



Department  
for Transport

# Local Highways Maintenance Challenge Fund - Guidance on the Application Process

December 2014

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Department for Transport  
Great Minster House  
33 Horseferry Road  
London SW1P 4DR  
Telephone 0300 330 3000  
Website [www.gov.uk/dft](http://www.gov.uk/dft)

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# 1. Introduction

The Local Highways Maintenance Challenge Fund announced in the 2014 Autumn Statement reflects this Government's strong commitment to ensure that we have well maintained local highway infrastructure fit for the 21st Century.

This Government believes that one of the mechanisms that could have a real impact on improving the local highway network would be to assign a proportion of the highways maintenance budget to a Local Highways Maintenance Challenge Fund. The purpose of the Fund is to enable local highway authorities in England to bid for major maintenance projects that are otherwise difficult to fund through the normal needs element allocations they receive. The recent local highways maintenance funding consultation<sup>1</sup> sought views on whether a Challenge Fund for major maintenance schemes should run for three or for six years and the majority of those who responded to this question supported a six-year Challenge Fund.

We know that much of England's highway infrastructure is not new. Each highway asset has a definitive lifespan after which it decays and loses functionality. It is clear that some of this country's existing highway assets may now be moving to more costly stages of their natural life-cycle with some components already reaching the end of their serviceable life. In addition to the natural ageing process of highway infrastructure, the life-cycle of the asset has in many places deteriorated at a faster rate than perhaps originally envisaged, as a result of its original under-investment, as well as recent severe weather events which has compounded the issue.

An ageing asset can indicate the need for more funding as older infrastructure is more costly to maintain than new. In short, many areas of England may now be entering an era where a growing proportion of its public highway is nearing the end of its first full life-cycle and needs to be addressed.

This Fund will help deal with this.

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<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/374566/consultation-document.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/374566/consultation-document.pdf)

## Who is eligible to apply to the Fund?

- 1.** Any English local highway authority outside of London can apply for funding. Applications can cover geographical areas that cut across local authority boundaries in which case one transport authority should be identified as the lead authority with others as partner authorities. Where an authority falls within an Integrated Transport Authority (ITA) or Combined Authority (CA) bids should be submitted via the ITA/CA who should also provide a cover letter indicating the relative priority they attach to the different bids.
- 2.** As there are separate funding arrangements for the devolved administrations and London, Transport for London, London Boroughs and local authorities in Scotland and Wales are not eligible for funding.
- 3.** The Department is setting a cap of two bids per local highway authority and they are eligible to submit bids for one small scheme and one large scheme.
- 4.** The Department is happy to accept applications from organisations other than ITA, CA's and local highways authorities such as lower tier local authorities, National Parks, Development Corporations, Local Enterprise Partnerships or Urban Regeneration Companies but any bid must include a letter of support from the respective local highway authority otherwise the bid will not be accepted. Each local highway authority may support a maximum of one scheme that they do not lead.
- 5.** Where bids span more than one authority area, a lead authority should be identified.

## 2. Scope of the Fund

### Types of Scheme

6. The Fund is designed to help maintain existing local highways infrastructure. The types of project that will be eligible for funding include:
  - Major maintenance, strengthening or renewal of bridges, tunnels, retaining walls or other structures
  - Major maintenance or renewal of carriageways (roads)
  - Major maintenance or renewal of footways or cycleways
  - Major maintenance or renewal of drainage assets
  - Upgrade of street lighting
  - A scheme which primarily covers one of the above categories but also includes some enhancement to the network to provide better access to housing and/or employment.
7. We envisage that potential schemes could fall into two categories, with the vast majority falling into the first category given the delivery timescales for investment:
  - small schemes requiring DfT funding of £5m or more, but less than £20m; and
  - large schemes requiring DfT funding above £20m.
8. To ensure strong local commitment, promoters will need to contribute at least 10% of total scheme costs. More details of this are set out in Chapter 3. For those bids that include an enhancement elements to provide better access to housing and/or employment we would expect a higher local contribution including an element of funding from outside the public sector (e.g. developer funding).
9. All bids will also need to demonstrate additionality, i.e. that Department for Transport funding is not simply being used to replace other sources of funding which have, or would have, been provided. The Department may also take into account interactions with other central Government funding streams and rules - particularly to seek to ensure that local contributions are not themselves funded by central Government and that lessons have been learned from previous scheme delivery experience.

