

LEP - Transport for Lancashire Committee

Thursday, 30th January, 2020 in Committee Room 'B' - The Diamond Jubilee Room, County Hall, Preston, at 2.00 pm

Agenda

Part I (Items Publicly Available)

- 1. Welcome and Apologies for Absence**
- 2. Declaration of Interests**
- 3. Minutes of the meeting held on 5 June 2019** (Pages 1 - 4)
The Committee are asked to agree that the Minutes of the last meeting held on 5 June 2019 be confirmed and signed by the Chair.
- 4. Matters Arising**
- 5. South East Blackburn Funding Application** (Pages 5 - 32)
- 6. Any Other Business**
- 7. Date of Next Meeting**
The next meeting of the Transport for Lancashire Committee will be held on Tuesday 10 March 2020 at 2.00pm in Committee Room D - The Henry Bolingbroke Room, County Hall, Preston.



LEP - Transport for Lancashire Committee

Minutes of the Meeting held on Wednesday, 5th June, 2019 at 11.00 am at the Committee Room 'C' - The Duke of Lancaster Room, County Hall, Preston

Present

County Councillor Geoff Driver (Chair)

Graham Cowley
Councillor Fred Jackson

Councillor Phil Riley

Also In Attendance

County Councillor Michael Green, Lancashire County Council

Richard Kenny, Interim Director of Economic Development and Planning

Joanne Ainsworth, Finance Manager, LEP, Lancashire County Council

Dave Colbert, Specialist Advisor - Transportation, Lancashire County Council

David Gordon, Project Officer - Strategic Development, LCDL, Lancashire County Council

Jeremy Walker, Transport Policy Manager, Blackpool Council

Phillip Wilson, Project Manager, City Deal Delivery Team, Lancashire County Council

Cath Rawcliffe, Democratic Services, Lancashire County Council

1. Welcome and Apologies for Absence

County Councillor Geoff Driver CBE welcomed all to the meeting.

It was noted that apologies had been received from Khalid Saifullah (Director), Richard Perry (Department for Transport), Mike Cliffe (Blackburn with Darwen Council), Mike Sinnott (Highways England) and Heather Pritchard (Network Rail).

2. Declaration of Interests

Graham Cowley declared an interest in item 5 as the Chair of the Growth Deal Management Board.

3. Minutes of the meeting held on 16 January 2019

That the Minutes of the last meeting held on the 16 January 2019 be confirmed and signed by the Chair.

4. Matters Arising

Dave Colbert, the county council's Specialist Advisor, Transportation, presented an update on items 6 and 7 of the Minutes in respect of the Local Transport Plan

and the Major Roads Network.

The Committee was informed that a further report on the draft joint local transport plan for Lancashire would be presented to the next meeting of the Committee on 29 October 2019 and that an update on the Major Roads Network would be the subject of a future report to the Committee

Resolved: That the update be noted.

5. Preston Western Distributor Funding Application

Dave Colbert, Specialist Advisor Transportation at Lancashire County Council, accompanied by Neil Stockley from the consultants Atkins, presented a report on the independent assurance of the Full Business Case for the Preston Western Distributor funding application.

The scheme comprised of a new 4.3km dual carriageway road connecting a new Junction 2 on the M55 near Bartle with the A583 Preston to Blackpool road at Lea. The scheme supports delivery of the North West Preston Strategic Housing Location, which is expected to accommodate over 5,000 new homes, will improve travel between the Strategic Road Network and the Enterprise Zone at Warton, and facilitate provision of a new 'parkway' station at Cottam on the recently electrified Preston to Blackpool North line.

It was reported that the scheme is predicted to deliver high value for money with an adjusted benefit to cost ratio of 2.6. A further £54.7m of benefits is expected to accrue from dependent development and it is estimated that the scheme would generate a GVA benefit of £108m as a result of new job creation.

Having undertaken independent assurance of the Strategic Outline Business Case on behalf of the Lancashire Enterprise Partnership, Atkins advised that they were satisfied that the project has been developed to the expected standard in most areas and recommended that funding approval be granted subject to final approval from the Secretary of State

It was noted that a further condition relating to the need to provide a finalised Monitoring and Evaluation Plan had now been discharged to Atkins' satisfaction

Resolved: That the Lancashire Enterprise Partnership be recommended to grant the scheme a maximum £58m Growth Deal funding, subject to final approval from the Secretary of State.

6. Preston Rail Station HS2 Hub - Assessment of Wider Economic benefits

David Gordon, Project Officer, Strategic Development, LCDL, at Lancashire County Council, accompanied by Graeme Collinge from the consultants Genecon, presented an update on the Preston Rail Station HS2 Hub – Assessment of Wider Economic Benefits study.

The Committee was informed that the Lancashire Enterprise Partnership had commissioned the consultants, Genecon, to produce a report to analyse and identify the potential economic benefits that might arise from the transformation of Preston Station in order that it is 'HS2 ready' by 2026.

It was noted that as well as helping inform rail investment decision making nationally and locally, the Wider Economic Benefits study would provide an evidence base to help development of the Lancashire Local Industrial Strategy, a Greater Lancashire Plan and the next Lancashire Transport Plan.

The report identified a number of key issues that would need to be addressed in order for Preston Station to become 'HS2 ready' by 2026. These included access issues around station's entrances and exits, the station's main concourse, platform access, retail space and facilities and HS2 train/platform compatibility. The report also identified a number of other challenges in relation to Preston city centre that would need to be addressed, including peak hour congestion and the disjointed layout between public transport nodes.

The study concluded that an HS2 Hub would represent a once in a generation opportunity to deliver a major catalyst for change in the city's economic performance. It would have the potential to generate up to 7,140 net additional Full Time Equivalent jobs by 2050 within Lancashire linked to growth at the HS2 Hub and in and around 33 other stations locally, generating £10.3bn in additional GVA and wider business efficiencies (£5.5bn at present values). This could include major new commercial development and housing at sites in close proximity to the HS2 Hub and within Preston city centre.

The committee welcomed the report and agreed that it was important for all three authorities to work together in a timely manner, to plan for the introduction of HS2.

Resolved: That the contents of the report be noted.

7. Date of Next Meeting

It was noted that the next meeting would be held on Tuesday 29 October 2019 at 2pm in Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston.

8. Any Other Business

It was reported that it was proposed to move into Part II to consider an item of business relating to an update on the M55 to Heyhouses Link Road.

9. Exclusion of Press and Public

Resolved: That the press and members of the public be excluded from the meeting during consideration of the following item of business on the grounds that there would be a likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972. It was

considered that in all the circumstances the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Part II (Not open to Press and Public)

10. Update on the M55 to Heyhouses (St Annes) Link Road

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interests in disclosing the information)

Graham Cowley, LEP Director, presented an oral update on the M55 to Heyhouses (St Annes) Link Road.

Resolved: That the update be noted.



LEP – Sub Committee

LEP - Transport for Lancashire Committee

Private and Confidential: No

Date: Thursday, 30 January 2020

South East Blackburn Funding Application

Appendix 'A' refers

**Report Author: Dave Colbert, Tel: 01772 534501, Specialist Advisor Transport Planning
dave.colbert@lancashire.gov.uk**

Executive Summary

The South East Blackburn scheme is one of three infrastructure packages that collectively form the 'Pennine Gateways' project, which aims to support the delivery of new homes, new businesses and jobs in three specific growth areas in Blackburn, whilst at the same time alleviating congestion on key routes. It comprises various improvements in the A6077 Haslingden Road and B6231 Blackamoor Road corridors to support delivery of over 600 houses and 90,000 square metres of commercial floor space.

In accordance with the Lancashire Enterprise Partnership's Assurance Framework, Blackburn with Darwen Council has submitted a strategic outline business case for funding approval. The consultants Jacobs have undertaken an independent assessment of the strategic outline business case on behalf of the Lancashire Enterprise Partnership. Whilst Jacobs are satisfied the project has been developed to the expected standard in most areas, they have some outstanding concerns with some of the evidence presented in the business case, in particular, that congestion levels have been underestimated and future traffic may be in excess of the forecast predictions. However, Jacobs are content these concerns are not of sufficient magnitude to influence their decision on whether to recommend granting of funding approval, as they are unlikely to have a material impact on the project's value for money.

Recommendation

The Committee is asked to consider the attached strategic outline business case report prepared by Jacobs and recommend the Lancashire Enterprise Partnership grant the scheme a maximum £9.05 million Growth Deal funding at its next meeting.



Background and Advice

The South East Blackburn scheme is one of three infrastructure packages that collectively form the 'Pennine Gateways' project, which aims to support the delivery of new homes, new businesses and jobs in three specific growth areas in Blackburn, whilst at the same time alleviating congestion on key routes. It comprises various improvements in the A6077 Haslingden Road and B6231 Blackamoor Road corridors to support delivery of over 600 houses and 90,000 square metres of employment space:

- Widening of the A6077 Haslingden Road between Lions Drive and Shadsworth Road to four lanes and associated junction improvements;
- Construction of the Blackamoor Link Road including two new junctions at Roman Road and Blackamoor Road and associated alterations to the Roman Road junction with Blackamoor Road; and
- Improvements to the A6077 Haslingden Road junction with Old Bank Lane, including a new access to the Royal Blackburn Hospital.

The scheme will enable the growth ambitions of Blackburn with Darwen Council to be realised without adversely affecting future levels of service on the local highway network. In addition, improved facilities for pedestrians and cyclists using Haslingden Road will provide a safer environment and encourage participation in active travel.

In accordance with the Lancashire Enterprise Partnership's Assurance Framework, Blackburn with Darwen Council has submitted a strategic outline business case for funding approval. The consultants Jacobs have undertaken an independent assessment of the strategic outline business case on behalf of the Lancashire Enterprise Partnership.

