact of the scheme – and any associated mitigation works – on any statutory environmental constraints?

The project will seek to maximise positive environmental impacts / mitigate potential negative impacts, as the project partnership is committed to delivering the development of the Middlehaven development site in line with statutory Environmental Sustainability objectives and constraints. In doing this; an improved environment and quality of life will be achieved for the residents of the Middlesbrough, both now and in the future.

There is the Water Framework Directive (for improving water quality), which will result in applying for consent from the Environment Agency to work on or near a main river. This is a major factor in gaining consent. The project has taken this into account in the designing and construction of the proposed road element of the scheme. The project partners support current approaches in protecting both the natural and built environment, and will comply with European, National and Local directives and strategies.

The project will:

1. Provide the catalyst for the further regeneration of the Middlehaven brownfield development site, previously used by heavy industry, with the development of new sustainable businesses, some in renewable and sustainable energy.
2. Unlock a brownfield site for new sustainable business developments, especially in the green energy sector.
3. Reduce road travel and the carbon footprint by providing a more direct route into and across Middlehaven.
4. Reduce the nuisance of congestion and improve liveability for residents by providing a property designed road structure, which will redirect heavy vehicle traffic.
5. Improve the security in an area some view as fairly isolated at present with suitable ingress.
6. Improve access to the river and the riverside for people to enjoy, together with future tourism.
7. Support a national transition to a sustainable economy through supporting the development of businesses in renewable energy sector.

Middlesbrough is not required to have a Local Air Quality Management Zone, as local air quality meets statutory environmental requirements.

B3. The Financial Case – Project Costs

Table A: Funding profile (Nominal terms)

£000s	2013-14	2014-15	2015-16	Total
DfT funding sought	120	3375	██████████	3495
Local Authority contribution	0	0		0
Third Party contribution	750	750		1500
TOTAL	870	4125		4995

Table B: Cost estimates (Nominal terms)

Cost heading	Cost (£000s)	Date estimated	Status (e.g. target price)
Removal of footbridge	30	March 2014	Target Price
Design, construction and installation of new bridge	3765	June – August 2014	Target Price
Preliminary site investigation work	90	May 2013	Target Price
Detailed highway design and supervision work	90	August 2013 – September 2014	Target Price
Highway construction	1020	February 2014 – September 2014	Target Price
TOTAL	4995		

B4. The Financial Case - Local Contribution / Third Party Funding

- a) The non-DfT contribution may include funding from organisations other than the scheme promoter. If the scheme improves transport links to a new development, we would expect to see a significant contribution from the developer. 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.

The HCA are the National Housing and Regeneration Agency for England, and work in partnership with Middlesbrough Council on the strategic direction and delivery of Middlehaven. They are providing the third party match funding for this scheme, of £1,500,000 (see Appendix 3).

- 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 (see Appendix 3)

- c) The Department may accept the provision of land in the local contribution towards scheme costs. Please provide evidence in the form of a letter from an independent valuer to verify the true market value of the land.

The HCA and Able UK are both contributing land towards the scheme. The values are not included in project costs.

Have you appended a letter to support this case? Yes (see Appendix 3 and 3a)

- 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.

Coastal Communities Fund - A Stage One application for £1,000,000 was submitted in April 2012, subsequently declined because the fund was oversubscribed.

European Regional Development Fund – An outline application for £2,257,000 of ERDF funding was submitted in August 2013, subsequently placed on DCLG's project Reserve List, but now pending a decision on eligibility.

B5. The Financial Case – Affordability and Financial Risk

Risk management is a critical element of corporate governance and is a statutory requirement for public sector organisations. The stakeholders are required to provide for the health and safety of their elected members, employees and those that they serve. They have a duty to ensure effective planning for civil emergencies. It is required to protect their assets, and to take steps to minimise losses and liabilities.

The risks associated with this project will be reduced to an acceptable level, or if possible eliminated; by the attached risk register in section B11. Robust risk management will be in place to enable the stakeholders to effectively discharge their responsibilities and deliver their various contributions to the project. The stakeholders are firmly committed to maintaining a systematic and cost-effective approach to the identification and management of risk that is consistent with best practice and complies with statutory and audit requirements.