## Funding available

- 10.** The total value of the Fund is £575 million split over the next six financial years from 2015/16 to 2020/21. It is envisaged that the Fund will be split into two Tranches as follows:

Tranche 1		Tranche 2	
2015/16	£75 million	2018/19	£100 million
2016/17	£100 million	2019/20	£100 million
2017/18	£100 million	2020/21	£100 million
Total	£275 million	Total	£300 million

- 11.** This funding is 100% capital. The Department's funding can only be used for capital expenditure in line with accepted accounting practices. The local authority's Section 151 officer will need to confirm this via an annual grant usage return. Decisions about what constitute capital costs are down to the local authority to agree with an independent local auditor in the usual way.
- 12.** This Guidance is only for Tranche 1 bids for funding between 2015/16 and 2017/18. Tranche 2 will be held in 2017/18 seeking scheme bids for funding from 2018/19 to 2020/21. There will be no facility for the Department's funding to slip beyond the end of March 2018 for Tranche 1 bids and the Department will not be liable for any cost overruns or delivery slippage. Any additional costs over the Department's agreed maximum contribution and any spend incurred after 31st March 2018 will be the responsibility of the promoter. We would expect any bid to include a Section 151 Officer letter confirming the promoting authority accepts this liability.
- 13.** The application process set out in a later section of this guidance explains the requirements for submitting proposals to the Fund.

# 3. Assessment Criteria

## Essential criteria

14. The Department's assessment of the bids will be consistent with the Transport Business Case process covering strategic, financial, economic, commercial and management cases. These sections are set out in the application form, with further guidance therein.
15. Given the objectives of the Fund, particular attention will be given to the following factors:

### Strategic Case

16. All bids will need to demonstrate that the asset is coming to the end of its lifecycle and needs urgent repair/renewal. Bids should also explain why the project has not been undertaken previously and include evidence such as:
  - a. history of the asset;
  - b. the strength of the case for the work - including options that have been considered including preferred option and do minimum;
  - c. why the scheme has not been undertaken previously;
  - d. demographic of the area and unquantified benefits to the local community;
  - e. the extent to which the bids draws on an authority's asset management data and is firmly evidenced;
  - f. any other supporting evidence concerning the asset, for example, structural survey reports and photographs;
  - g. evidence of benefits to, and support from, local businesses. This may include endorsement by the relevant Local Enterprise Partnership. Where there is more than one bid from local authorities within a LEP area, it would also be helpful (though again, not essential) for the LEP's endorsement to indicate the relative priority they attach to this scheme as opposed to other bids; and/or
  - h. whether environmental factors have been considered (for example) if any wildlife maybe disturbed during the works.
17. The further evidence provided in the strategic case will vary depending on the type of project for which funding is sought.
18. Despite previous investment in a number of street lighting schemes funded through the PFI initiative, the country still has an old and inefficient street lighting estate. Across the UK there are approximately 7.4 million streetlights



with less than 10% already considered to be low energy or in the procurement process for conversion. Consideration of the strategic case for street lighting proposals may include factors such as whether:

- a. the proposed scheme is part of an Invest to Save initiative<sup>2</sup>;
- b. the funding is to help towards costs of funding from organisations such as the Green Investment Bank<sup>3</sup>;
- c. why alternative funding sources (such as prudential borrowing are not more appropriate);
- d. why any old lighting stock is proposed for replacement now;
- e. any identified qualitative benefits associated with the provision of modern street lighting; and/or
- f. what the drivers for the decision are (e.g. positive environmental gains). The Department expects as a minimum that the level of energy consumption does not increase.

