SURREY COUNTY COUNCIL

CABINET

DATE: **31 OCTOBER 2017**

REPORT OF: **MR COLIN KEMP, CABINET MEMBER FOR HIGHWAYS**

LEAD OFFICER: **JASON RUSSELL, DEPUTY DIRECTOR, ENVIRONMENT AND INFRASTRUCTURE**

SUBJECT: **FARNHAM ROAD RAIL BRIDGE – FUNDING FOR BRIDGE STRENGTHENING**

SUMMARY OF ISSUE:

Farnham Road Bridge is located in central Guildford carrying the A31 over the main rail line between London Waterloo and Portsmouth. The bridge is owned by Network Rail who have stated that the bridge has B4 liability, which means that they are responsible for providing a load capacity of 24T.

As the bridge is on a principal road network, Surrey CC requires the bridge to have a load bearing capacity of 40/44T in line with EU Directive EU/2015/71. As agreed in works agreements with the railway undertaker where the County is required to provide for load-bearing capacity higher than the railway undertaker is required by law to provide, the County will meet the cost.

The structure has been identified as critically deficient for unrestricted traffic loading meaning that if work is not carried out to strengthen the bridge the weight limit will have to be reduced to 7.5T. This would result in a scenario where heavy goods vehicles and buses will not be able to use the bridge.

Surrey Highways officers and Network Rail have identified a preferred scheme option which will restore the bridge to 40/44T capacity and will therefore enable the bridge to remain open to traffic into the future. The preferred scheme will provide a 60 year design life for the bridge. The cost of the preferred scheme option has been estimated at £4,461,000.

Past experience of these type of schemes both within Surrey and in other local authority areas has identified that the cost of increasing the load bearing capacity to 24T (Network Rail's responsibility) generally equates to approximately 20% of the total scheme cost and the additional work to increase capacity to 40/44T (Surrey CC's responsibility) generally equates to approximately 80% of the scheme costs.

Surrey CC and Network Rail officers are reviewing the costings and funding allocations with a view to ensure equitable apportionment of funding which accounts for the fact that a lower cost scheme could increase the capacity to 40/44T, but that the chosen scheme has additional benefits for Network Rail.

Funding for this scheme is not accounted for within the Medium Term Financial Plan (MTFP). Surreys CC's contribution could be up to £3.5m. Approximately £650,000 has been identified within existing Highways budgets and therefore up to £2.9m still needs to be identified.

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RECOMMENDATIONS:

It is recommended that Cabinet:

1. Confirms support for the delivery of the Farnham Road Bridge Project.

2. Provides approval for entering into an agreement with Network Rail for payment towards improvements to Farnham Road Bridge.

3. Agrees that officers will work with Network Rail to confirm the Surrey CC contribution to the scheme.

4. Agrees that the Cabinet Member for Highways and Deputy Director will engage with stakeholders to identify alternate funding sources in order to limit or remove the need to reduce the existing capital programme or borrow to fund this scheme.

REASON FOR RECOMMENDATIONS:

To enable the Farnham Road Bridge scheme to take place to ensure the ongoing safety of the travelling public and economic prosperity of Guildford Town Centre.

DETAILS:

Background

1. The bridge has been of concern since the original structural assessment for carrying capacity was carried out in 1998, when it failed to reach the 40 tonne assessment live loading requirement[1]. Passing of the 40T live loading assessment ensures the structure is suitable for traffic up to 40T gross vehicle weight and up to 44T 6 axle lorries.

2. Assessment identified areas of weakness, and Network Rail have confirmed that the weight limit should be 7.5T. In 2010 Surrey County Council (Surrey CC) commissioned an independent assessment which confirmed a load rating of 7.5T

3. Following the 1998 assessment, the number of lanes of traffic was reduced from three to two in order to reduce the load on the bridge. Further to the 2010 assessment the bridge has been subject to a management plan whereby Network Rail carry out condition assessments every 3 months. These assessments will continue until strengthening work is carried out.

4. Network Rail have completed options studies for structural strengthening. A preferred option has been agreed which will ensure the bridge has a load capacity of 40/44T and which will provide a design life of 60 years before the next significant intervention is required.