The attached risk management strategy / register identifies the objectives and benefits of managing the risks for this project; outlining the scoring matrix used, the responsibilities for risk management; and provides an overview of the process used to manage and mitigate risk successfully. It should be used for further reference to the questions listed below. As part of the project board's regular meeting schedule and governance, they will re-assess project risks on regular basis, and monitor progress against the original quantified assessment / risk register of the project.

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

The construction costs of the bridge crossing are verified in the Manhattan Gate Feasibility Study undertaken by Halcrow. In addition to the construction, there is a 10% contingency provision of £251, 000, and a 40% optimism bias of £1,004, 000 applied to this scheme.

The highway element of the scheme has been costed and verified by Middlesbrough Council's Highways and Design Team at £1,110, 000.

b) How will cost overruns be dealt with?

The project has been subject to a comprehensive planning and cost allocation exercise with an external consultant. There are currently no identified potential cost overruns due to the aforementioned exercise. As the HCA are providing a match funding contribution, it enables this project to benefit from accessing the HCA's contract / procurement framework to award the construction contract. This will ensure that the selected contractor meets all the necessary criteria, and has experience of successfully delivering large capital projects on behalf of the HCA.

There will also be financial penalties for the contractor failing to adhere to the specified budget. It is unlikely, but should the optimum bias / project contingencies not be sufficient to address any unforeseen events, additional funding would be sought from HCA. At the same time Middlesbrough Council would apply to the Devolved Major Scheme application fund that is managed by the Tees Valley LEP.

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

1. Not obtaining a license to construct on the local waterway. This could affect the construction schedule, and delay the completion of the proposed bridge element of the scheme. There would be no impact upon cost of the project due to the planned construction being completed in sufficient time prior to the end of the financial year.

2. Land contamination from a previous brownfield usage. This would greatly impact upon on the scheme, as the land would need to be treated and rectified before being able to used for constructing on.

3. Unforeseen statutory diversion works associated with the highway element of the scheme. Middlesbrough Council's Highways and Engineering team have budgeted sufficiently contingencies for such events. Preliminary investigation works have identified that there are no unforeseen works present on either side of the dock basin for the bridge, or the highway element of the scheme.

4. Rising construction costs. The project has been fully costed by both an external consultant and Middlesbrough Council's Highways and Design Team. Sufficient contingencies have been built into the project to allow for such risks.

5. Not obtaining planning permission – this would prevent the project from starting, or delay the scheme start. There would be no direct cost implication in a delay, as the programme allows for sufficient time to obtain planning permission.

The above headings are included on the project risk register, scored and mitigated to reflect the impact they would have on the delivery timescales.

d) How will cost overruns be shared between non-DfT funding partners?

It is not envisaged that there will be any cost overruns. However, should any cost overruns arise, additional funding would be sought from HCA. In addition, the Council will apply to the Devolved Major Scheme application fund that is managed by the Tees Valley LEP.

B6. The Economic Case – Value for Money

This section should set out the full range of impacts – both beneficial and adverse – of the scheme. The scope of information requested (and in the supporting annexes) will vary according to whether the application is for a small or large project.

Small project bids (i.e. DfT contribution of less than £5m)

Please provide a description of your assessment of the impact of the scheme to include;

The development proposal chosen is felt to represent value for money as it will –

1. Improve access to, and across the Middlehaven Development site, creating opportunities for economic growth, as well as attracting new businesses to the area, especially those in the renewable energy sector.

2. Unlock a brownfield site for these new sustainable business developments, especially in the renewable and sustainable energy sector, providing the catalyst for the further regeneration of the Middlehaven development site.

3. Improve linkages and remove barriers to the transport network to stimulate this economic activity and growth.

4. Improving connectivity with the Town Centre to stimulate business and customer engagement, both new and old.

5. Improve access to the river and the riverside for people to enjoy, together with future tourism.

6. Reduce road travel and the carbon footprint by providing a more direct route into, and across Middlehaven.
7. Reduce the nuisance of congestion and improve safety and liveability for residents by providing a property designed road structure, which will redirect heavy vehicle traffic.
8. Improve the security in an area some view as fairly isolated at present with suitable ingress.
9. Achieving a quality of place to underpin other project elements by public realm improvements to stimulate business and customer engagement, by making vehicular and pedestrian movement an easier and safer experience, and improving the overall presentation of the area by de-cluttering.
10. Support a national transition to a sustainable economy through supporting the development of businesses in renewable energy sector.