**19.** For bridges, tunnels and other structures, including those areas that are vulnerable to landslips, considerations may include factors such as the importance of the structure to the local economy and the adverse effects failure to upgrade will have on the local economy and growth. Promoters will therefore need to provide information which supports these factors including on:

- a. the importance of the route;
- b. existing, or likelihood of, imminent weight restrictions;
- c. lengthy existing or potential diversionary routes; and/or
- d. details of work which will need to be undertaken within the next three years if restrictions are not to be imposed.

Please note that this Fund will not entertain bids from authorities in respect to maintaining or renewal of public Rights of Way.

**20.** Upgrade of Drainage on the local highway - the flooding events of autumn 2000, summers of 2007, 2009, 2012 and more recently winter 2013/14 are a reminder of the risks posed by flooding, not only to residential and commercial properties, but also to the strategic infrastructure managed by local highway authorities. Consideration of bids received may include factors such as:

- a. the extent of the evidence that the local highway authority has a robust drainage asset management strategy<sup>4</sup>; and/or

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<sup>2</sup> <https://www.theilp.org.uk/documents/street-lighting-invest-to-save/>

<sup>3</sup> <http://www.greeninvestmentbank.com/media/5243/gib-market-report-low-energy-streetlighting-feb-2014-final.pdf>

<sup>4</sup> <http://www.highwayefficiency.org.uk/efficiency-resources/asset-management/guidance-on-the-management-of-highways-drainage-assets.html>

- b. whether the bid is helping to deal with a known flood hotspot and if so the previous frequency of flooding and the length of traffic diversions when flooded.
- 21.** Maintaining footway and cycleways - local highway authorities have a responsibility to ensure that all footways and cycle routes are maintained to a standard consistent with their use and also to improve their condition and safety, as required, through a managed process. This supports recent Government initiatives and acknowledges that public expectations now demand higher standards to make facilities more attractive and safer for users. For cycling routes, bids could include:
  - a. renewal or maintenance of cycle lane or lanes forming part of the carriageway within the local highway boundary;
  - b. shared cycle/pedestrian paths, either segregated by a white line or other physical segregation, or unsegregated;
  - c. cycle trails, leisure routes through open spaces which form part of the public highway, but not on or adjacent to the highway; and/or
  - d. the additional costs of providing segregated cycle lanes to the carriageway as part of planned renewal works.
- 22.** Factors which may be considered when assessing the strategic case for footway and cycling schemes include:
  - a. whether a route is on a priority walking/cycling route/zone or is connected to a busy urban shopping/business area;
  - b. whether the route links to interchanges between different modes of transport, railways, bus termini, main bus routes etc;
  - c. whether the bid is helping upgrade or maintain medium usage routes through local areas that feed into primary routes linking local shopping centres, large educational establishments, industrial and commercial centres etc; and/or
  - d. whether the bid is helping to upgrade or maintain routes that encourage and facilitate safe, attractive travel around public facilities (e.g. schools, health facilities).
- 23.** For major maintenance or renewal of carriageways (roads) - additional factors to be considered may include:
  - a. why the rate of deterioration has overtaken the rate at which the road can be maintained;
  - b. the importance of the route and delays that currently occur including congestion and journey time unreliability;
  - c. that any works will provide a much safer transport corridor and remove issues such as collision clusters and traffic noise;
  - d. traffic management arrangements (including communications with road users, businesses and residents) have been adopted whilst previous works have been undertaken; and/or

- e. whether new innovative resurfacing methods are considered.

