



Strategy Committee Meeting

Agenda Item 7

Date of Meeting: Friday 12 July 2019
Report of: Roy Newton
Subject/Title: Criteria for Prioritising Business Case Development

1. Report Summary

1.1. At its meeting on 20 March the LEP Board agreed to allocate £400,000 per year for three years towards studies/business case development to allow the sub region to respond quickly to invitations from government departments to bid for funding and so that the sub-region can develop interventions which support the Local Industrial Strategy and drive improvements in economic productivity. This paper sets out potential criteria to help determine the priority order for funding the development of business cases and identifies initial priorities as a first call on the funding.

2. Recommendation

2.1. The LEP Strategy Committee is recommended to:

- a. Agree the assessment criteria for prioritising the funding, subject to any changes agreed by the Committee;
- b. Agree to only allocate £200,000 of the £400,000 available for this year at this time to give more time for non-transport proposals to come forward;
- c. Provide provisional approval for funding to be allocated to the three initial projects subject to the development of more briefs:
 - i. £75,000 contribution to the Crewe Hub Access Package Business Case development;
 - ii. £75,000 contribution to the Winnington Hill /Bridge Corridor Study;
 - iii. £50,000 contribution to the Warrington Last Mile – Town Centre Masterplan; and
- d. Delegate agreement of the detailed briefs and final approval of the three initial schemes to the Chief Executive Officer of the LEP in consultation with the Chair of Strategy Committee.

3. Prioritising Business Case

Government

Bidding



Development

Rounds

- 3.1. There has been a trend over the past few years towards Government distributing money to localities using competitions with relatively short bid deadlines. This makes it difficult to submit successful bids unless a considerable amount of preparatory work has been done prior to the announcement of the competition. Officials in the Cities and Local Growth Unit acknowledge this issue and, as a consequence, one of the indicators they use to assess the performance of LEPs is the strength of the pipeline of projects which can be taken “off the shelf” in response to bidding invitations.
- 3.2. At its meeting on 20 March the LEP Board agreed to allocate £400,000 per year for three years towards studies/business case development so that the sub-region can develop interventions which support the Local Industrial Strategy and drive improvements in economic productivity.

Identifying Schemes

- 3.3. The Strategic Transport Plan (STP) adopted by the LTB at the end of 2018, proposed a series of studies focussed on making the case to TfN and DfT of the economic and other benefits of improvements to corridors such as the A49, the A51, Chester to Broughton etc.
- 3.4. Many of these studies cover routes that are on Major Route Network for which DfT have already said they will be inviting bids for improvement projects at a later date.
- 3.5. In addition to the transport studies, the LEP’s digital strategy identifies that work should be undertaken on a digital / 5G connectivity strategy. Other potential investments can be considered e.g. those which the Government is looking to fund through the Future High Streets Fund or on urban housing schemes targeted at young skilled people which might be eligible for funding through Homes England.

Determining Priorities

- 3.6. Appendix 1 sets out the long-list of proposals submitted by local authority officers for business case/study development. These total over £1.4 million for year one with a request for LEP funding of nearly £600,000 for year one, most of the schemes being transport related. Current suggestions across the 3 year period total over £2.5 million with a request for LEP funding of approximately £1.1 million. Given that the suggestions for year one exceeds the budget available, and that the budget is also intended to include a reasonable number of non-transport schemes it is necessary to develop a process to determine priorities.
- 3.7. Following discussions with the Growth Directors’ group it is recommended that proposals be assessed against:
- Strategic fit of the proposal against sub-regional strategies and priorities;
 - The degree to which the study/business case has routes which have a good chance of securing government/3rd party funding for delivery;

- The amount of funding case development by
- The degree to which the to deliver a scheme money



towards the study/business scheme promoters;
 study/business case is likely which offers good value for

3.8. In terms of strategic fit it is recommended that proposals are considered in terms of their contribution to the following:

- spatial priorities (Science Corridor, MDA, Constellation, Warrington New City)
- thematic priorities (transport, skills/education, energy, quality of place, digital, housing, science/innovation)
- emerging Local Industrial Strategy priorities:
 - *raising productivity and focusing on competitive advantage* (build the super strengths, address sector underperformance, develop supply chain innovation and foster cross-sector collaboration)
 - *building resilience in the economy* (create a more dynamic business base, use digital to innovate, diversify investment in research and development, expand international links)
 - *increasing earnings power of every resident* (improve progression in work, develop an education system which meets labour demand, encourage entry level positions, including apprenticeships)
 - *leading the clean growth grand challenge*
 - *enabled by strategic investments in infrastructure and place*

3.9. MHCLG and BEIS have indicated that HM Treasury is considering funding for April 2021 and is likely to be looking for schemes which are “shovel ready”. It would, therefore, be prudent to prioritise at least some of the business case development for schemes which could be ready for delivery by 2021. This is likely to mean smaller scale schemes or elements of larger schemes. Given a focus on delivery that may mean more flexibility on benefit to cost ratios i.e. less focus on BCRs, albeit they would still need to be positive.