A number of crossing options listed in the Manhattan Gate Crossing Feasibility Study Report (available if required) were considered in detail, with the option described in the Project Headline Description chosen as the most appropriate.

Economy

All services and works will be procured using the HCA Multi Disciplinary Panel (MDP), using a mixture of quality and cost as criteria for appointing contractor / consultants. The MDP has been procured through a fully compliant OJEU procurement process and can be used by the Council to access technical services directly through mini competition.

The MDP has been identified as the most appropriate process, and includes over 20 panel members offering access to 17 specific areas of technical expertise including Engineering and Transport Engineering; which are relevant and appropriate to the scheme. This process will ensure the proposals are delivered within other timeframes, such as the planning process and associated deadlines.

Comparative Costs

All estimates are based on similar project costs. The requested funding is a maximum. If tendered costs are less than the funding requested, the allocation will be returned back to the Department of Transport.

Additionality

If funding for this project is not given, opportunities for economic growth will be lost, with new sustainable business development, as well as new businesses attracted to the area; and employment opportunities not be provided where needed. Inward private sector investment would be lost. As a result, limited access to the area will continue until other funding can be accessed; which could be a considerable length of time: delaying this important linkage to the Middlehaven Development Sites and the Town Centre even further. The proposal would also build on previous investment to the area through the HCA and European Regional Development Fund.

Long-Term Benefits

As stated elsewhere in the application, outputs will be achieved through public and private sector partnerships. However in the longer-term it is expected that the businesses developed, new businesses attracted, as well as new job opportunities created, will lead to a growth in GVA, and the improvement of the quality of place and quality of life of the people in the Middlesbrough and the Tees Valley.

A description of the key risks and uncertainties;

- Not obtaining planning permission – this would prevent the project from starting, or delay the scheme start. There would be no direct cost implication in a delay, as the programme

- allows for sufficient time to obtain planning permission.
- Not obtaining a license to construct on the local waterway. This could affect the construction schedule, and delay the completion of the proposed bridge element of the scheme. There would be no impact upon cost of the project. Initial discussions with the relevant authorities have indicated agreement in principle to the overall scheme.
- Land contamination from a previous brownfield usage. This would greatly impact upon on the scheme, as the land would need to be treated and rectified before being able to used for constructing on.
- Unforeseen statutory diversion works associated with the highway element of the scheme. Middlesbrough Council's Highways and Engineering team have budgeted sufficiently contingencies for such events. Preliminary investigation works have identified that there are no unforeseen works present on either side of the dock basin for the bridge, or the highway element.
- Rising construction costs. The project has been fully costed by both an external consultant and Middlesbrough Council's Highways and Design Team. Sufficient contingency and optimum bias has been built into the project to allow for such risks.

A short description of the modelling approach used to forecast the impact of the scheme and the checks that have been undertaken to determine that it is fit-for-purpose.

There is no up to date traffic model available to predict traffic flows for the current proposal. However the previously mentioned North Middlesbrough Accessibility (NMA) Study produced an AIMSUN traffic model to provide figures for the provision of a new access road from Newport Roundabout over the Saltburn to Darlington railway line. This model has been used as a basis for traffic flows for the proposed scheme. Please see appendix 9 for a more detailed description (which includes trip generation figures from the aforementioned NMA Study).

There are four access points into the North Middlesbrough area and these have been used to provide future traffic flows for 2024. The access points are;

1. Ironmasters, the new access road from Newport Interchange
2. North Road, access from Hartington Interchange
3. Exchange place under the railway bridge at Middlesbrough Station
4. Shepherdson Way, access from North Ormesby Interchange

a) Small project bidders should provide the following as annexes as supporting material:

Has a Scheme Impacts Pro Forma been appended? Yes

Has a description of data sources / forecasts been appended? Yes

Has an Appraisal Summary Table been appended? Yes

B7. The Commercial Case

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.

a) **Please provide evidence to show the risk allocation and transfer between the promoter and contractor, contract timescales and implementation timescales (this can be cross-referenced to your Risk Management Strategy).**

The risk allocation table and timescales will be detailed within the Invitation to Tender, and will be designed to give a fair and equitable balance taking into consideration the impact both the scheme promoter and contractor can have on the ability to manage and mitigate identified risks.