## Value for Money

- 24. The bid should make the case that significant investment is necessary to remedy the situation and that to do otherwise would not offer value for money as this would necessitate an ongoing annual cycle of maintenance works, which would fail to address the underlying problem and would lead to constant disruption and affect the long term efficient functioning of the highway asset.
- 25. Value for Money will form part of our assessment of the bids but will not be the only factor. The Department will reserve the right to request further information from the scheme promoter in respect to the value for money case and monitoring and evaluation plan and/or to award funding on a provisional basis subject to further information (such as a full business case) being approved.
- 26. For smaller schemes and if available, promoters should provide a robust estimate of the Benefit Cost Ratio (BCR) of the scheme. Where a BCR is provided please provide an Annex to the bid setting out the data and assumptions used in deriving that BCR, including whether it has been subject to any external or independent review.
- 27. For larger schemes costing over £20 million, the Department would expect any bid to include a BCR aligning with the requirements set out in WebTAG - <https://www.gov.uk/transport-analysis-guidance-webtag>
- 28. Other information we would expect the value for money aspect of the bid to address and which may form part of our assessment are:
  - a. A description of the do minimum situation (i.e. what will happen without challenge fund investment).
  - b. Clear description of the costs and benefits of the scheme (quantified where possible).
  - c. Length of the scheme (km).
  - d. Number of vehicles on affected section: (AADT in vehicles – if possible split by vehicle type).
  - e. Where applicable, depending on bid:
    - Length of any diversion route if closure required (over and above existing route) (km)
    - Details of the required restrictions/closures if funding not provided (e.g. type of restrictions; timing/duration of restrictions, etc.)
    - Regularity/duration of closures due to flooding: (closures per year; average length of closure (hrs); etc.)
    - Number and severity of accidents: both for the do minimum and the forecast impact of the scheme (e.g. existing number of accidents and/or accident rate;

forecast number of accidents and or accident rate with and without the scheme)

Number of existing cyclists and forecasts of cycling usage with and without the scheme (and if available length of journey).

### **Financial Requirements**

- 29.** Promoters will have to demonstrate a strong level of local commitment to the scheme and the commitment to ensure any scheme is delivered as set out in the bid.
- 30.** A local contribution of at least 10% of total scheme costs must be included in the bid. This can be made up of both local authority and other third party funding. Bid applications must identify the source of the local contribution and explain how the funding has been secured. We would expect to see a letter from the promoter's Section 151 Officer confirming that the authority has the available funds to meet the total local funding contribution. As the Fund is a competitive process, the greater the overall local contribution towards the cost of the scheme the more positively the bid will be considered in the assessment process.
- 31.** Responsibility for estimating and controlling all project costs lies entirely with the bidding authority or authorities. The Department's agreed contribution will be the maximum that the scheme will receive and the Department will not be able to provide any funding beyond the end of Tranche 1 (i.e. by end March 2018) nor will it entertain any contribution to cost increases that may arise.
- 32.** The bid should also provide a narrative setting out how the authority will mitigate against any financial risks associated with the scheme. Please ensure that in the risk / QRA cost that you have not included any risks associated with ongoing operational costs and are using the P50 value.

### **Deliverability**

- 33.** Realism of scheme deliverability is of paramount importance and bids should demonstrate that the scheme will be delivered to a realistic timetable with supporting evidence. The Department may also factor into the assessment the promoting authority's track record of delivery taking into account other schemes, such as those funded through local major or local pinch point fund. Authorities that know they have schemes funded by the Department which have slipped from the deadlines included in previous bids for funding may wish to explain how lessons learned will be applied.
- 34.** Delivery risks identified from previous Departmental programmes include:
  - a. timescales taken by statutory undertakers;
  - b. realism of assumptions on the authority's ability to secure land without compulsory purchase;
  - c. supply chain capacity and procurement timescale risks;
  - d. optimistic view of local support for the scheme;