Whilst Jacobs are satisfied the project has been developed to the expected standard in most areas, they have some outstanding concerns with some of the evidence presented in the business case, in particular, with regard to traffic modelling. Congestion levels may have been underestimated and future traffic may be in excess of the forecast predictions. However, Jacobs are content these concerns are not of sufficient magnitude to influence their decision on whether to recommend granting of funding approval, as they are unlikely to have a material impact on the project's value for money. Accordingly, Jacobs advise that funding approval be granted to enable construction to commence in April 2020, and have not recommended that any conditions be attached. Jacobs' report is attached as Appendix 'A'.

The total risk adjusted cost of the scheme is £11.56 million, funded through a maximum £9.05 million contribution from the Local Growth Fund through the Lancashire Growth Deal and a £2.51 million contribution from Blackburn with Darwen Council. The local contribution amounts to 22% of total scheme cost. The council's S151 letter confirms the council's commitment to fund the local contribution together with any overspend. The council expects the works to be complete by April 2021.

The scheme is predicted to deliver high value for money with a benefit to cost ratio of 3.3. Following the concerns raised by Jacobs with regard to the traffic modelling work,



the applicant provided a zero growth sensitivity test and 'Level 3' analysis, which includes external transport impacts of the developments and land value uplift. The effect would be a reduction in the benefit to cost ratio to between 1.4 and 1.8, representing low/medium value for money respectively. Nevertheless, Jacobs have concluded that, given the significance of dependency in meeting the applicant's local plan aspirations, they have confidence in a high value for money outcome.

At its meeting held on 30th September 2019, the Lancashire Enterprise Partnership Board allocated additional funding to the South East Blackburn scheme on the basis it would provide additional economic outputs beyond the original submission. Table 1 below sets out the updated totals.

Table 1: Updated Economic Outputs to 2025

Economic Output	Original Pennine Gateways Submission	SE Blackburn Extension	Updated Pennine Gateways Total
Housing units	870	130	1,000
Private sector investment	£125m	£53m	£178m
Jobs	3,750	200	3,950
Commercial floor space	64,000m ²	9,290m ²	73,290m ²
Gross Value Added	£414.7m	£38.9m	£453.6m

The South East Blackburn scheme has the potential to generate a further £240 million (2010 prices discounted) of wider economic benefits over the appraisal period arising from the developments the scheme will unlock. This results in the wider 'Pennine Gateways' project delivering higher gross value added benefits (to 2025) than the revised Pennine Gateways total in Table 1. Table 2 below refers.

Table 2: Economic Outputs Comparison to 2025

Economic Output	South East Blackburn	North Blackburn	Furthergate	Combined Pennine Gateways Final Total	Difference Updated to Final
Housing units	647	427	Nil	1,074	+74
Private sector investment	£165m*	Nil	£40m	£205m	+£27m
Jobs	3,857	Nil	438	4,295	+345
Commercial floor space	91,595m ²	Nil	17,500m ²	109,095m ²	+35,805m ²
Gross Value Added	£240m	£17m	£236m	£493m	+£39.4m

In summary, the principal objective of the South East Blackburn scheme is to support the delivery of new homes, new businesses and jobs whilst alleviating congestion on key routes. The committee should note that this scheme is responsible for achieving a significant proportion of the economic outputs for the whole 'Pennine Gateways' project, including additional outputs beyond the original submission.



List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A

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Subject	South East Blackburn Scheme	Project Name	TfL Major Schemes Programme
From	Jonathan Carr	Project No.	B2327505
Date	20 th January 2020		

Introduction

Jacobs have undertaken a comprehensive review of the Strategic Outline Business Case (dated November 2019) produced by Blackburn with Darwen Borough Council (BwDBC) in support of the South East Blackburn Growth Deal 3 Scheme.

The review findings should be used to inform a recommendation on whether the scheme should be granted Full Approval status at the next LEP Board meeting.

Methodology

The Strategic Outline Business Case has been reviewed and assessed against the Department for Transport’s (DfT) guidance on *Transport Business Cases* (January 2013). This approach shows whether schemes:

- ✦ are supported by a robust case for change that fits with wider public policy objectives – the ‘**strategic case**’;
- ✦ demonstrate value for money – the ‘**economic case**’;
- ✦ are commercially viable – the ‘**commercial case**’;
- ✦ are financially affordable – the ‘**financial case**’; and
- ✦ are achievable – the ‘**management case**’.

A Red-Amber-Green (RAG) assessment has been undertaken on each of the five cases in order to:

- a) Highlight any key risks associated with the successful delivery of the project in accordance with the Lancashire Enterprise Partnership’s Accountability Framework
- b) Identify any areas of the Strategic Outline Business Case where there is insufficient evidence to demonstrate that the scheme has followed DfT best practice for the development of a major scheme.
- c) Ensure the scheme aligns positively with the LEP’s Strategic Economic Plan.

The completed RAG assessment has been appended to this document as **Annex A**.

As part of the review process, Jacobs have actively engaged with the scheme promoter (Blackburn with Darwen Borough Council) and their consultants (Capita) in order to seek clarification on any key issues associated with the Strategic Outline Business Case. The RAG assessment summarises the iterative process which has been adopted to update the Strategic Outline Business Case to ensure that it is compliant with the LEP’s Accountability Framework and DfT best practice guidance.

Scheme Description

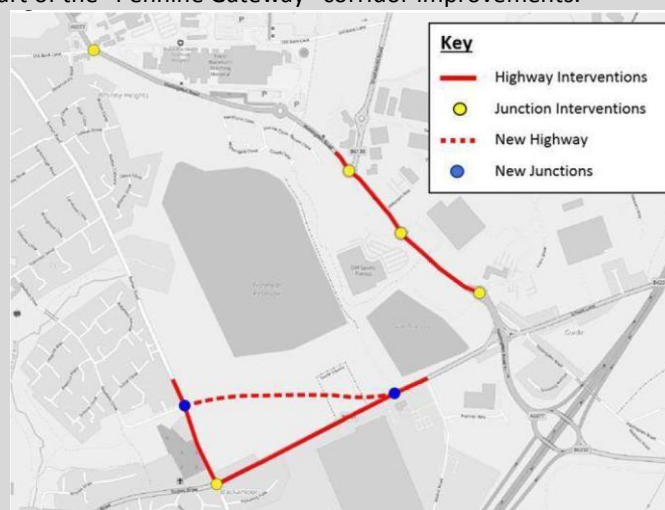
The South East Blackburn Growth Deal 3 scheme involves a trio of civil engineering packages to upgrade and improve the A6077 Haslingden Road and B6231 Blackamoor Road in South East Blackburn intended to facilitate the development of over 600 houses and 90,000 sqm of employment space in the area. The components of the scheme are;

1. Widening of the A6077 Haslingden Road between Lions Drive and Shadsworth Road to four lanes with associated geometric improvements at junctions;
2. Delivery of the Blackamoor Link Road including two new junctions at Roman Road and Blackamoor Road and associated changed to the existing Roman Road / Blackamoor Road junction; and,
3. Improvements to the Haslingden Road / Old Bank Lane junction to also include a new access to the Royal Blackburn Teaching Hospital.

The scheme proposals aim to:

- Enable Blackburn with Darwen Borough Council’s growth ambitions to be realised without adversely impacting on the future level of service (congestion) provided by the Haslingden Road corridor and adjoining local highway network;
- Improve air quality at the Blackamoor Road / Roman Road junction to bring nitrogen dioxide levels within the (annual mean) objective as specified in the Air Quality (England) Regulations 2000 to enable the revocation of the Blackamoor AQMA;
- Enable further development of employment opportunities by facilitating the delivery of over 47,894sqm of new commercial floorspace and creation of 3,862 jobs;
- Supporting future housing growth by enabling the delivery of approximately 643 additional houses within the borough; and,
- Improve the facilities for walking and cycling along Haslingden Road, providing a safer environment to encourage participation in active travel.

The scheme is promoted by Blackburn with Darwen Borough Council (BwDBC). The scheme is one of three being progressed as part of the “Pennine Gateway” corridor improvements.



Assurance Timeline

- 26th September 2019 – **Initial meeting** between Jacobs, BwDBC and Capita.
- 18th October 2019 – **Initial drafts of SOBC Strategic, Commercial and Management Cases received.**
- 21st October 2019 – **Initial RAG assessment** produced by Jacobs and issued to BwDBC & Capita.
- 22nd November 2019 – **First full suite of SOBC documents received.**
- November / December 2019 – A **period of intensive engagement** took place between Jacobs, BwDBC and Capita to address the issues identified in the RAG assessment.
- 30th January 2020 – **TfL board meeting** at which the scheme is seeking a funding recommendation.
- 10th February 2020 - **LEP board meeting** where the scheme will seek approval for a written decision.

Issues to Note

As outlined above, through a period of engagement between Jacobs, BwDBC and Capita, the key issues which were originally identified in the RAG assessment have now been resolved.

However, there are a number of areas in the SOBC where we have some concerns about the evidence presented. Whilst we don't expect these issues to impact the decision on whether to grant funding approval for the scheme (or necessitate further updates to the SOBC), we are flagging them in our assurance report for completeness.