As identified on the Project Plan / Gantt Chart (**see Appendix 4**) and Risk Management Strategy / Risk Register (**see Appendix 5**); the contract timescales are clearly identified, and will be delivered in year 1 (2013/14) of the scheme. This will ensure that all contractual elements are in place, along with the relevant statutory licenses to commence construction. The transfer of risk from promoter to contractor will take place once the successful contractor is appointed.

If funding is secured for the scheme; the relevant planning documentation is complete and ready to submit, along with the applications for statutory licenses to construct on the local waterway. These elements of the scheme will remain with the promoter, and only construction will be transferred to the contractor to manage and implement said elements.

b) What is the preferred procurement route for the scheme and how and why was this identified as the preferred procurement route? For example, if it is proposed to use existing framework agreements or contracts, the contract must be appropriate in terms of scale and scope.

The preferred procurement route is to utilise one of the HCA's Multi-Disciplinary Panel (MDP) to procure the scheme. The MDP have been procured through a fully compliant OJEU procurement process and can be used by the Council to access technical services directly through mini competition.

The MDP has been identified as the most appropriate and includes over 20 panel members and offers access to 17 specific areas of technical expertise including Engineering and Transport Engineering, which are relevant and appropriate to this scheme.

It was identified to undertake this preferred procurement route, as the HCA's framework is already in place; reducing potential timescales associated with a separate OJEU tender schedule by the scheme promoter, for a project of this size. This approach enables this element of the project to be completed within year 1 of the scheme, and overall within the Department's funding period criteria.

c) A procurement strategy will not need to form part of the bid documentation submitted to DfT. Instead, the Department will require the bid to include a joint letter from the local authority's Section 151 Officer and Head of Procurement confirming that a strategy is in place that is legally compliant and is likely to achieve the best value for money outcome.

Has a joint letter been appended to your bid? Yes (see Appendix 3c)

B8. Management Case - Delivery

a) A detailed project plan (typically in Gantt chart form) with milestones should be included, 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 key dependencies (internal or external) should be explained. Resource requirements, task durations, contingency and float should be detailed and easily identifiable. Dependencies and interfaces should be clearly outlined and plans for management detailed.

Has a project plan been appended to your bid? Yes (see Appendix 4)

b) If delivery of the project is dependent on land acquisition, please include a letter from the respective land owner(s) to demonstrate that arrangements are in place in order to secure the land to enable the authority to meet its construction milestones.

Has a letter relating to land acquisition been appended? Yes (see Appendix 3 and 3a)

HCA own the land on the Southern side of the dock basin, and some 25 metres over the dock entrance towards Scott Road, hence some of their land will be required for the construction of the crossing. HCA also own the land where the realignment of Scott Road and Vulcan Road is proposed, ownership of land this will be required together with part of some of the adjacent Middlesbrough Council adopted road.

The bridge, and highway elements are on HCA land. They are a project stakeholder, and fully support the project. (see Appendix 3)

Part of the crossing roadway is in Able UK's land boundary; hence ownership will be required. Able UK are a project stakeholder, and fully support the project. (see Appendix 3a)

Please provide summary details of your construction milestones

Table C: Construction milestones

	Estimated Date
Start of works	February 2014
Removal of current footbridge	March 2014
Platform construction (offsite) of new vehicular bridge	June 2014
Installation of new vehicular bridge	August 2014
Highway works completed	August 2014
Completion of works and Opening Date	September 2014

c) Please list any major transport schemes costing over £5m in the last 5 years which the authority has delivered, including details of whether these were completed to time and budget (and if not, whether there were any mitigating circumstances)

Access to Middlehaven - European Regional Development Fund, 2000-2006 Objective 2 Programme, access to Middlehaven from the new North Ormesby Interchange. 1st December 2004 to 30th September 2008.