- e. over ambitious timeframes (with no contingency built in at all);
  - f. securing developer contributions to timetable; and/or
  - g. the local authority's capacity and capability.
- 35.** Subject to other criteria in this guidance being met, schemes that can demonstrate the potential for realistic early delivery may be prioritised over schemes which are expected to complete towards the end of the Tranche 1 period. We will be also favouring those schemes where no statutory powers will be required. If powers are required they should either be in place or be sufficiently advanced to allow delivery in this timeframe. Procurement is also important and proposals that involve lengthy procurement processes may struggle to meet the delivery timeframes of the Fund and those schemes that can be delivered through existing framework contracts will be assessed higher than those who have to go through a tendering process.
- 36.** Where schemes involve the process for securing any necessary rail possessions, road closures or other statutory permissions these should be clearly set out. All bids should contain a clear timetable for delivery.
- 37.** The Senior Responsible Owner for the project should be identified and details of the project management arrangements should be provided. All applications should include a short summary of the key risks to delivery and planned measures for managing those risks.

## Monitoring of scheme impacts, evaluation and benefits realisation

- 38.** Bidders will be expected to commit to monitor/evaluate the impact of the scheme once implemented. As part of the application process promoters will be expected to provide details on the likely benefits and how they will be measured and reported. A more comprehensive evaluation may also be required for large schemes, depending on their size and scale.

## 4. Application Process

39. There is one application form available for both large and small projects bidding into this Fund which is annexed to this document. Applicants should complete all sections on the form and any necessary supporting material (as set out in the application form) should be annexed and clearly referenced in the bid document itself.
40. All applications to the Fund will be assessed against the criteria set out in Chapter 3 of this guidance.
41. As stated in Chapter 1, applications for funding are welcomed from any English local highway authority, outside London.
42. **The deadline for submitting bids is 5pm, 9 February 2015.** Decisions on successful bids will be made as soon as possible. In the event that your authority requires political sign-off from members which cannot be secured by this deadline, please submit the bid in draft and follow-up with final sign-off by Friday 20 February at the latest. Please note bids cannot be changed after the 9 February.

### Submission of Bids

43. The Department requires an electronic version of the bid and this should be submitted to: [roadmaintenance@dft.gsi.gov.uk](mailto:roadmaintenance@dft.gsi.gov.uk)
44. Local authorities should also publish the applications on their websites and provide the weblink to the Department.

### Enquiries

45. If you have any questions about this guidance, including clarification on the information and appraisal requirements for bids to the Fund, please contact Steve Berry (Head of Local Highways Maintenance)  
[Steve.berry@dft.gsi.gov.uk](mailto:Steve.berry@dft.gsi.gov.uk) / Tel: 020 7944 6097

## **LOCAL HIGHWAYS MAINTENANCE CHALLENGE FUND**

### **CLARIFICATION NOTE FOR BIDDERS**

**Q. Is the maximum cap on bids, two in total for both Tranches?**

A. Authorities are allowed to submit two bids per Tranche.

**Q. Can you confirm whether Local Authorities will be permitted to submit 2 small bids instead of 1 large and 1 small as their application?**

A. We have received a large number of requests from local authorities who wish to submit 2 small bids instead of a large 1 and 1 small one. We are happy for this in Tranche 1. The cap on the number of bids will still be a maximum of 2 individual bids per authority and each authority may not submit more than 1 large individual bid.

**Q. As you have made changes to the bidding requirements – will you be extending the deadline for bids to be submitted?**

A. No. We have taken on board feedback and requests from authorities in respect of submitting two bids. We are unable to change the deadline which continues to be 5pm on 9 February 2015 for bids to be submitted.

**Q. Can an authority submit a bid covering a number of assets?**

A. Yes we are accepting a package bid. However we would suggest that any bid needs to clearly demonstrate why your authority is not able to phase the works over a number of years using your needs element formula. It is vital that any proposal stands up as a clear package in its own right to ensure that the objectives of the elements are aligned or there is a geographical connection/link. It would also be helpful in any bid if you can explain whether the scheme is scalable, and which elements are a priority.