Further detail is included in our RAG assessment, but the main areas of concern are summarised below:

1) Traffic modelling

We have identified a number of potential weaknesses in the traffic modelling undertaken. However, through discussion with Capita, we believe that these are not likely to significantly negatively impact the assessment of transport user benefits and consequently Value for Money. However, they may still have consequences for the outcomes of the scheme and public perception, so for completeness they are outlined below;

- The modelled area does not cover Old Bank Lane, which connects modelled parts of Haslingden Road and Roman Road. Potential re-routing of trips between Roman Rd and Haslingden Rd is not modelled. BwDBC have provided evidence that the number of trips affected is likely to be modest.
- The scheme appears to meet WebTAG thresholds for Variable Demand Modelling (VDM), but an assessment of the potential impact of VDM has not been conducted. Evidence presented indicates that, given the small change in average delay per vehicle with the scheme and all dependent development, the impact of VDM on the scheme BCR is not likely to be materially significant.
- Trip rates for all employment sites have been based on those for typical industrial estates of the same Gross Hectarage. However, the Medipark and other sites which are more heavily office-focused will have different trip patterns in peak hours, and as such the modelling is likely underestimating the level of additional traffic and associated congestion generated by these employment sites.
- The methodology for developing forecast traffic growth has, in our view incorrectly excluded background traffic growth and constrained the total level of traffic growth including dependent development to BwDBC-wide average National Trip End Model (NTEM) growth levels. This results in no net increase, and in some forecast scenarios a net decrease, in existing trip patterns. In our view, this neglects growth in background traffic between 2019 and the final forecast year of 2026 of potentially

around 4%. While this issue affects all scenarios equally and therefore is not likely to have a significant negative impact on the BCR, it should be noted that we believe this is likely to result in the forecast level of traffic and congestion being underestimated, and this may result in future performance being slightly worse than forecasted.

The cumulative impact of the above issues is that future traffic on the local road network maybe slightly in excess of the forecast predictions, and associated levels of congestion may be higher. BwDBC's Planning Officer letter confirms that the delivery of the scheme will be considered sufficient for granting permission to all sites deemed dependent on the scheme, and thus the economic impacts should not be affected. However, the modelling results suggest that even with reduced modelled traffic growth, delays may surpass present levels by 2026, and this may have implications for future growth along the corridor or necessitate further remedial intervention by BwDBC at a later date.

BwDBC and Capita have presented a zero growth sensitivity test and "level 3" analysis, including external transport impacts of the developments and land value uplift calculations with switching value analysis, consistent with WebTAG unit A2.2. The magnitude of the transport user benefits and external transport impacts are similar, and this gives confidence that the transport capacity being created is being fully utilised for unlocking development. We recognise that the primary objectives of the scheme are associated with economic growth rather than traditional transport user benefits, and the "level 3" analysis provides confidence that the scheme represents high value for money as a result of the achieved economic growth, and the issues identified above are unlikely to materially affect the value for money assessment.

It should be noted that the scheme will not, and is not intended to, fully resolve traffic issues on the Haslingden Road corridor. Traffic modelling results show that the preferred option will be at or overcapacity in the final modelled year (2026) once dependent development is constructed, with levels of delay in excess of what is presently experienced (thus justifying the need for intervention). As noted above, we consider that these forecasts may themselves under-state potential future traffic growth. Although the preferred option will therefore allow the fulfilment of BwDBC's Local Plan 2 growth ambitions, further intervention is therefore likely to be required if BwDBC maintain aspirations for further growth along this corridor beyond the end of the current Local Plan period.

2) Appraisal Summary Table (AST)

The AST does not provide a summary of all impacts of the scheme, particularly social and environmental impacts, but instead refers to other documents which have not been shared with Jacobs. While these impacts are expected to be small or moderate, and unlikely to affect the overall Value for Money of the scheme, Jacobs has not been able to assure the validity of these assessments.

3) Private Sector Investment

The methodology BwDBC have used to estimate the private sector investment figure for South East Blackburn differs from the methodologies previously applied to the North East Blackburn and Furthergate schemes. As such, the value of private sector investment reported by the previous Pennine Gateway schemes in Table 1 is not directly comparable with the values presented in the SE Blackburn Business Case.

However, we consider the new methodology to be robust, and note that had it been applied consistently to the previous Pennine Gateway schemes the predicted levels of private sector investment would be higher than previously reported, and the combined Pennine Gateway programme total would still exceed the programme target.

4) Cycling and Pedestrian provision

The East Lancashire Highways and Transport Masterplan specified that alongside the widening of Haslingden Road, "safety for cyclists and pedestrians will also be improved" by the scheme. However, the preferred option only contains very limited provision for cyclists and pedestrians.

BwDBC have stated that they still have "wider aspirations for the area to provide fully segregated cycle routes along existing public right of ways", although there are no specific proposals to meet this aspiration. We therefore consider that this represents a missed opportunity to integrate these enhancements into the scheme design in a cost-effective manner.

Key Points of Scheme

Scheme Cost - The total investment cost is £11.56m, including £1.07m risk.

Programme – Construction work is due to start on 13th April 2020 and complete by 16th April 2021.

Funding – BwDBC stated they will commit to funding the balance between the allocated Growth Deal funding (£9.05m) and the scheme cost (£11.56m) and any cost overruns. A copy of BwDBC's Section 151 Officer letter is included in **Annex B**.

Scheme BCR - The Economic Case for the scheme is strong, with the analysis presented showing that the scheme has a core Benefit to Cost Ratio (BCR) of 3.3 (representing 'High' value for money under DfT classifications for transport schemes). As outlined in the traffic modelling section above, zero traffic growth sensitivity tests result in the scheme BCR dropping to 1.4 (which represents 'Low' value for money).

When the external impacts and Land Value Uplift of dependent development are considered, the scheme is predicted to achieve a BCR of 1.4 with 50% additionality and 1.8 with 70% additionality. From our experience, these are strong BCRs resulting from Land Value Uplift for a scheme in the North West of England. Given the significance of the scheme in meeting BwDBC's Local Plan aspirations, we consider the higher end of these estimates robust, giving additional confidence in a 'High' Value for Money assessment.

GVA Benefits – The Economic Case identifies 14 developments sites which are dependent on the South East Blackburn scheme. These sites are expected to unlock 647 houses and create 3,857 jobs by 2025. The associated GVA assessment for these sites is forecast to generate £240m (2010 prices discounted to 2010) of net GVA benefits for the local economy over a 15 year period after the scheme's completion.

This results in the combined Pennine Gateway programme providing a forecast £493m (2010 prices discounted to 2010) of net GVA benefits for the local economy, exceeding the original target outputs (to 2025) submitted to the LEP for the Pennine Gateway programme by £40m. The programme is expected to create 1,074 houses and 4,295 jobs in total, exceeding the target outputs of 1,000 houses and 3,950 jobs by 2025.

LEP Economic Outputs

The South East Blackburn scheme was submitted as part of the wider Pennine Gateway Project, for which BwDBC sought to receive Growth Deal funding.

A comparison of the South East Blackburn scheme's forecast economic outputs, compared against the total expected for the Pennine Gateway project and those reported in the SOBC for the Furthergate and North Blackburn schemes, is provided in **Table 1**. Further information on the economic outputs of the South East Blackburn scheme is contained within **Annex C**.

In addition, **Annex D** contains a letter from BwDBC’s Planning Manager related to the planning position of these sites with relation to the scheme. This document provides sound evidence to demonstrate that the identified developments sites (which form the basis for the reported economic outputs and GVA assessment) can be considered ‘dependent’ on the South East Blackburn scheme. **Table 1 - Economic Output Comparison to 2025**

Economic Output	South East Blackburn	North Blackburn	Furthergate	Combined Pennine Gateway Total by 2025	Target Total by 2025	Difference vs Target
Housing units	647	427	Nil	1,074	1,000	+74
Private sector investment	£165m	-	£40m	£205m	£178m	+£27m
Jobs	3,857	-	438	4,295	3,950	+345
Commercial floor space	91,595 m ²	-	17,500 m ²	109,095 m ²	73,290 m ²	+35,805 m ²
GVA [‡]	£240m	£17m	£236m	£493m	£453.6m	+£40m

[‡]Output GVA numbers presented here are given in 2010 prices and values discounted to 2010, and adjusted for displacement and leakage at a 95% degree of confidence.

Annual cumulative totals of these economic outputs are provided in **Table 2**.

Table 2 – South East Blackburn Annual Economic Output

Year	Houses	Commercial Floorspace	Jobs	GVA [‡]
2019	-	11,496 m ²	479	£38.5m
2020	60	-	-	£2.2m
2021	91	4,500 m ²	250	£20.3m
2022	112	9,396 m ²	261	£20.1m
2023	142	15,564 m ²	775	£49.0m
2024	120	15,564 m ²	775	£44.1m
2025	122	35,076 m ²	1317	£66.0m
Total	647	91,595 m²	3857	£240.2m

The South East Blackburn scheme was allocated additional funding in 2019 by the LEP beyond the original ask of the Pennine Gateway package, on the basis that the extended scheme would provide additional economic outputs beyond the original Pennine Gateway submission. The combined target economic outputs for both the original Pennine Gateway Submission and the extension are shown in the tables below for information.

Table 3 – Target Economic Outputs of Pennine Gateway by 2025

Economic Output	Original Pennine Gateway Submission	South East Blackburn extension (2025)	Pennine Gateway Target Total by 2025
Housing units	870	130	1,000
Private sector investment	£125m	£53m	£178m
Jobs	3,750	200	3,950
Commercial floor space	64,000 m ²	9,290 m ²	73,290 m²
GVA [†]	£414.7m	£38.9m	£453.6m

Additional economic outputs are predicted as a result of the scheme between 2025 and 2030. However, these are subject to a greater degree of uncertainty, being beyond the Local Plan period and in part due to supply-chain and multiplier effects. The values presented in Table 1 above only contain economic outputs up to 2025 which have a higher degree of certainty, and this should be borne in mind when drawing any comparison with the 2030 targets.