North Middlesbrough Accessibility Scheme – The scheme improved access into a major employment / industrial area of Middlesbrough, to reduce congestion on the trunk road network. The work was completed to budget, ahead of schedule in 2009. The total scheme cost was £15.4 million.

B9. Management Case – Statutory Powers and Consents

a) Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.

No powers or consents have been obtained at present. Any relevant consents that may be required; will be obtained through the formal planning process to the local Planning Authority. The planning process will also include a detailed community consultation exercise. All of the associated planning application work will be undertaken if this application is successful.

b) Please list separately any outstanding statutory powers / consents etc, including the timetable for obtaining them.

Marine Management Organisation (MMO) License –Discussions already undertaken with the organisation indicate that the scheme in principal will not cause adverse effects to the area by working on the local waterway. This license will be applied for upon announcement of successful funders to the pinch point programme.

Port Authority Third Party License - Discussions undertaken with PD Ports, indicated that constructing a vehicular bridge over the dock basin will not cause adverse conditions for the main thoroughfare on the river, or that the construction of a vehicular bridge would have detrimental effects on the surrounding local area. This license will be applied for upon announcement of successful funders to the pinch point programme.

The Environment Agency Water Framework Directive License - This is a major factor in gaining consent. The project has taken this into account in the designing and construction of the proposed road element of the scheme. This license will be applied for upon announcement of successful funders to the pinch point programme.

Planning Permission – This is a major factor for the project to commence. All of the required documentation such as technical drawings and community consultation have been produced, ready to be submitted to the local Planning Authority, subject to the scheme receiving funding from the Department.

B10. Management Case – Governance

Please name who is responsible for delivering the scheme, the roles and responsibilities of those involved, and how key decisions will be made. An organogram may be useful here. Details around the organisation of the project including Board accountabilities, contract management arrangements, tolerances, and decision making authorities should be clearly documented and fully agreed.

Middlesbrough Council will be both the sole applicant, and accountable body for all external funding relating to the project. The Council has acted as the accountable body for a number of projects and programmes funded through ERDF and all other major external funds. The Council has the relevant expertise in applying for and claiming external funds, financial management, legal compliance, procurement, project management, design, construction management and facilities management. Each of these disciplines is represented on an internal working group established to develop the project.

The overall project will be governed and overseen by a Project Management Board, consisting of representatives from the project stakeholders, Middlesbrough Council and the HCA. Other local stakeholders such as Able UK, Middlesbrough College and Middlesbrough Football Club will be invited to join the project, but are not critical to the governance or development of the project. The Council is committed to taking this project forward to enable the wider economic benefits to be driven through throughout the sector, and has identified the appropriate management and delivery capacity to realise the project ambitions.

The Council will act as the lead partner, and accountable body for this project, utilising the project management arrangements that successfully developed and implemented the £10.6 million digital acceleration building, Boho One. Middlesbrough has clear finance and audit procedures around the use/management of external funding, with all previous projects having undergone a number of audits, all carried out with excellent feedback received.

Project Manager: Middlesbrough Council will provide the project management provision. They will manage the project throughout the design, construction and implementation phases, reporting regularly to the Project Management Board, through a bespoke project management software programme that is used across the Council.

Monitoring and Reporting: Middlesbrough Council will collect data, and report on performance and financial profiling to the Department. The project will regularly update local consultation groups through the Middlesbrough Transport Consultative Group; disseminating various scheme updates to local community cluster groups.

Facility Owner/ Manager: Middlesbrough Council will own (adopt), manage and maintain all elements of the scheme.

B11. Management Case - Risk Management

All schemes will be expected to undertake a thorough Quantified Risk Assessment (QRA) and a detailed risk register should be included in the bid. The QRA should be proportionate to the nature and complexity of the scheme. A Risk Management Strategy should be developed and should outline on how risks will be managed.

Has a QRA been appended to your bid? Yes (see Appendix 5)

Has a Risk Management Strategy been appended to your bid? Yes (see Appendix 5)

B12. Management Case - Stakeholder Management

The bid should demonstrate that the key stakeholders and their interests have been identified and considered as appropriate. These could include other local authorities, the Highways Agency, statutory consultees, landowners, transport operators, local residents, utilities companies etc. This is particularly important in respect of any bids related to structures that may require support of Network Rail and, possibly, train operating company(ies).

a) Please provide a summary of your strategy for managing stakeholders, with details of the key stakeholders together with a brief analysis of their influences and interests.