3.10. Most of the proposals are currently for transport schemes as the thinking for these is more advanced. Local authorities have indicated that there are significant aspirations for non-transport proposals including housing, digital and clean energy. It is, therefore, recommended that the Strategy Committee only allocate half of the year 1 funds to give time for more non-transport proposals to come forward. It is also recommended that the initial transport priorities should focus on proposals which have the ability to be able to deliver schemes in 2021 so as to be in a position to capitalise on potential government funding.

4. Initial Priorities

4.1. Following discussions with the three local authorities the following proposals have been identified which meet the criteria and have the potential to have schemes which could make use of any available funding for delivery from April 2021:

Crewe Hub access package



- 4.2. This work would identify and multimodal access Hub. It is a component of the developed by the which sets out the economic benefits will be delivered spatially. The proposals have a high degree of consistency with the emerging Local Industrial Strategy priorities and it is essential to unlock the supporting economic growth as identified in the emerging Crewe Area Action Plan. develop business cases for improvements to Crewe HS2 HS2 Growth Strategy work constellation Partnership benefits and where these
- 4.3. A planning application for the enhanced station and infrastructure improvements (including a southern link road bridge) is currently in preparation alongside other workstreams (eg funding). Work is also underway to develop business cases for multimodal access improvements to ensure Crewe HS2 Hub and neighbouring developments are well connected, including promotion of opportunities to access the station by non-car modes and to address air quality issues. A consultation exercise is already underway on the proposed route for the southern link road bridge and landowners have been met and have indicated a willingness to negotiate.
- 4.4. There is planned to be a total closure of the station in 2025 to allow HS2 to be built. This is a one off opportunity to deliver the access infrastructure alongside this closure to ensure the full benefits of HS2 can be realised in Cheshire.
- 4.5. The estimated cost of this work is £600,000 and the LEP is being asked for a contribution of £200,000 although CEC has indicated that this is a broad estimate and that a lower contribution would be acceptable. It is recommended that the initial LEP contribution should be £75,000.

Winnington Hill /Bridge Corridor Study

- 4.6. This work involves preparation of an Strategic Outline Business case and Outline Business case for a potential package of schemes to address capacity and traffic congestion along the A533 corridor in Northwich. This will examine options for a new bridge between Winnington and Barnton along with measures to reduce traffic congestion at pinch points along the A533 corridor between Winnington and Northwich town centre, particularly at Winnington Hill.
- 4.7. The scheme supports the continued delivery of the Northwich Vision, the ongoing improvements necessary to enhance the viability of Northwich town centre / Baron's Quay development. It also supports the "The Constellation Partnership" and the continued levels of housing growth endorsed in the Council's Local Plan along with the growth ambitions set out in a series of local Neighbourhood Plans that have been prepared for the wider Northwich urban area.
- 4.8. The bridge is a key enabler in the economic development of Northwich and there is scope that the scheme will also enable the potential development of further housing development in the Northwich area beyond the current Local Plan period and that funding for delivery could be sourced from Homes England. Officers from Homes England are supportive and have indicated that it would stand a good chance of securing future funding.

4.9. The scheme supports the objectives to enable a Thriving Communities and support economic growth and key services. Proposals also delivery of Constellation



CW&C Council Plan Thriving Economy and the CW&C LTP objective to improve access to jobs and support the longer-term Partnership ambitions.

4.10. Potential opportunities include -

- Improving capacity and reducing congestion on the A533 corridor in Northwich
- Addressing access requirements for current (and potentially longer term) Local Plan housing and employment land allocations.
- Addressing key congestion pinch point specifically at the Winnington – Barnton Swing Bridge and on Winnington Hill.
- Minimising potential air quality issues along the A533 corridor.
- Improving opportunities for using sustainable transport.
- Improving links to the North of the town including access to the M56 and Mersey Gateway.

4.11. The Swing bridge component of this proposal has also been the subject of a Council petition which endorsed the need to examine potential solutions to the existing network capacity constraints at the existing bridge and along the A533 corridor.

4.12. The estimated cost of this work is £150,000 and the LEP is being asked for a contribution of £75,000.

Warrington Last Mile – Town Centre Masterplan

4.13. The proposal is to develop a transport masterplan for the Warrington Last Mile Project with the aim of providing high quality and fit for purpose transport infrastructure to make walking, cycling and public transport the obvious way to get to, from and through Warrington town centre. This will build on the opportunity presented by the Western Link (which recently received Programme Entry in the LLM programme) to review the road network around the town centre and ensure that the capacity released by the western link is 'locked in' for walking, cycling and public transport. Elements of this work will feed into parallel and subsequent study work on the LCWIP and Mass Transit studies.