Table 4 –Target Economic Outputs of Pennine Gateway by 2030 (for information)

Economic Output	Original Pennine Gateway Submission	South East Blackburn extension (2030)	Pennine Gateway Target Total by 2030
Housing units	870	200	1,070
Private sector investment	£125m	£65m	£190m
Jobs	3,750	550	4,300
Commercial floor space	64,000 m ²	13,935 m ²	77,935 m²
GVA [†]	£414.7m	£149m	£563.7m

Conclusions

Following our review of the SOBC for the South East Blackburn scheme, it is our view that the scheme should be granted **'Full Approval'** status, to enable construction to begin in April 2020.

Appendices

Annex A - RAG Assessment

Annex B - Section 151 Officer Letter

Annex C - Economic Outputs Assessment

Annex D - BwDBC Planning Manager Letter

Scheme Description:

Upgrading of A6077 Haslingden Rd to 4-lane single carriageway between Lions Drive and Old Bank Lane with new upgraded northern access to Royal Blackburn Hospital and junction upgrades along the route of the widened road.
Construction of a new link road through Blackamoor Rd development site connecting Blackamoor Rd with Roman Rd at existing Newfield Dr junction, with junction converted to signals and remodelled, and stopping up of Blackamoor Rd arm at existing Blackamoor Rd/Roman Rd/Stopes Brow junction

The purpose of this review is to examine the evidence base for the above scheme in order to identify any gaps
Additional work can then be undertaken on the scheme to ensure the business case for the scheme is comprehensive, which will limit the risk of future challenges.

Business Case	Criteria	Evidence	RAG Analysis	Jacobs Recommendations on Draft SOBC chapters	Promoter Response (Capita)
STRATEGIC	Existing arrangements for the provision of services	<p>Include a description of the current situation Mostly covered directly by Section 1.1</p> <p>Can services be better utilised, or are more fundamental changes required? Section 1.1 and 1.2 provide this detail</p> <p>What are the constraints? Detail in Section 1.5</p>		<p>Existing structure of highway network shown, limited info on other modes and land use, wider layout of Blackburn and surrounding area.</p> <p>Some additional detail on key drivers of demand (hospital, residential and employment areas) and provision of alternative modes would be helpful</p> <p>Key constraints outlined in section 1.5 but only early WIP info, needs to be confirmed. Limited info on geographic constraints on options available</p>	Further detail on other modes and land uses added. Some additional context text and images added to Section 1.1 of the business case. Please also see the Baseline Conditions Report and the Options Appraisal Summary Report provided as Appendices.
	Problem Identification	<p>How have the problems been identified? Section 1.1 identifies main problems</p> <p>Provide quantification of the extent of the problems Section 1.1 provides some tables quantifying link stress. Additional quantification would be beneficial</p>		<p>Some additional quantification of other issues beyond just flows and theoretical capacity would be beneficial. Eg quantification of air quality measurements and change over time, existing delays, journey times and reliability, difference in speeds between peak and inter-peak. This should be readily available from data used to validate traffic model or BwD's own reporting.</p> <p>What is root cause of problems - can these be addressed or is scheme just treating symptoms?</p> <p>Some evidence on ability to manage future demand through W&C/Public Transport provision improvements to reduce future traffic growth within network's ability to cope. (i.e. reasons why this would not be sufficient)</p> <p>(some google maps photos provided of peaks, but not inter-peak. Also Google Maps is a bit of a black box with regards to what different colours actually represent)</p>	Further quantification of issues is provided in the Baseline Conditions Report. Some additional text added to Section 1.1 and Section 1.2 of the business case.
	The need for investment	<p>Why is the scheme needed now? Section 1.1 and 1.2, Table 1.1.2 shows that critical point is being reached in network</p>		<p>Info presented in table 1.1.2 is good on establishing why intervention is needed now.</p> <p>Could be coupled with more info on other objectives/impacts to tie the threads together - is this preventing delivery of sites, and do sites need to start construction now/soon in order for delivery of meet Local Plan assessment of needs</p>	
	Impact of scheme not being delivered	<p>Impact on transport network, economy, future development, other schemes etc. Section 1.2 contains these details</p>		<p>As above, whilst it's clear what the impact of not proceeding is from a transport perspective, lacks a strong connection to the wider economic situation - applications only "at risk" of refusal, ambitions only "threatened" - underplaying potential scale of problem and strength of connection between scheme and growth.</p>	Wording revised to emphasise the potential scale of impacts of not progressing.
	Study Area / affected population	<p>Include a plan showing the scheme location. Provide a description / plan of targeted population. Section 1.2</p>		<p>Study area and plan of scheme location provided and clear.</p> <p>There is an obvious inconsistency between the study area and the modelled area, as the modelled area has gaps of routes which join other parts of the modelled area, are relatively short and fall entirely within the study area. These gaps should be filled</p>	
	Scheme Objectives	<p>What are the aims of the proposed scheme, and how do they address all the problems identified? Section 1.3 provides the scheme objectives</p>		<p>General comment - overly wordy, objectives can be SMART without using S,M,A,R and T as sub-headings. Some inconsistencies within objectives, and despite the use of S,M,A,R and T sub-headings some objectives do not actually fulfil the requirements to be SMART</p> <p>Objective 1: Objective is to "Reduce congestion..." but text and measurement refer to increasing capacity. Re-write text to focus on congestion. Measures of congestion needs to be identified - is it average speeds, journey times, journey time reliability, queue length etc? Is it only focused on peak periods? Need to identify how success is to be monitored and evaluated.</p> <p>Objective 2: Improve Local Air Quality Not sufficiently specific on what the improvement will be and how success measured/determined - i.e. NOx or Particulate emissions. What is AQMA target? Additionally presume BwD are publishing annual reports on measurements at the AQMA, suggest referring to these and the measurements they are publishing.</p> <p>Objective 3: "Support future housing" - a bit woolly, and therefore hard to determine if this objective is achieved, particularly over a wide area and scattering of sites. Scheme could be said to have "supported" housing growth even if developments don't go ahead or would have gone ahead anyway. Suggest more specific target and measurements to be identified - i.e. pick out the key sites. What is impact on achievability of this objective if there is disruption in the wider economy which impacts on the sites? Should objective measurement be linked to performance of identified sites relative to rest of housing market area? Additionally refers to Core Strategy 2011-2026, given some sites are for longer-term delivery objective should refer to adopted and emerging local plan requirements instead.</p> <p>Objective 4: "Support development of employment opportunities" As above a bit woolly, sites need to be identified and named somewhere in the business case. Objective needs to consider the type of employment opportunities developed, as well as uptake - i.e. delivering empty offices doesn't fulfil the objective, the number of new jobs created and filled is what matters.</p>	Objectives updated.
	Strategic Fit (e.g. DfT's business plan and wider government objectives).	<p>How does the scheme contribute to key objectives, including wider transport and government objectives? Section</p>		<p>Objectives and priorities clearly identified.</p> <p>For national policy objectives, this section fails to draw the link between the scheme outcomes and these objectives.</p> <p>For regional and local policies and priorities, there is a gap in the narrative between what the scheme will physically deliver (increased capacity and reduced congestion) and what the local policy objectives are (inclusive growth that benefits local people, environment and health, increased demand for housing)</p>	

RAG Analysis	Jacobs Recommendations of Complete SOBC	Promoter Response (Capita)	RAG Analysis	Response (Jacobs)	Updated Promote Response (Capita)	Final RAG Analysis	Final Comment on updated SOBC (Jacobs)
	<p>Details of other modes given now in baseline conditions report. weakness - the walking and cycling section fails to highlight the parts of the cycle network that form part of the Weaver's Wheel route and the Spur and Spoke routes connecting to it.</p> <p>Baseline conditions report contains some info on census demographic data, but detail on key demand drivers still missing (i.e. identifying Hospital and other key employment sites on a location plan)</p> <p>Risks and constraints outlined in section 1.5 updated based on risk registers. Still no info on geographic/environmental constraints provided e.g. Environmental Constraints Plan and physical constraints/ townscape</p>			As before			
	<p>More data on existing delays and JTs provided in baseline report. A comparison of these with forecast delays and JTs along the same routes from the model without the scheme would be beneficial to demonstrate how things get worse.</p> <p>No additional quantification of present Air Quality measurements provided for the AQMA. This should be available from BwD's air quality monitoring at the AQMA</p> <p>Little further identification of root cause of problems Little further info on Walking/Cycling/Public Transport potential to offset traffic growth. Current extremely poor provision for alternate modes used as justification for why alternate modes would not have an impact in the OAR, but this would seem to indicate in fact that any improvement in provision would represent a step change and could have significant impact.</p>			As before			
	This narrative is now stronger						
	<p>Objectives now clearer</p> <p>Objective 1 - "Enable BwDBC's growth ambitions (up to 2025) to be realised without adversely impacting on the current level of service (congestion) provided by the Haslingden Road Corridor and adjoining local highway network" modelling results (showing greater delay per vehicle in 2026 Scenario R than in the baseline) appear to indicate that the scheme does not meet this objective. This additionally calls into question whether all dependent development can be delivered through the scheme, as a key reason for dependency was that current conditions on the road network were unacceptable. Recommend either providing additional geographic breakdown beyond average delay per vehicle, eg comparison of modelled delay on key JT routes, might help to demonstrate achievement of the objective. Or, consider whether wording of this objective ("adversely impacting on the current level of service") is appropriate</p> <p>East Lancashire Hightwaws and Transport Masterplan states that Haslingden Road scheme "will widen Haslingden Road and upgrade mini roundabouts to signalised junctions, facilitating future regeneration and reducing congestion. Safety for cyclists and pedestrians will also be improved." The highlighted section should have formed an objective for the scheme, given it is a clear aspiration of local policy</p>	<p>Traffic modelling and analysis undertaken since the preparation of the East Lancashire Highways and Transportation Masterplan has indicated that the introduction of signalised junctions would have a detrimental impact on the effective operation of the local highway network. The cost of signalising all of the junctions along the Haslingden Road corridor is also likely to have been prohibitively high. The current proposals include measures to improve pedestrian crossing facilities at junction by providing dropped kerbs and tactile paving and by widening splitter islands to provide sufficient width to act as pedestrian refuges. There are also wider aspirations for the area to provide fully segregated cycle routes along existin public right of ways to improve and extend the Weavers Wheel network in the area. It is hoped that these improvements can be funded through s.106 developer contributions.</p>		<p>Objective 1 has replaced the word "current" with "existing", which does not change the meaning of the objective. There remains a risk that the scheme will not meet the objective. We recommend changing the wording to "...future level of service..."</p> <p>Additional objective to improve safety for pedestrians and cyclists added.</p>			
	<p>East Lancashire Highways and Transport Masterplan (which is BwD's own policy) states Haslingden Road scheme "will widen Haslingden Road and upgrade mini roundabouts to signalised junctions, facilitating future regeneration and reducing congestion. Safety for cyclists and pedestrians will also be improved." This requirement has not been identified in the Policy Fit. Scheme does not appear to meet the policy aspirations, and even appears to be adverse for cyclist and pedestrian provision and safety, as upgraded junctions will have two-lane circulatories and will be carrying higher flows, and seemingly no improvement (or even reductions) to cyclist and pedestrian facilities. eg, footway and shared footway space is being lost, and the widened road will be harder to cross and may encourage higher speeds in off-peak times. Explicit evidence of how the scheme will satisfy this ELHTM requirement is needed in the Policy Fit section of the case.</p>	See above.		<p>Some additional info provided in the Strategic Fit section, but the specific text is not included and referred to.</p> <p>General description of improvements in crossing facilities, however specific locations are not identified, and the specific safety improvement requirement is only indirectly addressed.</p>			