**Q. Will there be further opportunities to submit bids (within the cap) within the period of the Tranche 1 - i.e. can we submit a bid in January 2016 to seek funding in 2016/17 and 2017/18?**

A. No – we will need to receive bids for Tranche 1 by 9 February 2015.

**Q. We wish to submit a small scheme bid based on three categories - example - Upgrade of Street Lighting, Major Maintenance or Renewal of Carriageways and Major Maintenance or Renewal of Footways or Cycleways. Is this permissible?**

A. Yes but it will be important to explain within the strategic case as to why these works in the package cannot be phased over a number of years and funded through the block allocations that your authority receives. It is vital that any proposal stands up as a clear package in its own right to ensure that the objectives of the elements are aligned or there is a geographical connection/link. It would also be helpful in any bid if you can explain whether the scheme is scalable, and which elements are a priority.

**Q. How strict is the guidance on the number of pages of submissions?**

A. It would be helpful if you could stick to the limit as much as possible.

**Q. Could we put in a bid that covers four years?**

A. We would be happy to receive a bid which involved a project lasting more than 4 years and content if the minimum local contribution fell beyond 2017/18. The only funding that can be provided in Tranche 1 is for 2015/16, 2016/17 and 2017/18 however.

**Q. If we submit a large scheme bid we will not have all of the economic case ready in time? How do we deal with this issue?**

A. We will be assessing the economic case on the basis of the information that promoters supply – and the more robust that information is then the more confidence we can have in the assessment. We have made clear under what circumstances we require WebTAG to be followed, however for any scheme we would expect that a bid that is more closely aligned to WebTAG is likely to be more robust.

We are happy for promoters to use WebTAG principles to estimate the economic benefits (and a BCR) of their maintenance scheme no matter their size, and would encourage this if it is proportionate. In doing so, promoters should also ensure that any benefit estimates are supported by clear and auditable information about, for example, the data, assumptions etc. used in the benefit calculations (this would be supplementary to the BCR itself and other supporting tabulations e.g. PA, TEE and AMCB that might also be provided).

We are conscious of the tight timescales councils are working towards. Of course the Department will need to determine whether the scheme is offering value for money and has made its general expectations on WebTAG clear. That said if the scheme scores highly and from the information provided is demonstrating a very high BCR, the Department may decide to award funding but subject to a final economic case being submitted.

**Q. If we have a scheme (say a road) which is a key strategic/economic route and certain sections require maintenance - can this be classed as a package and will you accept one scheme bid?**

A. Yes we are accepting a package bid. However we would suggest that any bid needs to clearly demonstrate why your authority is not able to phase the works over a number of years using your needs element formula. It is vital that any proposal stands up as a clear package in its own right to ensure that the objectives of the elements are aligned or there is a geographical connection/link. It would also be helpful in any bid if you can explain whether the scheme is scalable, and which elements are priority.

**Q. If we have two bridges which cost in total just over £5 million but are not connected - can this be included in one scheme bid?**

A. Yes we are accepting a package bid. However we would suggest that any bid needs to clearly demonstrate why your authority is not able to phase the works over a number of years using your needs element formula. It is vital that any proposal stands up as a clear package in its own right to ensure that the objectives of the elements are aligned or there is a geographical connection/link. It would also be helpful in any bid if you can explain whether the scheme is scalable, and which elements are priority.



**Q. The guidance states: “Applications can cover geographical areas that cut across local authority boundaries in which case one transport authority should be identified as the lead authority with others as partner authorities”. If a highway authority and its neighbouring authority are considering highway corridor maintenance schemes (resurfacing/ structures) that do abut (dovetail) the respective boundaries, can you clarify if the DfT would be expecting a joint bid in such instances or are you equally content to accept separate applications for each LA’s respective maintenance scheme, which relates to their part of the network?**

A. This is for local highway authorities to decide. The Department is happy to receive separate bids but is also happy to receive a joint bid.

