

CABINET

DATE	28 th May 2020
REPORT OF	Councillor Stewart Swinburn Portfolio Holder for Environment and Transport
RESPONSIBLE OFFICER	Clive Tritton Interim Director of Economy and Growth
SUBJECT	Estate Road 2, Grimsby Carriageway and footway reconstruction
STATUS	Open
FORWARD PLAN REF NO.	CB 04/20/03

CONTRIBUTION TO OUR AIMS

This scheme will complete the reconstruction of the failing carriageway and footway on Estate Road 2 in Grimsby, which is a key industrial and economic corridor with a direct link to the A180.

The proposed scheme supports the Council's strategic priorities of 'Stronger Economy' and 'Stronger Communities' and directly relates to indicators outlined in the Council's 'Outcome Framework'.

Road traffic incidents, dedicated walking and cycling routes, air quality/CO2 emissions, number of people active in their communities and the quality of the local environment, will all be positively impacted by this project. This scheme provides improved infrastructure which supports delivery of the Local Plan.

EXECUTIVE SUMMARY

This report seeks Cabinet approval to deliver a scheme to reconstruct the carriageway and footway on Estate Road 2, between Estate Road 6 and the A180 Pyewipe roundabout, due to its failing condition.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the proposal to complete the carriageway and footway reconstruction works to Estate Road 2, utilising £1.9 million of capital funding and £180k from the approved Local Transport Plan.
2. Authorises the Interim Director of Economy and Growth, in consultation with the Portfolio Holder for Environment and Transport to commence an appropriate procurement exercise and to make an appropriate contract award for the works.
3. Authorises the Director of Economy and Growth, in consultation with the Portfolio Holder for Environment and Transport to ensure that all actions necessary and ancillary to the above recommendations be completed.
4. Authorises the Chief Legal and Monitoring Officer to execute all documentation arising.

REASONS FOR DECISION

If extensive reconstruction is not completed to Estate Road 2 it may become

unsafe with a risk of closure. Closure would result in businesses not having vehicular access to Estate Road 2 and the connecting Estate Road 8, potentially leading to claims against the council for reimbursement of business rates.

1. BACKGROUND AND ISSUES

- 1.1 Regular Inspections and condition reports have highlighted the extensive structural deterioration to the carriageway and footways on Estate Road 2. This project will deliver essential reconstruction to this key industrial road directly linked to A180, and improve facilities for cyclists and pedestrians.
- 1.2 A section of Estate Road 2 was reconstructed in 2019 with funding from the Local Transport Plan (LTP) programme. However, future funding available within the LTP is insufficient to enable the whole road to be reconstructed. This road has exceeded its design life and has structurally failed.
- 1.3 North East Lincolnshire Council is unable to support existing and future traffic growth on Estate Road 2 in its current condition. This funding is required because the highway condition will become a barrier to future economic growth of the area and existing business, particularly if the highway has to be closed or weight limits imposed.
- 1.4 The local cycle network stops at the entrance to Estate Road 2 resulting in cyclists having to share the road with many heavy goods vehicles. This is an extremely busy industrial road, with many vehicle movements taking place daily. The project also proposes to extend the cycle track down the whole stretch of Estate Rd 2 to allow cyclists, improved access and a safer journey to work.
- 1.5 The existing highway construction is for the most part over 40 years old. The structural failures and traffic loading, will quickly accelerate the structural deterioration which is already evident.
- 1.6 The Business Development Board supports the detailed Business Development Case (29th Jan 2020) proposing to use Council capital funding for the reconstruction of the carriageway and footway on Estate Road 2, between Estate Road 6 and the A180 Pyewipe roundabout.

2. RISKS AND OPPORTUNITIES

- 2.1 The scheme will have robust project governance arrangements, supported by a project board, with risk management procedures in place. These will build on the good practice developed by the Council and ENGIE in managing other large capital programmes and projects.
- 2.2 There are also a number of project delivery risks which are common to large highway schemes of this type. These include uncertainties in relation to the location of any utilities or other statutory undertakers' apparatus in the area and the potential impact on project cost/timeframes.

- 2.3 Detailed design work has been undertaken by ENGIE to identify and mitigate the potential delivery risks outlined in 2.2, which is supported by the work undertaken in 2019 on the southern section of Estate Road 2, where the ground conditions have already been identified.
- 2.4 There is no requirement for acquisition of third party land outside the highway. A contingency has been identified within the project budget, based on experience of local scheme delivery and industry norms.
- 2.5 Should the scheme not be approved, and the road condition deteriorates to a level where undertaking reactive maintenance cannot maintain the road in a safe condition, the highway authority may have to close Estate Road 2 to remove any risk of danger and injury to highway users.
- 2.6 The strategic risk of closing a key industrial road in the borough and potential associated claims for disruption/failure of business due to restriction of vehicular access, which will include impact on business rates payable to the council, is significant. The current rateable value of businesses located on/adjacent to Estate Road 2 is significant and anonymised values appear in a summary table in Appendix A.
- 2.7 If the Council fails in its statutory duty to maintain the highway, there is potential for financial consequences from civil lawsuits that may be filed against the Council for collapse of business through failure to maintain the highway.