Business Case	Criteria	Evidence	RAG Analysis	Jacobs Recommendations on Draft SOBC chapters	Promoter Response (Capita)
STRATEGIC	Option Identification	<p><i>How were potential problems identified?</i> Section</p> <p><i>Evidence that alternative options (covering a range of different modes) were considered</i> Section</p>		<p>List of other highway options considered is provided. Brief details of how they were identified. More detail expected in OAR (to be provided)</p> <p>No detail of consideration of non-highway mode options, whether highway and alternate mode solutions could have been integrated to provide benefits to all users.</p> <p>What has been considered in terms of; Bus priority and better bus provision Non-motorised users Technology</p> <p>Both as a separate solution and to enhance the benefits of the highway options</p>	Please refer to OAR Summary Report and EAST
	Early Assessment and Sifting	<p><i>Methodology for sifting options</i> Section</p>		<p>Description of a sifting approach, detail to be provided in OAR</p>	Please refer to OAR Summary Report and EAST
	Identification of short listed options	<p><i>How were the potential options shortlisted?</i> Section</p> <p><i>What were the other shortlisted options?</i> Section</p>		<p>Other shortlisted options provided, but details of how shortlist was reached from high-level options not provided</p> <p>More detail expected in OAR</p>	Please refer to OAR Summary Report and EAST
	Consideration given to the economic, environmental and social benefits of the possible approaches	<p><i>What are the high-level strategic and operational benefits envisaged? How do they link to the objectives of the scheme?</i> Section</p>		<p>Not clear that these were considered beyond a broad expectation that doing a scheme will be positive</p>	Please refer to the Social and Distributional Impacts Report (Appendix M)
	Consultation / stakeholder engagement	<p><i>Provide details of any consultation events or stakeholder engagement that has taken place / is planned?</i> <i>Who was consulted?</i> <i>Include consultation results where available.</i> Detail provided in section 1.6</p>		<p>Information provided and seems sensible at high-level, but more detail in separate appendix yet to be provided</p>	Please refer to Communications Strategy, Letters of Support and Public Consultation Responses provided as Appendices E, F and G respectively.
	Preferred Option	<p><i>How was the preferred option identified?</i> Section 1.7 provides some background, but most will be contained in Appendices (to be provided)</p> <p><i>Reasons why it was the preferred option.</i> Section</p>		<p>Description of process of using EAST-like approach. Alternative options identified and best performing, next best and cheaper alternative options identified. Insufficient detail to determine reasons why preferred option selected in main Strat Case document - refer to Option Appraisal Report Appendix which has not yet been provided.</p> <p>Further review required when OAR provided</p>	Please refer to OAR Summary Report and EAST
	Traffic Modelling work undertaken	<p><i>Details of any traffic modelling work which has been undertaken.</i> Section</p> <p><i>Results of modelling work</i> Section</p> <p><i>Has the need for any further traffic modelling work been identified?</i> Section</p>		<p>Clear gap in traffic model with parallel routes to main scheme corridor not fully modelled and not connected when they do connect on the ground. This needs to be addressed</p>	Parallel routes serve different origins and destinations. Alternative route choices would require increased journey distances along congested links. Examples of possible route choice to hospital do not exist as there is unlikely to be a choice of which access to the hospital can be used. Each access serves a different part of the hospital.
	Level of public support considered?	<p><i>What are the attitudes of key groups (e.g. the general public, residents, businesses and wider stakeholders) to the proposed scheme?</i> Section</p>		<p>Need detail in separate appendix</p>	Please refer to Communications Strategy, Letters of Support and Public Consultation Responses provided as Appendices E, F and G respectively.
	Key risks and constraints identified?	<p><i>What are the main risks associated with delivering the scheme?</i> Section</p> <p><i>Include a Risk Register containing appropriate mitigation measures.</i> Section</p>		<p>Key constraints identified, clear and as expected, but currently WIP</p>	Please refer to updated risk registers provided in Appendix D
Connectivity with other schemes assessed?	<p><i>How does the scheme impact on other planned schemes?</i> <i>What is the overall level of impact in combination with other connected schemes?</i> Section</p>		<p>No detail provided of how this scheme interacts with either any other Pennine gateway schemes, other improvements being undertaken in Blackburn by BwD, or any HE or NR schemes. Some high-level consideration of how the scheme fits with any wider regional (TfN and LCC) priorities and the TfN Strategic Transport Plan and Central Pennines Strategic Development Corridor would also be beneficial.</p> <p>Have HE formally responded that they have no comment, are they supportive, or have they not replied? Do HE have any planned changes to M65 J5?</p>	HE have offered no objection to the planning applications submitted. The scheme proposals were presented to HE (and their Spatial Planning Framework consultants WSP) who recognise the benefits the package will bring to the local network and the borough in terms of enabling growth. HE do however have concerns regarding the impact of growth on the M65 and its junctions.	

