

LEP - Transport for Lancashire Committee

Minutes of the Meeting held on Thursday, 1st October, 2015 at 10.30 am at the Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston

Present

County Councillor John Fillis (Chair)

Graham Cowley
Councillor Fred Jackson

Councillor Phil Riley

Observers

Tom Carbery, Network Rail

Richard Perry, Department for Transport

In Attendance

Joanne Ainsworth, Specialist Advisor, Finance, Lancashire County Council
Leighton Cardwell, Jacobs Consultants
Dave Colbert, Specialist Advisor Transportation, Lancashire County Council
Tom Flanagan, Executive Director for Place, Blackburn with Darwen Borough Council
Martin Galloway, Head of Network Management, Highways, Lancashire County Council
Peter Hibbert, Jacobs Consultants
Martin Kelly, Director Economic Development, Lancashire County Council
Mike Kirby, Director Corporate Commissioning, Lancashire County Council
Andy Milroy, Company Services Officer, Lancashire County Council
Gary Rowland, Atkins Consultants
Jeremy Walker, Transport Policy Manager, Blackpool Council

1. Welcome and Apologies for Absence

Apologies for absence were received from County Councillor Jennifer Mein, Lancashire County Council. County Councillor John Fillis introduced himself to the Committee as County Councillor Mein's nominated representative and would chair the meeting. Apologies for absence were also received from Observers Bruce Parker and Mike Sinnott.

2. Minutes of the meeting held on 5th June 2015

Resolved: The minutes of the Committee meeting held on 5th June 2015 were approved as an accurate record and signed by the Chairman.

3. Matters Arising

None

4. Declarations of Interest

County Councillor Fillis declared an interest in the Broughton Bypass item, he had considered a report regarding this proposal in his County Council role as a Cabinet Member.

Councillor Jackson also declared an interest in the Blackpool Integrated Traffic Management item, as this item was part of a scheme developed by Blackpool Council.

It was agreed that both could remain present for the full duration of the meeting but not vote on the respective items to which they declared an interest.

5. A6 Broughton Bypass - Full Approval Application

Gary Rowland from Atkins presented a report (circulated) on the independent assessment of the business case for the proposed A6 Broughton Bypass and recommended that the scheme be granted Full Approval.

The Committee noted that the scheme is predicted to provide very high Value for Money (VfM) with a benefit to cost ratio (BCR) of 5.8.

A low growth sensitivity test has been carried out resulting in a BCR of 3.9, which can still be categorised as providing a high VfM. It was noted that the Lancashire Enterprise Partnership Assurance Framework seeks to endorse projects that have a Value for Money ratio of at least 2.

It was also reported to the Committee that it is anticipated that the scheme has the potential to generate an additional £153m of Gross Value Added (GVA) benefits arising from the unlocking of residential development (650 dwellings) and the creation of employment opportunities (750 jobs).

Regarding the financial cost of the scheme, it was reported that the total cost of the scheme will be £24.3m, of which £8.8m will come from Confirmed Local Growth Fund, £6.7m will come from Competitive Local Growth Fund and £8.8m from Lancashire County Council / Third Party contributions. It was noted with regard the Third Party contributions that the Homes and Communities Agency (HCA) had paid £5.1m to date.

Resolved: The non-conflicted Committee Members endorsed the A6 Broughton Bypass – Full Approval Application and recommended that it be submitted to LEP Board for formal approval at its meeting to be held on 6th October 2015.

6. Blackpool Integrated Traffic Management - Funding Approval Application

Leighton Cardwell and Peter Hibbert from Jacobs presented a report (circulated) on the independent assessment of the business case for the Blackpool Integrated Traffic Management scheme.

It was reported that the Blackpool ITM Scheme consists of installing the following infrastructure:

- 16 fully functional Variable Message Signs,
- 19 Parking Guidance Information signs with variable elements,
- Car park monitoring system,
- CCTV,
- 24 static parking signs.

In addition it was reported that the estimated capital cost of the project was £2.16m (2015 prices) with proposed funding arrangements consisting of £1.51m Local Growth Fund Contribution (70%) and £0.65m Local Contribution (30%).