Middlesbrough Council will manage the project throughout the design, construction and implementation phases; reporting regularly to the Project Management Board who will oversee the overall project. The project board will consist of:

1. **Middlesbrough Council** - will be the accountable body for the scheme, as well as the proposer and local authority for the area that the proposed scheme will be located in. The Council has developed a masterplan for the greater Middlehaven area, and will continue to develop plans for new developments in the aforementioned area of the town, to enable greater benefits of the scheme to be realised in the longer term.

2. **The Homes & Communities Agency** - is the National Housing and Regeneration Agency for England, and works in partnership with the Council on the strategic direction and delivery of Middlehaven. Together they form the Middlehaven Partners, with a Middlehaven Project Board meeting held once every six weeks to formally make decisions. The HCA are the main landowner in that area of the town, and fully support it with the transfer of ownership of this land. Furthermore, the HCA are providing match funding to the scheme, thus vastly improving access around the Middlehaven site, and unlocking economic potential.

The other main project stakeholder is **Able UK** – who are environmental specialists in complex demolition processes, site reclamation and associated property development in regenerating new from old, and the decommissioning (and re-cycling) of marine structures including oil and

gas platforms and ships. The construction of the crossing would unlock Able UK's employment site at Middlehaven, which will be beneficial to the company and provide much needed employment in Middlesbrough. Part of the crossing roadway will partly fall on their land; hence why they are a partner in the project; supporting it with the transfer of ownership of said land.

Other stakeholders are; Middlesbrough College, Middlesbrough Football Club, the new Neuro Rehabilitation Centre, Myplace Youth Centre, and the North East Chamber of Commerce. They are located close to the scheme (or have a vested interest in the area), and will see additional benefits from improved accessibility to their sites, as well unlocking the potential to further expand their operations through improved / reduced journey times to the area.

To achieve the communication objectives, an integrated Communications Strategy will be produced to deliver clear and consistent messages to a variety of key audiences. It is vital that the scheme has informed, engaged and enthusiastic spokespeople from each partner organisation to promote the work being undertaken from both a local and regional level, and how the two are both interlinked to support the redevelopment

In raising awareness and encouraging the use of the Manhattan Gate Crossing and Access to Middlehaven in the future, the strategy will identify:

1. The critical audiences with whom to connect
2. The key messages to be promoted
3. The most effective methods of engagement
4. The aim and outcome of the proposed engagement

The strategy will clearly identify how it will be delivered and evaluated. It has been decided to use specific people in each organisation, to ensure consistency of messages. This will build on any coverage achieved during the planning consultation period. Although the communication needs to be specific to the local area, the messages will be coherent with the national messages developed by the Department for Transport, and at a local level to allow flexibility regarding any major policy / legislation changes that may occur, and impact upon the scheme.

There are fundamental risks and mitigation measures identified for communication strategies;

1. Lack of public information, or poor quality information, limits use of the scheme or leads to operational management issues. As a result, information will be clear, accurate and easily accessible.
2. High volume of demand for public information may lead to running out of literature. There will be a contingency budget for re-prints etc.
3. Media challenges over practical arrangements for costs or other operational matters. The result may damage the reputation of the Stakeholders. The stakeholder working will advise on pre cleared lines to take on foreseeable challenges, following national advice where appropriate, that will be used to rebut criticisms.
4. Negative media coverage of the grand opening for political or commercial purposes, which would undermine the reputation of the all Stakeholders. All media releases will focus on the station being a much needed, positive development for the local area.
5. A Risk Register for the project has been produced, and includes the above points. **(see Appendix 5).**

Media related costs will be absorbed by the scheme proposer, which is Middlesbrough Council. This will include printed materials and external PR work that may be required. Communications work will be co-ordinated by Middlesbrough Council's Project Manager, alongside each stakeholder.

b) Can the scheme be considered as controversial in any way? No

c) Have there been any external campaigns either supporting or opposing the scheme?