**Q. If two neighbouring authorities identified potential for major maintenance on a cross-boundary route, and considered a joint bid, would the lead authority still be able to submit up to two individual bids?**

A. Yes, the lead authority is allowed to submit a further two bids, making a maximum of three bids including any joint bids

**Q. If through our bid we demonstrate realistic early delivery of the scheme then will we be prioritised over schemes that may be delivered towards the end of Tranche 1?**

And

**Q. Will bids with no spend in Year 1 (2015/16) make any difference to assessment?**

A. We will assess each bid using the same assessment criteria and score each one on a consistent basis. Tranche 1 of the Fund covers three financial years (15/16, 16/17 and 17/18) and it is possible we will receive a bid that straddles more than one financial year. Final decisions on the schemes to fund may include, amongst other things: the overall assessment score; and the affordability of the scheme’s funding profile once schemes with a higher assessment score have been supported. The Department may also discuss funding profiles with some authorities as required.

**Q. We are looking at upgrading our street lighting and the core investment period is going to be 5 years. Could our local contribution be in Years 4 and 5 not covered in Tranche 1?**

A. Yes this would be fine.

**Q. We would like to submit a bid for street lighting which covers more than two local highway authority areas. Would this be acceptable as we will be endeavouring to obtain substantial cost savings? We know this was done previously through the street lighting PFI programme.**

A. A large scheme bid covering a number of authorities in respect of street lighting would be fine. It would be helpful if the bid could provide a BCR for the overall scheme proposal and also by each LHA area.

**Q. Can we use staff time/resources as the council's local contribution?**

A. No.

**Q. We have secured in principle funding from our council for Year 1 of a possible three year scheme which would be the local contribution. Can we submit a bid with the hope we can get DfT funding?**

A. We will want to see a secured local contribution. The bidding Authority is confirming that were the scheme to be funded the local contribution would be provided. Please note we want to see the bid signed off by the authority's Section 151 Officer.

**Q. Can we use IT and HM Block funding as the local contribution?**

A. Yes - this funding is not ring fenced so it is for your council to decide. That said we would not want to see maintenance that you have already planned being set aside just to be able to submit a scheme bid.

**Q. How do we demonstrate the benefits of street lighting?**

A. Please see the MOSLAR guidance we have produced and is available at the following weblink - <https://www.gov.uk/government/publications/local-highways-maintenance-challenge-fund>

**Q. Can a local authority or other organisation who is not classed as a highway authority submit an application for footway lighting or maintenance of another asset falling under the guidance?**

A. Yes but any bid will need to be supported and signed off by the respective local highway authority.

**Q: In providing Economic Case information for Length of any diversion route, if closure is required (and information on closures and restrictions) – does this refer to closures/diversions due to reactive maintenance, or closures/diversion related to the proposed scheme bid?**

A: If maintenance strategies will be used to keep the route open without funding then the number and timing of closures and length of diversion route should be made clear for the without funding option – and similarly the number and timing of closures and length of diversion with the proposed scheme bid should also be provided. In these circumstances the promoter could use this information in the QUADRO software to demonstrate the benefits of the scheme to produce a BCR.

**Q. Does the £20m limit for small schemes include the local contribution?**

A. Yes, the £20m is the total scheme cost including the local contribution.

**Q. Can prudential borrowing be used to fund local commitment?**

A. Yes. This is a local decision.

**Q. Can the applications be caveated re future years funding subject to approval from Cabinets?**

A. No, the Department needs full guarantees of funding.

**Q. Can I bid in Tranches 1 and 2?**

A. Yes you can submit bids in both Tranches. Only Tranche 1 is open for bids at present.

**Q. Can you resubmit improved bids in Tranche 2?**

A. Yes, if that is what your council decide to do, if unsuccessful in Tranche 1, however you will need to consider whether to improve your bid for Tranche 2.

**Q. Will feedback be provided on failed bids?**

A. Yes, that is our intention.

**Department for Transport  
January 2015**