5. The estimated cost of the agreed scheme is £4,461,000

[1]Design Manual for Roads and Bridges Volume 3 Section 4 Highway Structures Inspection and Maintenance Assessment

6. Apportionment of costs is based on Network Rail being responsible for maintenance costs, and ensuring the bridge is adequate for 24T. This is a requirement of the BE4 standard[2]. Surrey County Council are responsible for the cost of strengthening up to 40/44T[3]

7. Initial work carried out by Network Rail indicates that Surrey CC are liable for approximately 80% of the scheme costs, which is a figure that is comparable to previous schemes on Network Rail owned bridges both within Surrey and in other local authority areas. This would equate to a maximum contribution of £3.5m.

8. Surrey and Network Rail officers are negotiating the actual apportionment as there are elements of maintenance and resilience included in the scheme which are Network Rail's responsibility. It is expected that the costs that Surrey are liable for will be somewhere between £2.5m and £3.5m. £650,000 has already been identified within the MTFP and therefore it is expected that funding of between £1.85m and £2.85m needs to be identified.

9. Network Rail have stated that that commitment to the project by Surrey County Council is required by 20 November 2017 in order to meet the project timescales. Network Rail have provisional track possessions in place to carry out the work over Christmas 2018, and have agreed to continue to manage the bridge by regular inspection until then, if the Highway Authority commit to the project.

10. If Surrey do not commit to the project Network Rail have stated that they would serve notice to restrict the weight limit of the bridge to 7.5T. Weight restriction on the bridge would require all HGVs to follow a diversion route adding around 4km to journeys, through heavily congested roads, including the A3, with the obvious economic implications.

11. The bridge takes around 20,000 vehicles a day of which around 5% would exceed the weight limit. There are also around 400 bus journeys serving Onslow Village, Guildford Park, University of Surrey, Royal Surrey County Hospital and wider communities. It is not clear how these services would be able to operate efficiently with a 7.5T weight limit in place.

Surrey CC's Funding Options

12. Funding for this scheme has not been accounted for within the Highways Capital MTFP.

13. It was anticipated that a bid would be made to the DfT Challenge Fund in autumn 2017 to fund this scheme, however DfT have deferred the autumn 2017 Challenge Fund round and have said only that "there is expected to be a further tranche of Challenge Fund during this Parliament".

14. A number of funding options are being considered which include;

    1. Fund the scheme using existing capital funds
    2. Borrow to fund all of part of Surrey CC's requirement
    3. Borrow to fund all or part of Surrey CC's requirement with payback from the Capital Programme over a 5-10 year period
    4. Approach Guildford Borough Council and Enterprise M3 Local Economic Partnership for contributions as key stakeholders in the project.

[2] BE4 The Assessment of Highway Bridges for Construction and Use Vehicles, Jan 1967, (including amendment Nov 1970)
[3] Liability as defined by The Transport Act 1968

5. Identify opportunities to bid for external funding if they become available within project timescales, such as the Department for Transport's Challenge Fund and National Productivity Investment Fund.

Potential Additional Benefits of the scheme

15. Guildford Borough Council are seeking to promote a "drive to not through" message for Guildford Town Centre and the Council is in discussions with the Borough regarding their opportunity to improve the pedestrian and cycle route over the bridge from Farnham Road car park to the town centre as part of the bridge strengthening scheme.

16. The road surface across the bridge is in a poor condition currently. There is a Horizon 2 scheme on the programme which would be brought forward to coincide with the bridge scheme, thereby minimising both traffic management costs and disruption to the public.

CONSULTATION:

17. The recommendations in this report have been developed in Consultation with finance colleagues, Network Rail, Guildford Borough Council, EM3 LEP and county councillor for Guildford South West.

18. The recommendations were reviewed by the Investment Panel on 10 October 2017.

RISK MANAGEMENT AND IMPLICATIONS:

19. If Surrey CC are unable to confirm their share of the funding before November 20 there is a risk that this project will be removed from Network Rail's forward plan which would lead to a 7.5T weight limit being applied to the bridge, effectively making it unsuitable for HGVs and buses.