No

B13. Management Case - Assurance

We will require Section 151 Officer confirmation (Section D) that adequate assurance systems are in place.

See Section 151 Officer declaration in Section D2.

SECTION C – Monitoring, Evaluation and Benefits Realisation

C1. Benefits Realisation

Regeneration

In terms of strategic vehicular access, Middlehaven and the dock benefit from the A66 trunk road that runs east / west along the southern edge of the site. Despite this, links into the area are in direct, and in particular, the highly convoluted and illegible route via Shepherdson Way and The Halyard to Windward Way currently forms what should be the 'eastern gateway'. A more direct route across the dock entrance and into Scott's Road would be highly beneficial, but rests upon the creation of a new vehicular bridge across the dock.

Creating a bridge would also provide a direct link to a large brownfield site on the north side of the dock, owned by Able UK. At present, Able UK's land is unused, which is largely due to the lack of access. The site needs a direct connection to the nearby A66 junction by way of a bridge, thus unlocking this land's potential as a major employment site.

Two International Businesses have expressed a strong interest in relocating to this site, but have cited the lack of access as a major issue. One of the businesses delivers offshore power cabling installation and maintenance for the power and offshore renewable energy markets, whilst the other manufactures carbon fibre polymer pipes for the oil and gas industry. Due to the nature of these businesses, commercial vehicles (including large articulated lorries) need access to the site. At present, this would prove problematic given the poor road alignments and junctions, and the lack of direct access to the A66. It is imperative that this is addressed, as both companies could potentially provide hundreds of sustainable jobs, with hundreds more in the supply chain and would help Middlesbrough fulfil its role as a hub for the renewable energy sector.

Because of this limited and restricted access to sites on Middlehaven;

1. Potential investors will not locate on this key employment site
2. Workers cannot easily access employment opportunities that exist on the site
3. Businesses cannot easily access economic opportunities that exist on the site.

Bridging the dock has always been a strategic priority for the Middlehaven Partners (this is currently a partnership between Middlesbrough Council and the Homes and Communities Agency). It featured in the original Alsop Middlehaven Strategic Framework and is subsequently highlighted as priority in the current Middlehaven Development Framework, which has been adopted by partners.

Transport

As a key component of the strategic highway network serving the Greater Middlehaven area, the proposed scheme will deliver numerous transport-related benefits. These include:

Accessibility

By providing a direct road link between the greater Middlehaven area and the A66, the scheme will significantly improve access to new employment opportunities for commuters approaching from the east of Middlesbrough town centre. As well as creating the potential for existing bus services to be diverted via Middlehaven, the scheme will also form part of the national and local cycle route network, ensuring that access to these new employment opportunities is not restricted to car users.

Congestion

The scheme will form a key link in the strategic highway network serving the greater Middlehaven area, catering primarily for trips made to and from locations to the east of Middlesbrough town centre. Without the bridge / highway improvements in place, the existing access points to Middlehaven will come under increasing strain as new employment sites come on stream, leading to a corresponding increase in congestion and delays both on these routes and on the local trunk road network.

Road Safety

Currently, the only east-west route within the Middlesbrough Dock area is via Windward Way, Dock Street and Lower Gosford Street/Lower East Street. As well as having a tortuous alignment, this route runs directly adjacent to Middlesbrough College and the adjacent Sixth Form, which is an area of high pedestrian activity throughout the day. Although the Council has worked jointly with the College to introduce a number of highway improvements designed to address the current road safety issues, the situation will inevitably worsen over the coming years as new employment sites come on stream and traffic flows increase as a consequence. As a result, the proposed scheme is therefore an essential component in the future road safety strategy for the Greater Middlehaven area.

Sustainable Transport

By providing a direct road link between the greater Middlehaven area and the A66 to the east of Middlesbrough town centre, the scheme will create the potential for existing bus services to be diverted via Middlehaven, in the same way that the Arriva X1, X9 and X10 Services have been diverted to serve the regenerated Teesdale area adjacent to Stockton town centre. Section 106 contributions secured against new developments could be used to part-fund the cost of such service diversions until such time as they become commercially viable in their own right. Both elements of the scheme will also carry Route 1 of the National Cycle Network; linking to an extensive network of local cycle routes covering most of the Borough. As nearly all of the residential areas within Middlesbrough are within a five-mile radius of the scheme; resulting in cycling being a realistic and attractive alternative journey mode.