3. OTHER OPTIONS CONSIDERED

- 3.1 The preferred option is to reconstruct the carriageway and footway on estate Road 2 between Pyewipe Roundabout and Estate Road 6.
- 3.2 Three other options have been considered:

- Do Nothing

The Council could have chosen to do nothing as an alternative to securing funding to deliver the project. This would lead to a significant deterioration in the condition of Estate Road 2, resulting in a requirement to potentially close the road and placing the Council at risk of failing to exercise its duties under the Traffic Management Act 2004.

- Surface Treatment

Surface treatment such as surface dressing or resurfacing of an area where structural failure has been identified is not suitable or cost effective as any surface treatment would severely limit the lifespan of the new surface. It would be very difficult to achieve a satisfactory finish without additional repairs being required to the structural layers which had already failed and would further increase the costs. In accordance with the Council's highway asset management strategy, strategic routes with heavy HGV use are prioritised for resurfacing rather than surface to extend the life of the carriageway and reduce disruption to motorists. This option is therefore, not recommended.

- Carriageway and footway patching

The scheme would need to be split into smaller areas of work spread over 3 to 10 years, dependant on available funding, which would result in extensive disruption to road users, and would result in a higher overall repair cost. The completion of reconstruction works, on Estate Road 2 between Estate Road 6 and Estate Road 8 in recent months, has highlighted significant sub-standard ground conditions which requires additional strengthening to effect a permanent repair.

The depth of construction required to mitigate the substandard ground conditions in this area is not considered suitable for patching works. Patching will not address the failure in the sublayers. This option is therefore not recommended.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1 Delivering the scheme will have positive reputational and communication impacts for the Council as the project will result in improved highway infrastructure and road safety outcomes and improved accessibility for strategic employment sites.
- 4.2 There may be some negative communication impacts during the implementation of the works due to a short term increase in congestion or other local impacts as a result of the works. This risk will be mitigated by ENGIE during the procurement process by ensuring that the tender assessment process takes full account of the proposed delivery timeframes and optimises traffic management arrangements, resource, staff and working arrangements to reduce any local impacts.
- 4.3 Should approval not be granted to complete the scheme, and the road condition deteriorates to a level where undertaking reactive maintenance cannot maintain the road in a safe condition, the highway authority will have to close Estate Road 2 to remove and risk of danger and injury to highway users.
- 4.4 The reputational risk of closing a key industrial road in the borough and potential associated claims for disruption and failure of business due to restriction of vehicular access, which will include impact on business rates payable to the council, is significant.

5. FINANCIAL CONSIDERATIONS

- 5.1 The Council sought corporate capital funding to deliver the scheme as by virtue of its scale, it is not feasible to fund the project from within the LTP maintenance budget.
- 5.2 The Council has committed £1.9million of funding through the capital programme in accordance with the cost estimate for the scheme. This sum includes an appropriate contingency budget and amount for professional fees. The total project budget to complete the scheme is £2,079,000 with additional funds being met by North East Lincolnshire Council (NELC) £180,000 through the LTP.

5.3 In the event that scheme costs exceeded £1.9million, the Council would be liable for the additional costs above this threshold. This risk has been mitigated to some extent by the earlier detailed design work and the work completed on Phase 1 which has sought to identify and eliminate design risks (e.g. utility diversions) and this approach will continue.

5.4 In the event that scheme costs do exceed the identified threshold the impact will be mitigated through value engineering activity. In this case funding could be sought through the existing LTP budget and any wider implications this may have on other schemes on the LTP Delivery programme will be managed accordingly.

6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

6.1 This project will have minimal impact on climate change as the project is to reconstruct an existing highway asset.

6.2 The Council is aware of how its activities and services impact upon the environment and is committed to complying with relevant environmental legislation and regulations and to other requirements to which the organisation subscribes.

6.3 The council encourages the procurement of materials that take due account of their sustainability and impact upon our carbon footprint.

7. CONSULTATION WITH SCRUTINY

Improvements to Estate Road 2 were identified in the Local Transport Plan forward programme approved by the Portfolio Holder Environment and Transport.

8. FINANCIAL IMPLICATIONS

8.1 The recommendation to complete the carriageway and footway reconstruction works to Estate Road 2 will require the Council to undertake additional borrowing of £1.9M with the balance of funding for project being funded through LTP. The spending will be incorporated into the Council's ongoing capital programme with borrowing costs incorporated into capital financing estimates. Any spend over and above the budgeted allocation would require the Council to undertake further borrowing.

9. LEGAL IMPLICATIONS

9.1 The procurement exercise to deliver the above will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015, and supported by relevant officers.

9.2 The delegations sought are consistent with an exercise of this nature.

10. HUMAN RESOURCES IMPLICATIONS

10.1 There are no direct HR implications

11. WARD IMPLICATIONS

11.1 The project will have implications for the Freshney ward.

12. BACKGROUND PAPERS

None.

13. CONTACT OFFICER(S)

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Transport and Housing 01472 324122

Councillor Stewart Swinburn
Portfolio Holder for Environment and Transport

Appendix A

Summary – Business Rates

Total area (m ² /unit)	Current rateable value	Rates Payable to Council (based on 0.493p per £1)
65,369.00	£1,567,200	£769,080
105,203.15	£1,407,825	£684,284
20,657.43	£599,650	£223,452
88,097.24	£1,024,425	£477,101
13,039.27	£357,450	£151,844
292,366.09	£4,956,550	£2,305,761

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