RAG Analysis	Jacobs Recommendations of Complete SOBC	Promoter Response (Capita)	RAG Analysis	Response (Jacobs)	Updated Promote Response (Capita)	Final RAG Analysis	Final Comment on updated SOBC (Jacobs)
	OAR consideration of non-highway options is very high-level and doesn't hold up to much scrutiny (attributing no impact to most measures) Additionally, no apparent consideration of multi-modal approaches eg parallel segregated cycle routes, improved ped and bike facilities at junctions, bus priority measures at junctions etc.			As before			
	Methodology sound						
	OAR provided						
	A number of the letters of support are for the wrong scheme (North Blackburn!) Additionally, consultation results do not include any summary of number of responses, levels of overall support etc Not clear if stakeholders and general public actually do support scheme	Updated Letter Provided		Correct letters of support provided At present no summary info from consultation indicating overall wider level of support from stakeholders.			
	OAR provided, choice of preferred option appears robust						
	Gap in traffic model still present, no indication of any consideration of route choice in the model. Given the scheme will have non-uniform impacts on congestion across the modelled area (particularly Haslingden Rd will be significantly improved, Blackamoor Rd and Roman Rd will not be much improved) there is potential for some route choice change. We believe that trips between the following areas may be likely to switch route choice between Haslingden Rd and Roman Rd; The Fishermeor area to/from M65 J5 Stoped Brow and Roman Rd South to/from Royal Blackburn Hospital (both entrances) Due to the current limited coverage of the model, any trips being made between these ODs via Roman Rd will appear to exit the modelled area on Roman Rd and re-enter it on Old Bank Ln We recommend you provide either; Evidence that the number of users making these trips is small and will not impact the model, or A sensitivity test demonstrating the impact of switching trips between these routes No low growth or high growth sensitivity tests are provided in line with WebTAG requirements Additionally, no consideration of variable demand despite scheme meeting WebTAG thresholds for requiring VDM. No consideration of impact on/of trip frequency and peak spreading in modelling despite peak spreading issue being identified in Strategic Case Testing to establish need to VDM should be conducted in line with WebTAG M2 Section 2.2. The results of this test need to be presented to demonstrate that VDM is not needed. Trip rates used to model commercial developments appear to be based on per-hectare rates for an industrial estate and are not suitable for modelling a number of the key development sites, which are office-based and will therefore both have significantly higher job densities and different trip patterns in peak hours	The extent of the modelled network was considered at the ASR stage. The modelled area is considered to be appropriate as the parallel routes serve different purposes with A6077 Haslingden Road providing access to the M65 and Roman Road providing access to predominantly rural areas to the south. Given the primary objective of the scheme is to allow development to occur without impacting on current levels of service, route choice is not considered to be significantly impacted by the scheme proposals. Additional sensitivity tests have been prepared and results included within the appropriate documentation. It is considered that these sensitivity tests would adequately cover the small probability of any VDM impacts within the study area. There is very little information about the Medi-Park development and if this would be 'office-based' or supply chain or associated industries for the hospital. There is no current plans detailing if this would be B1, B2 or B8 or in what proportions if split across these land uses. There is no trip rate for B1 uses that can be applied to site area and as such use of industrial estate trip rates are considered appropriate. Within our assessments the scenarios have also been controlled to Temprow as per WebTAG guidance and as such the use of alternate trip rates is unlikely to have had a significant impact on modelling or economic appraisal results.		Evidence of likely impact of route choice provided and demonstrates impact likely to be modest Zero growth now provided Some fairly limited information indicating scale of impact of VDM expected to be small provided. We do not consider this especially robust but recognise that Level 3 Analysis reduces need for VDM. Additional information has been sought on how forecast demand has been calculated, specifically how TEMPro constraint has been applied. This, coupled with development trip rates, remains a key area of concern as we need assurance that the difference in traffic volumes between scenarios P/S and R is not being underestimated.	Trip Rates Additional text added into para 2.8.2 of the LMFER report stating that 'Assumptions have been made around trip rates from potential future employment sites impacting on the modelled area, with the exact future use of a number of sites, particularly around RBH and the Medipark site, currently unknown. These could be supply chain industries for the hospital with shift patterns outside of peak periods.' No sensitivity test has been undertaken to test the impact of higher trip rates associated with office development, however it is acknowledged that trip rates have been constrained to TEMPRO. Requested evidence about how the trip rates might differ. VDM Additional text added into the first paragraph of Page 19 of the LMFER. Requested modelling evidence which shows that the existing levels of service have been maintained	Additional info provided on application of TEMPRO constraint and trip rates. Some concerns remain about how the forecast demand has been determined, and we believe that the methodology of not applying background growth, and of constraining development traffic to NTEM BwDBC average levels in a modelled area significantly smaller than the district as a whole, result in an under-estimation of future traffic levels by about 4% of baseline traffic. We do not believe that these will result in a change in the VfM category of the scheme however, although it is possible that the scheme's capacity will be reached earlier than anticipated from the traffic modelling.	
	Consultation results do not include any summary of number of responses, levels of overall support etc Not clear if stakeholders and general public actually do support scheme			As previously			
	Key risks updated, full risk register with light-touch QRA provided						
	Can details of those discussions with HE and WSP be included in the Strategic Case. Additionally there appears to be a risk that a lack of capacity at M65 J5 could prevent the identified unlocked developments going ahead. This is a potential showstopper . Need to demonstrate that there is not an adverse impact on HE's network and M65 J5 from the dependent developments with the scheme in place. Without such evidence there is a risk that HE will object to development proposals after the scheme has been delivered, preventing the economic benefits from being realised without further investment. Still no detail how scheme impacts on other schemes in BwD and wider area. Scheme contains part of Weavers Wheel route and the spoke and spur routes leading to it, but no mention of this in Strat case and the impact the scheme will have on the Weavers Wheel	More detail provided by Mike Cliffe.		Confirmation of Highways Agency position from Local Plan IDP and adoption, HE to fund any works to M65, no residual risk to existing allocations Slight residual risk to Blakewater College site as it is not a local plan allocation, but as existing use is school it is unlikely to have significant net impact on M65 and be objected to, and only forms a small part of overall economic outputs. Additional info to be provided on how developments will contribute to W&C improvements and interact with Weaver's Wheel			

Business Case	Criteria	Evidence	RAG Analysis	Jacobs Recommendations on Draft SOBC chapters	Promoter Response (Capita)
ECONOMIC	Outline approach to assessing value for money.	Evidence of any VfM assessment which has already been undertaken. Section			
	Consideration of economic, environmental, social and distributional impacts.	Qualitative / Quantitative assessment of the likely impact of the scheme Section			
	Appraisal Summary Table	Has an AST been produced? Section			
	BCR	Details of any economic appraisal work which has already been undertaken. Provide an indication of the likely VfM (using relevant schemes to benchmark where appropriate) where VfM assessment not been completed yet. Section			
FINANCIAL	Scheme Cost	Please provide as much detail as possible, including: - scheme development costs - itemised construction costs - running costs - maintenance costs - range cost estimates How were the scheme costs calculated? Section 3.1 provides light detail of capital costs from tender submission			
	Funding Arrangements	Detail the funding sources and values which have been outlined. LEP Growth Deal 3 Funding: BWD's own contribution: Outline any potential risks to securing funding. None apart from this assurance			
	Key Risks	Please provide a risk register including mitigation measures. Appendix D Has any sensitivity analysis been undertaken? What are the results? Risk register includes QRA, risk allowance included in costs			
COMMERCIAL	Is there a robust contracting and procurement strategy?	Outline the intended procurement strategy. ECI through framework with mini-bid from framework contractors How was the proposed procurement approach developed? Section		Appropriate strategy provided sufficient interest from framework contractors	
MANAGEMENT	Key risks and constraints identified?	What are the main risks associated with delivering and implementing the scheme? Include a Risk Register containing appropriate mitigation measures. Section		Risk mitigation strategy appears sound, use of fixed price contract will transfer risks to private sector Risk register not yet provided	Please refer to updated risk registers provided in Appendix D
	Delivery Programme	Please include indicative timescales for: - Scheme Development - Design - Procurement - Construction Project programme outlined in section 5.3		Programme looks ambitious but achievable, need confirmation from tender responses that 1-year timeframe to complete is realistic Plenty of time between assurance and start of construction	All tender responses confirmed that they were able to deliver to the timescales outlined in the programme.

RAG Analysis	Jacobs Recommendations of Complete SOBC	Promoter Response (Capita)	RAG Analysis	Response (Jacobs)	Updated Promote Response (Capita)	Final RAG Analysis	Final Comment on updated SOBC (Jacobs)
	TUBA files not provided for scrutiny, annualisation factors and their derivation not provided. Reported GVA impacts, due to lack of consideration of decay and long appraisal period, are implausible Lack of sensitivity testing for high/low growth	TUBA files provided. GVA Recalculated and sensitivity tests completed.		TUBA files provided, seem fine GVA impacts have been updated and reporting updated Zero growth sensitivity test now provided shows Med VfM (1.8 BCR) Level 3 analysis with LVU now provided, overall provides reasonable confidence of at Med/High VfM. However some issues with modelling cause concerns that may impact on these BCRs.			
	Very light-touch DI Non-Journey time impacts only considered at very high level. Approach to assessing GVA benefits does not consider decay of economic impacts over time, which coupled with 60-year appraisal period results in implausible results Shortfall in dependency evidence for a number of sites Reporting of overall economic impacts lacks a clear summary table comparing outcome of all Pennine Gateway schemes with predicted. Several inconsistencies in reporting of economic impacts of scheme in different parts of the business case.	GVA Recalculated. Dependency evidence (particularly planning letter) altered and reporting of economic outputs updated. +G41:I43F41:I43E41:I43L36H41:I43F41:I43E41:I43D41:I43L36H41:I43A40:I46B41:I43C41:I43D41:I43E41:I43		GVA appraisal period reduced to 15 years from scheme opening to account for decay Dependency evidence gap filled with updated Planning Officer letter			
	AST produced but does not contain summary scoring, only refers to other documents, some of wh	AST updated		Updated AST and other documents were not provided			
	BCR calculation not consistent with WebTAG A2.2 guidance - includes trips from dependent development (comparison of modelled scenarios Q and R) when it explicitly should exclude these (comparison of Scenarios P and S) Significant issues with modelling due to: Model coverage Trip generation from developments Lack of consideration of peak spreading and variable demand Lack of High and Low growth sensitivity tests Significant issues with monetised Greenhouse Gas assessment, appraisal either needs to be significantly changed to meet WebTAG A3 requirements or, if evidence indicates scale of impact unlikely to be significant at UK-wide level, replace with a qualitative assessment.	BCR Calculation updated. GHG assessment included as qualitative assessment only. On review, we also believe there is sufficient doubt around the calculation of accident benefits from COBALT that these should be omitted from the overall BCR calculation. The results are presented with and without COBALT disbenefits.		BCR calculation updated, now complies with WebTAG Awaiting information on identified weaknesses in modelling approach Level 3 analysis indicates similar magnitude of Transport User Benefit and External Transport Impacts, and LVU switching values indicate BCR close to 2.0. This provides additional confidence as modelling limitations affect both benefits and disbenefits similarly Greenhouse gas assessment reverted to qualitative			
	Text in financial case does not make it clear enough that these are tender returns (still mentions Capita as providing the scheme cost estimates) The range of tender cost submission could be provided (anonymised) to indicate the spread of cost estimates and provide confidence in the stated tender. No details of operation and maintainace costs provided			17/12/19- Capita to confirm whether a tender query that was raised over what should be included in the contractor's costing will impact the cost estimate.			
	No confirmation in case that BwD will cover any cost overruns Section 151 Officer letter has not been provided	Mike Cliffe to provide		Updated signed S151 Officer letter received 19/12/19. LEP confirmed they are happy with content.			
	All tendering done, contract in place, all seems good						
	Risk register now provided						
	Detailed programme provided does not appear to be complete (missing pages?)			Awaiting full programme			