4.14. The potential for Phase 1 delivery following initial masterplan work in 2021 includes:

- Brian Bevan Island junction & Wilderspool Causeway bus/cycle corridor. Multi modal junction improvement and corridor treatment with bus priority measures and cycle corridor enhancement
- Junction locations which present barriers to accessibility and are in need of improvement – as identified in Last Mile Transforming cities bid. Potential early delivery at locations such as:
 - A49 Dial St/Church St
 - A57/ Froghall Lane

- Liverpool

4.15. The estimated cost of the contribution of £50,000



Road/Parker St

study is £100,000 with a LEP

5. Next Steps

- 5.1. The three local authorities have been asked to identify non-transport proposals to be assessed and prioritised alongside the remaining transport proposals. Once the next tranche of proposals have been assessed a further report will be brought to the Strategy Committee with recommendations for further allocation of the funding.



Extension of Enterprise Zone study (CT)	To be developed	CWaC												
Ellesmere Port Industrial Infrastructure Study M56/M53/Rail Infrastructure	Developing a strategic masterplan for sites in Ellesmere Port with a particular focus on services to sites and transport infrastructure challenges including access to the M53/M56 corridor, road and rail networks. This will be developed in collaboration with businesses including Peel, Innospec, Encirc and CF Fertilisers in order to consider the opportunities to create economic growth and employment opportunities.	CWaC	£50,000			£50,000								
Crewe HS2 Hub Station Access Improvements	Identifying and developing business cases for multimodal access improvements to ensure Crewe HS2 Hub and neighbouring developments are well connected, including promotion of opportunities to access the station by non-car modes.	CEC		£400,000		£200,000								
Last Mile - Town Centre Transport Masterplan	A Transport Masterplan will be developed for the Warrington Last Mile Project with the aim of providing high quality and fit for purpose transport infrastructure to make walking, cycling and public transport the obvious way to get to, from and through Warrington town centre.	Warr			£50,000	£50,000			£37,500	£37,500			£37,500	£37,500
Northern Powerhouse Rail	Warrington has been designated as an OSEC on the NPR route and it has been confirmed that a Warrington station will be an integral part of the network. This study is aimed at making the strategic economic case for this station to be located in the centre of Warrington rather than in a rural parkway location.	Warr			£25,000	£25,000			£25,000	£25,000				
LCWIP	Warrington's LTP4 includes an ambitious target to more than treble cycling and walking over the next 20 years with the main delivery vehicle to enable this the Warrington LCWIP. Study work is required to develop the key corridors concepts into deliverable transformational schemes.	Warr			£50,000	£50,000			£25,000	£25,000			£25,000	£25,000
N/S Connectivity MSC Crossing	North-south connectivity within Warrington is constrained by the Manchester Ship Canal, River Mersey and the Bridgewater Canal, creating peak time congestion, unpredictable journey times, community severance and have a negative effect on air quality. The proposed study will provide options for a new Manchester Ship Canal Crossing by a range of modes of travel.	Warr			£15,000	£15,000			£95,000	£25,000				
Workplace Charging Levy	Warrington's draft LTP4 proposes Workplace Parking Levy as a complementary measure to both discourage private car use and provide a new revenue source to fund sustainable travel improvements. This feasibility study will assess options and implications for the delivery of WPL in Warrington.	Warr							£25,000	£25,000			£50,000	£50,000
Mass Transit	Warrington's draft LTP4, contains an ambitious target to triple the use of public transport over the next 20 years by delivering a transformational change in the local public transport offer. The study will investigate the short, medium and long term options available to deliver this outcome, ranging from priority for conventional bus, through Guided Bus to Light rail.	Warr							£50,000	£50,000				



South Warrington Motorway Junction	Warrington's Draft Local Plan proposes a major urban extension through the release of Green Belt in south east Warrington. This new Garden Suburb connects to the strategic road network at junction 20 of the M6 and junction 10 of the M56. The study will identify preferred improvement options for both junctions.	Warr			£15,000	£15,000			£10,000	£10,000			
A49 N Pinchpoints	The subject of this study is the key economic corridor between the town centre and Winwick in the north of the borough and includes its connections to the east towards Birchwood via the A50/A574.	Warr										£50,000	£50,000
Programme total			£232,499	£459,999	£155,000	£587,499	£50,000	£0	£267,500	£247,500	£100,000	£0	£162,500