20. Network Rail's programme is dependent on track possessions in December 2018 and if this slot is lost it cannot be easily re-programmed

21. The project estimates have been provided by Network Rail based on their framework contract. The estimates include a significant level of contingency for risk (40%) but Surrey CC have no detailed knowledge of the contract rates or conditions at this stage to validate the figures.

Financial and Value for Money Implications

22. If this scheme were not carried out there would be financial implications to the economy of Guildford as it would lead to a weight restriction being placed on the bridge requiring a 4km HGV diversion to be put in place.

If funding for the project has to be found through reduction of the capital programme the number of schemes that can be carried out will be reduced.

Farnham Road rail bridge : revenue cost of borrowing	Annual Cost	Total Cost

	£000s	£000s
Borrowing of £2.865m, estimated scheme life 60 of years	119	7,163

23. The Council's Medium Term Financial Plan does not include the proposed scheme to strengthen the Farnham Road Bridge. Should the council decide to finance this expenditure through borrowing, there would be an additional revenue cost to the council over and above the current approved budget. Assuming that £0.65m is available from the 2017/18 MTFP, and can be carried forward to 2018/19 as a contribution toward the scheme, then council would be required to borrow up to £2.865m. The revenue impact of this is shown in the table below, allowing for interest and the amount that the council would be required to set aside to repay borrowing. Additional savings and/or income would need to be identified to offset these increased revenue costs.

Section 151 Officer Commentary

24. The proposed Farnham Road Bridge scheme is not specifically allowed for in the Council's Medium Term Financial Plan. Should Cabinet proceed with the scheme the additional cost to the council could be as high as £3.5m and would need to be met either through reducing or reprofiling other planned capital expenditure, through additional borrowing unless the council is successful in sourcing some or all of the funding from other sources. In addition, although quoted costs include an appropriate risk allowance, the County Council could bear a proportion of any cost increases e.g. due to unforeseen events.

25. Investment Panel have reviewed this scheme. Given the Council's very serious financial situation, whereby there are still substantial actions required to achieve a balanced budget in the current year and a sustainable budget plan for future years, the Panel recommend that any shortfall in funding be met through reducing or reprofiling other planned capital expenditure.

Legal Implications – Monitoring Officer

26. The Transport Act 1968 section 117 and the Railway Bridges (Load-Bearing Standards) (England and Wales) Order 1972 make it the duty of Network Rail to maintain a load-bearing capacity of 24 tonnes. Works agreements between Network Rail and SCC make clear that the cost of increasing the load-bearing capacity beyond Network Rail's legal obligation of 24 tonnes will be met by SCC. As such the requirement to contribute for works in excess of 24 tonnes is clear. SCC as Highway Authority is required to maintain a load-bearing capacity of 44 tonnes to comply with current EU Directive EU/2015/71. In addition s140 of the Highways Act 1980 imposes a statutory duty on SCC to ensure the safety of the public highway for all users. The works to upgrade the Farnham Road Bridge to the new weight limits will ensure that the County's statutory obligations are met.

Equalities and Diversity

27. The recommendations in this report will have no material impact on existing equality policy and therefore a full equalities assessment was not deemed necessary.

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WHAT HAPPENS NEXT:

28.

- Network Rail require a decision on whether Surrey CC are able to commit to the scheme by 20 November 2017 in order to meet the project timescales
- If approved the scheme will commence in December 2018.
- Officers will continue to work with Network Rail to confirm scheme costs and apportionment
- Cabinet Member and Deputy Director will identify a suitable funding mechanism for the project and will report back to cabinet in due course

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Consulted:
Investment Panel
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Lucy Monie, Head of Highways and Transport Service
Tony Orzieri, Finance Manager
Nancy El-Shatoury, Principal Lawyer
Daniel Robinson, Asset Project Manager (Structures & Slopes)
Chris Smith, Transport Strategy Project Manager
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Sources/background papers:
Investment Panel Paper
The Transport Act 1968
Railway Bridges (Load-Bearing Standards) (England and Wales) Order 1972
EU Directive EU/2015/71
Highways Act 1980