Business Case	Criteria	Evidence	RAG Analysis	Jacobs Recommendations on Draft SOBC chapters	Promoter Response (Capita)
	Governance / Assurance work	<p><i>Who is in charge? What is the allocation of roles and responsibilities? Is there a Project Board?</i> Sections 5.1, 5.4, 5.6 - project board answering to LEP board, overseeing all decisions and meeting fortnightly, monthly progress meetings on-site</p> <p><i>What control measures will be put in place to ensure the scheme development process is managed suitably?</i> Section</p> <p><i>Has a SGAR been undertaken / scheduled?</i> Section</p>		<p>Project board but mostly comprises non-BwD staff. SRO is not a BwD officer.</p> <p>Is Timo Murphy seconded into BwD, and does the contract cover the full project programme? Can you provide some details on continuity plans in the event that he leaves.</p> <p>Senior users only includes Growth & Development, no membership from other internal stakeholders. Neither Senior Users or Senior suppliers appears to include membership from environmental, bus or sustainable transport representatives.</p> <p>Structure and management controls all ok.</p>	<p>Timo Murphy is a Capita employee and not seconded into BwD. Capita has a strategic partnership with BwD. Both organisations have worked collaboratively for 17 years. BwD and Capita have resilience in their teams to ensure continuity and that the delivery of the scheme is not jeopardised should anyone leave.</p>
	Evidence of similar projects that have been successful.	<p><i>Provide details of similar projects and their successfulness.</i> Section 5.1</p>		<p>Only project of similar magnitude presented - Wainwright Way (£11m) - had cost overruns. More details needed on the scale of these overruns and how change was handled, what are lessons learned, how have they been implemented?</p>	<p>The main lesson learned and implemented was the inclusion of a Project Management Team into all Growth Deal and Major Schemes. Previously, schemes had been administered by the Civil Engineering Design team who covered both the technical design amendments, Internal Project Management, Contract Project Management, Financial Management, Client care and Works management element of the scheme. The Project Management team were able to take on Financial management and Client Care aspects of the project and the associated reporting to the Client, allowing the Civil Design Team to concentrate on the Project Management element of the NEC Construction Contract.</p> <p>The Wainwright Way scheme was procured through an open tender. The GD3 schemes have been procured through an established Framework Contract which, through regular meetings with the Framework Contractors has led to an Open and Transparent relationship between the Client and Contractor. The Framework Contractors "buy" into the scheme through Invitation to Tender meetings. Upper levels of rates for Bills of Quantities have been established, giving the Client comfort in knowing the upper cost of the scheme before Tenders are submitted. In applying for the Framework, each Contractor has had to demonstrate works on schemes of a similar size and difficulty, furthermore the Quality Assessment for the GD3 schemes asked the Contractor to demonstrate the mechanisms they will employ to complete the scheme within their Tendered price.</p> <p>The Wainwright Bridge Scheme was a Target Cost Scheme with Bills of Quantities. It is noted that monitoring the Target Cost element; "pain and gain" proved to add further administration duties. This issue has been removed in the current form of Contract for the GD3 SE Blackburn project.</p>
	Who is the client / sponsor?	<p><i>Include details of the client / sponsor of the scheme.</i> Section 5.1</p>			
	Fall back Plans	<p><i>Do alternative schemes exist? Is there a lower cost alternative?</i> Section</p>		<p>Outlined in Strategic Case, alternative lower-cost options identified</p>	
MANAGEMENT	Arrangements for monitoring and evaluating the intervention.	<p><i>What will constitute success for the project, and how will it be measured?</i> Section</p>		<p>Need M&E plan</p> <p>M&E section makes repeated reference to DfT feedback and DfT framework for Local Authority Major Schemes. At £11m this is not a major scheme, and the DfT is not expected to provide any input. Please change the text to reflect the situation for this scheme.</p> <p>Several of the metrics selected do not appear to match the expected scheme outputs. Eg: Total lengths of newly built road: Link road will contribute to this metric Follow on investment at site: This is an expected economic output Commercial floor space occupied: This would be expected to be reported alongside job creation metrics Commercial rental values: as above</p> <p>Additionally some metrics expected but missing, eg: Average AM, PM and IP journey times along entire corridor Air quality (NOx and Particulate measurements) in Blackamoor Rd AQMA</p> <p>M&E plan will need to include table of expected outcomes for metrics eg. what sites are being considered for the housing, commercial floorspace and jobs metrics, what are expected units completed/jobs created by key dates at each. Additionally locations of traffic counts, air quality measurements, journey time measurements etc and forecast outcomes</p> <p>Please ensure, where appendices are referenced by multiple cases (eg M&E plan referenced in Strat and Mgt cases) that appendix numbering is consistent.</p>	<p>M&E Updated to reflect current scheme. Please also refer to Appendix C.</p>

GD3 South East Blackburn - Strategic Outline Business Case

Scheme Name:	South East Blackburn
Local Authority:	Blackburn with Darwen Borough Council

Scheme Cost Summary (£m)	
LA contribution capital (BwDBC)	£2.51m
Local Growth Fund	£9.05m
Total	£11.56m

Contact Details For Further Enquiries	
Lead contact: Position: Tel: Email:	Mike Cliffe Strategic Transport Manager 01254 585310 <u>mike.cliffe@blackburn.gov.uk</u>
Finance contact: Position: Tel: Email:	Gaynor Simons Deputy Finance Manager 01254 585635 <u>gaynor.simons@blackburn.gov.uk</u>

SECTION 151 OFFICER DECLARATION

As Section 151 Officer for Blackburn with Darwen Borough Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Blackburn with Darwen Borough Council have the intention and the means to deliver this scheme on the basis of its proposed funding contribution highlighted in Section 3.2 of the Strategic Outline Business Case (and above) for the period 2018/19 – 2020/21 on the understanding that no further increase in LEP funding will be considered beyond the maximum contribution requested. The Council will underwrite any cost overruns and deliver the scheme in full if costs escalate.

Name: Louise Mattinson

Signed:



Date: 17th December 2019

Blackburn with Darwen Borough Council

Economic Outputs Assessment

As part of our assurance of the SOBC documentation, a review was undertaken of the economic outputs that were provided to support the Economic Case.

A short summary of our review is provided below, indicating:

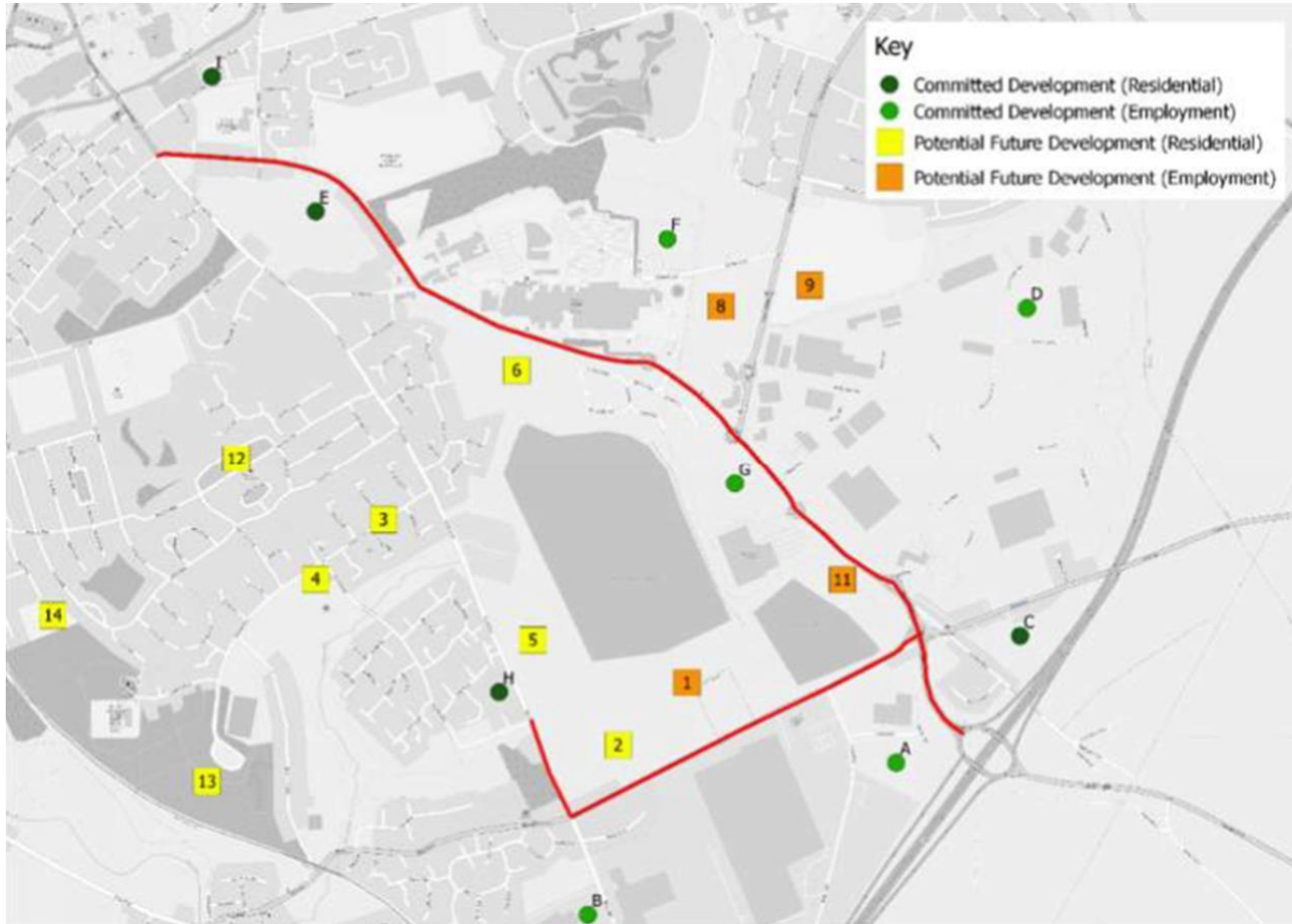
- ✦ Which Economic Outputs have been assessed;
- ✦ Which specific sites are in scope;
- ✦ The basis of the calculations for each output;
- ✦ How the economic outputs will be delivered;
- ✦ Certainty of delivery; and
- ✦ Monitoring and evaluation arrangements.