Severance

Because the existing east-west route through Greater Middlehaven runs directly through existing and proposed development sites in the Middlesbrough Dock area, there is a high probability that severance will occur as these sites come on stream and traffic flows increase as a result. Construction of the bridge element will divert the main east-west route to the North of the Dock, reducing the risk of severance whilst still ensuring that sites in the Dock area benefit from a direct, high quality access to the strategic highway and cycleway networks.

Personal Security

Scott's Road is not part of the adopted highway network, and existing lighting levels are poor. In addition, the existing low traffic flows results in a less than pleasant environment, particularly

during the hours of darkness. The highway element of bringing Scott's Road up to adoptable standard will ensure that lighting levels are much improved; whilst the increase in traffic flows due to the construction of the new bridge will contribute to the creation of a more secure environment for all road users.

Journey Quality

The existing highway link between the areas on either side of the proposed bridge is tortuous and of variable quality, with a number of tight bends and traffic calming features. Whilst this ensures that traffic speeds are low, thereby reducing the potential for pedestrian / vehicle conflicts in the vicinity of Middlesbrough College and the adjacent Sixth Form, journey quality is poor. The scheme will address this issue by providing a direct, high quality route, both in the vicinity of Middlesbrough Dock, and across the Greater Middlehaven area as a whole.

C2. Monitoring and Evaluation

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

The scheme will comply with whatever monitoring and evaluation process the Department set. In addition to this, the project manager will be responsible for producing an end of project review / evaluation at the end of the funding period. The review will include all project stakeholders.

The review will be carried out to assess the success / impact of the project on the Middlehaven development site, both the business and local community, as well as it's effectiveness in achieving investment from the public and private sector.

This will also examine:-

1. Have the outcomes been achieved?
2. Did it meet the aims and objectives as set out in the application?
3. Was the project delivered as planned, and within budget?
4. Cost effectiveness and value for money
5. The level of increased business occupancy
6. The types of businesses that were attracted
7. Where did they relocate from?
8. Did any businesses relocate from outside the region?
9. Lessons learnt
10. Any future recommendations
11. Internal capacity built

Ongoing project management as part of the partnership group, progress meetings and general project management discussions, will all contribute to the overall evaluation and monitoring of outputs, outcomes, milestones and results to provide a clear audit trail.

There are many mechanisms in place to collate and monitor these following the end of the first phase of the overall project. Results will be monitored from baseline information against the outputs stated in the grant application documentation, which will be collated throughout the lifetime of the project. Feedback and discussions from relevant parties will also help to strengthen the information that is collated.

The data will be analysed as part of the ongoing project management role that Middlesbrough Council will carry out, and as part of this, ongoing monitoring, and evaluation, will be undertaken by key departments. Results derived from this project will be built upon during the next phases of the greater Middlehaven strategic masterplan once funding becomes available.

Alongside monitoring the economic benefits of the scheme, the transport element will be monitored via regular automatic traffic count data from strategic sites along the trunk road network will be measured alongside economic / regeneration benefits.

SECTION D: Declarations

D1. Senior Responsible Owner Declaration

As Senior Responsible Owner for Manhattan Gate Crossing I hereby submit this request for approval to DfT on behalf of Middlesbrough Council and confirm that I have the necessary authority to do so.

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

Name: **Derek Gittins**

Position: **Highways & Transportation Manager**

Signed: 

D2. Section 151 Officer Declaration

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

- has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution
- 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 and that no DfT funding will be provided after 2014/15
- confirms that the authority has the necessary governance / assurance arrangements in place and, for smaller scheme bids, the authority can provide, if required, evidence of a stakeholder analysis and communications plan in place

Name: **Paul Slocombe**

Director of Resources

Signed:



Submission of bids:

For both small bids and large bids the deadline is 5pm, **21 February 2013**

One hard copy and a CD version of each bid and supporting material should be submitted to:

Steve Berry
Local Transport Funding, Growth & Delivery Division
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR

An electronic copy should also be submitted to steve.berry@dft.gsi.gov.uk