Funding will be spent over two financial years (2015/16 and 2016/17) with revenue costs of £1.59m (2015 prices) over a 15 year period (circa £100k per annum) to be met entirely by Blackpool Council. In addition, a 20% risk allowance is currently included. It is anticipated that the scheme has the potential to generate an additional £8.1m of Gross Value Added (GVA) benefits.

It was reported that the Benefit Cost Ratio (BCR) (excluding GVA benefits) was 1.09 (low VfM) and that the BCR (including GVA benefits) was 2.38 (high VfM).

It was noted by the Committee that a procurement exercise has not yet been undertaken (scheduled to start in November 2015) and that as a result optimism bias has subsequently been applied at 200% to the IT related costs and 66% to other costs. It is anticipated that the BCR would rise significantly if the tender costs come back in line with the scheme cost estimates.

The Committee raised a concern regarding the potential for the BCR of the scheme to fall below the Lancashire Enterprise Partnership (LEP) Assurance Framework Value for Money (VfM) Ratio threshold of 2.0 and requested that the procurement exercise be undertaken as soon as possible to provide an accurate BCR rating. On this basis, the Committee agreed to advise the LEP Board to grant approval but subject to the scheme still demonstrating a value for money (VfM) rating of at least the Assurance Framework minimum of 2.0 following procurement.

Resolved: The Transport for Lancashire Committee endorsed the Blackpool Integrated Traffic Management – Funding Approval Application, subject to scheme returning a VfM ratio of at least 2.0 following procurement and recommended that it be submitted to LEP Board for formal approval at its meeting to be held on 6th October 2015.

7. **Transport for the North and Lancashire Strategic Transport Prospectus - Update**

Dave Colbert, Specialist Advisor Transportation, Lancashire County Council, presented a report (circulated) that gave an update on the Transport for the North agenda and the Lancashire Strategic Prospectus.

It was reported that since the last Transport for Lancashire committee on 5th June 2015, the Transport for the North agenda has developed significantly. In the Summer Budget 2015 presented to the House of Commons by the Chancellor of the Exchequer on 8th July, the Government announced its intention to establish Transport for the North (TfN) as a statutory body with statutory duties to set out its transport policies and investment priorities in a long term transport strategy for the North, underpinned by £30m of additional funding over three years to support TfN's running costs and enable TfN to take forward its work programme.

An update on the interim Northern Transport Strategy, published on 20th March 2015, will be available by Budget 2016.

A key issue to date with Transport for the North has been its focus on the North's five city regions (Leeds, Liverpool, Manchester, Newcastle and Sheffield) and Hull and connectivity between them, set within the context of the Northern Powerhouse.

The TfN Partnership Board has agreed to extend its membership to include representatives from northern sub-regional partnerships not currently represented. County Councillor Jennifer Mein, Leader of Lancashire County Council and the Chair of Transport for Lancashire, has been nominated to represent Lancashire and Cumbria on the TfN Partnership Board, alongside George Beveridge, Chair of the Cumbria Local Enterprise Partnership.

The Lancashire Strategic Transport Prospectus has also now been further revised. It was reported that the current version, presented at Appendix 'A' for information, will ensure that Lancashire is better placed to influence the ongoing development of the Northern Transport Strategy. Transport for the North and the ongoing development of the Northern Transport Strategy will continue to be a major focus and driver in the development of the Northern Powerhouse. The Lancashire Strategic Transport Prospectus will therefore need to remain flexible and will continue to evolve to ensure the closest possible alignment and integration with the strategic Northern Powerhouse agenda with regular updates provided to the Transport for Lancashire Committee as required.

Resolved: The Committee noted the contents of the report and endorsed the updated Lancashire Strategic Transport Prospectus attached at Appendix 'A' to the report for approval by the LEP Board on 6th October 2015.

8. **Any Other Business**

None

9. Date of Next Meeting

It was noted that the next meeting of the Transport for Lancashire Committee was scheduled to be held on 2nd December 2015, 2pm at County Hall, Preston.