Economic Outputs

The following outputs have been assessed as part of the South East Blackburn Scheme, reflecting the requirements of the LEP:

- ✦ Housing Units;
- ✦ Private Sector Investment;
- ✦ Jobs;
- ✦ Commercial Floor Space; and ✦ GVA.

The South East Blackburn scheme is forecast to directly unlock 11 nearby development sites, comprising both residential and commercial uses, as shown on the plan overleaf:



Identified Committed Developments

Site ID	LP Ref.	Planning App	Site Name	Site Type	Number of Homes	Employment Area
A	13/9	10/19/0555	Premier Way (Walker) Business Park	Employment	-	2.6 ha
B	-	10/18/0800	Roman Road (Nr Davyfield Site)	Employment	-	2400 (m ²)
C	-	10/18/0075	School Lane	Housing	45	-
D	13/7	10/16/1303	Shadsworth Plot C	Employment	-	1.9 ha
E	-	10/09/0414	Haslingden Road (Brandy House) Site	Housing	103	-
F	-	10/17/1083	Old Bank Lane (New RBH) Car Park	Other (Redistribution Only)	-	-
G	13/8	10/18/0871	EG Waterside (Parcel A)	Employment	-	4.7 ha
H	-	10/16/0838	Beechwood Garden Centre Site	Housing	13	-
I	-	10/07/0766	Crossfield Street	Housing	27	-

Future Development Sites

Site ID	LP Ref.	Site Name	Site Type	Number of Homes	Employment Area
1	16/8	Blackamoor Road Development Site	Employment	-	3.7 ha
2	16/8	Blackamoor Road Development Site	Housing	70	-
3	28/6	Fishmoor Drive (Parcel 1) - Former THL Land	Housing	201	-
4	28/6	Fishmoor Drive (Parcel 2) - Former T2000	Housing	65	-
5	28/6 + 16/8	Fishmoor Drive (Parcel 3) Newfield School	Housing	101	-
6	16/7	Haslingden Road (Fishmoor Reservoir) Site	Housing	140	-
7	16/11	Johnson Road	Housing	70	-
8	13/6	Medipark Site	Employment	-	3.8 ha
9	-	TIBS / Fmr Blakewater College (Employment)	Employment	-	4.0 ha
11	13/8	Waterside Employment Site (Parcel B)	Employment	-	1.6 ha
12	28/6	Manxman Road, Highercroft	Housing	45	-
13	28/6	Fishmoor Drive (Parcel 4) - South Site	Housing	200	-
14	28/6	Fishmoor Drive (Parcel 5) - Longshaw HOP	Housing	30	-

Calculations

The assumptions for each site are shown in the table below:

Table C1 – Development sites dependent on the South East Blackburn Scheme

Site	Site Area (Ha)	Dwellings	Floorspace	Jobs	Completion Year
Blackamoor Road Development Site	6.82	-	37,600	1044	2025
Blackamoor Road Development Site	2.17	70	-	-	2025
Fishmoor Drive (Parcel 1) - Former THL Land	4.80	201	-	-	2025
Fishmoor Drive (Parcel 2) - Former T2000	1.10	65	-	-	2023
Fishmoor Drive (Parcel 3) Newfield School	3.15	101	-	-	2025
Haslingden Road (Fishmoor Reservoir) Site	6.90	140	-	-	2025
Johnson Road	7.60	70	-	-	2021
Medipark Site	3.80	-	18,500	1542	2025
TIBS / Fmr Blakewater College (Employment)	4.00	-	19,500	542	2025
Waterside Employment Site (Parcel A) - EG Waterside	4.65	-	11,495	479	2019
Waterside Employment Site (Parcel B)	1.40	-	4,500	250	2021
Total	46.39	647	91,595	3,857	-

BwDBC have provided the assumptions around how many houses each development site will accommodate and the completion year.

The following assumptions and parameters have been used in calculation of the GVA benefits:

- ✦ GVA benefit per housing unit: £10,283 per annum
- ✦ GVA benefit per job created: £20,566 per annum
- ✦ Discount rate: 3.5% per annum
- ✦ Appraisal period: 15 years from scheme opening

The GVA appraisal tables, showing GVA per year and split by site, are provided as Appendix N to the SOBC.

Applying the discount rate to the 'with scheme' GVA benefits and adjusting for additionality (displacement and leakage) using an adjustment factor of 39% gives a total GVA benefit associated with the South East Blackburn scheme of £240m.

Certainty of Delivery

The calculation of economic benefits relies on assumptions about investments made by private companies in the future. These assumptions are therefore necessarily subject to uncertainty. In order to best assure the validity of the economic outputs, it is therefore important to base assumptions on the best available data, informed by local knowledge of the appetite of private developers for investment.

Monitoring and Evaluation

A Monitoring and Evaluation Plan has been developed by Capita for the South East Blackburn scheme, and forms Appendix C to the SOBC.

The Monitoring and Evaluation section of the SOBC (section 5.8) summarises the range of metrics which BwDBC aim to assess. The following metrics are relevant to the economic outputs section;

- ✦ **Jobs connected to the intervention** (annual): Rate of delivery to be monitored by BwDBC and reported.
- ✦ **Commercial floorspace constructed** (annual): Rate of delivery to be monitored by BwDBC and reported.
- ✦ **Commercial floor space occupied** (annual): to be identified and reported to the LEP annually.
- ✦ **Housing unit starts** (annual): Rate of delivery to be monitored by BwDBC and reported.
- ✦ **Housing unit completed** (annual): Rate of delivery to be monitored by BwDBC and reported.
- ✦ **Follow-on investment at site** (annual): Any further transport investment which may come via s106 contributions from developers to improve the active travel and public transport infrastructure in the local area will be monitored.

In addition, the Monitoring and Evaluation Plan makes clear that these metrics will be specifically monitored for the development sites identified as being dependent on the scheme.



ANNEX D

Anne-Marie Parkinson
Investment Programme Manager
Lancashire County Council
PO Box 78
County Hall
Preston PR1 8XJ

Date: 10th December 2019
Our Ref: G&D/P/GP/LGF/SEB
Your Ref:
Please ask for: Gavin Prescott
Direct Dial: (01254) 585694
Email: planning@blackburn.gov.uk

Dear Anne-Marie,

Local Growth Fund: Strategic Outline Business Case (SOBC) – South East Blackburn:

I am writing to clarify the Council's position from a planning perspective in relation to the development of key strategic housing and employment sites to the South East Blackburn Scheme.

Within South East Blackburn there are a number of strategic employment and housing sites allocated within the adopted Blackburn With Darwen Borough Local Plan Part 2 (LPP2) (December 2015), which are adjacent to or close to the identified highway improvements. In allocating the employment sites under Policy 13 and housing sites under Policy 16 of the said Plan, the local planning authority recognised the need for future investment in transport infrastructure to accommodate pressure from the new development, and to unlock areas for development to take place (explanation paragraph 8.2 associated with Policy 45 "Major Road Schemes" – LPP2). Policy 45 identifies Blackmoor Road as one of five major road schemes defined in the adopted LPP2. Furthermore, where future investment takes the form of new or improved road links, it was also recognised by virtue of Policy 45, that there is a need to ensure that new development does not affect the proposed route of the road.

The proposed scheme is aligned with new development plots identified (as shown on the Adopted Policies Map), and aims to unlock the economic potential of the sites and encourage the provision of new quality buildings and spaces. There are a number of sites adjacent to the new highway improvements that have been identified for development within the Council's Adopted Local Plan, these are:

Employment Sites:

- Site 13/6 Evolution Park, Shadsworth Road, Blackburn
- Site 13/7 Plot C, Shadsworth Business Park, Blackburn
- Site 13/8 Waterside Employment Site, Haslingden Road, Blackburn
- Site 13/9 Premier Way, Walker Park, Blackburn.

Martin Kelly, Director of Growth and Development,
Town Hall, Blackburn, Lancashire, BB1 7DY

Housing Sites:

- Site 16/7 Haslingden Road Development Site (South East Blackburn)
- Site 16/8 Blackamoor Road Development Site (South East Blackburn)
- Site 16/11 Johnson Road Development Site

Development Opportunity Sites:

- 28/6 Fishmoor Drive Development Site (South East Blackburn)

Details on the Local Plan can be accessed via the following weblink:

<https://www.blackburn.gov.uk/planning/planningpolicies-strategies-and-guides/local-plan-part2>

In addition, to the allocated sites within South East Blackburn, which forms Phase 1 of Growth Deal 3, Phases 2 and 3 relate to the unallocated South East Blackburn Residential and Health Campus and associated additional highways infrastructure (see attached).

The strategic significance of the Local Growth Fund South East Blackburn Scheme cannot be underestimated as it was recognised by the local planning authority in allocating the identified sites for development, that future investment in infrastructure projects, such as the proposed scheme, would be required to ensure that the future impact on the highways network is successfully mitigated. Without this investment, such as the proposed scheme, development on the allocated and unallocated sites would not be supported by the local planning authority by virtue of the detrimental impact on the highway network.

It can therefore be concluded that the allocated employment and housing development sites within South East Blackburn, together with the unallocated South East Blackburn Residential and Health Campus are dependent on the Local Growth Fund South East Blackburn Scheme being approved by the LEP.

I trust this information is of assistance to you.

Yours sincerely,



Gavin Prescott
Planning Manager (Development Management)