Lancashire
Enterprise Partnership

LEP - Transport for Lancashire Committee

Thursday, 1st October, 2015 in Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston, at 10.30 am

Agenda

Part I (Items Publicly Available)

1. **Welcome and Apologies for Absence**

2. **Minutes of the meeting held on 5th June 2015** (Pages 1 - 4)

3. **Matters Arising**

4. **Declarations of Interest**

5. **A6 Broughton Bypass - Full Approval Application** (Pages 5 - 22)
   Presentation by Atkins.

6. **Blackpool Integrated Traffic Management - Funding Approval Application** (Pages 23 - 158)
   Presentation by Jacobs.

7. **Transport for the North and Lancashire Strategic Transport Prospectus - Update** (Pages 159 - 194)

8. **Any Other Business**

9. **Date of Next Meeting**
   Wednesday 2nd December 2015, 2pm, Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston.

Lancashire
Enterprise Partnership

LEP - Transport for Lancashire Committee

Minutes of the Meeting held on Friday, 5th June, 2015 at 10.00 am at the Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present

County Councillor Jennifer Mein (Chair)

Edwin Booth
Councillor Fred Jackson

Observers

Tom Carbery
Bruce Parker
Richard Perry

In Attendance

Brian Bailey
Alan Cavill
Dave Colbert
Martin Kelly
Mike Kirby
Andy Milroy (Company Services)

1. Welcome and Apologies for Absence

The Chair, County Councillor Jennifer Mein welcomed all to the meeting. Apologies for absence were received from Councillor Phil Riley (Blackburn with Darwen Borough Council) and Graham Cowley (LEP Chair nominee). The Chair of the LEP, Edwin Booth, attended in place of Graham Cowley.

2. Declarations of Interest

None

3. Minutes of the meeting held on 13th April 2015

Resolved: That the minutes of the last meeting held on 13th April 2015 be approved and signed by the Chair.

4. Matters Arising

None

5. East Lancashire Strategic Cycle Network Scheme Funding Approval Application

Dave Colbert, Specialist Advisor Transportation, Lancashire County Council presented a report (circulated) regarding the East Lancashire Strategic Cycle Network Scheme funding application approval.

It was highlighted that Atkins (external consultants that assessed the application) were now satisfied that the business case met the expected standard.

It was noted that the Economic Case demonstrates that the combined package will provide high value for money with a benefit to cost ratio of 2.79 and also generate a potential £55k Gross Value Added (GVA) uplift per annum.

In addition it was noted that the following actions need to be addressed in a timely manner to ensure the scheme is delivered to programme over the next 4-years, as each has the potential to impact on the scope and deliverability of the scheme:

- progress all planning permissions and any compulsory purchase orders;
- complete the detailed scheme design and costs estimates for all scheme sections; and
- carry out a quantified assessment of each risk element.

Resolved: That the East Lancashire Strategic Cycle Network Scheme funding application be endorsed and recommended for approval by the Lancashire Enterprise Partnership Board at its next meeting.

6. Lancashire Strategic Transport Prospectus

Dave Colbert presented an update report (circulated) regarding the Lancashire Strategic Transport Prospectus.

It was reported to the Committee that previously suggested amendments and alterations had been incorporated into the Prospectus and that the updated Prospectus was circulated for further comment, prior to submission to the Lancashire Enterprise Partnership (LEP) for approval.

The Committee asked if some of the timescales within the report could be reduced and asked that the Prospectus be reviewed to establish if shorter timescales could be included.

Resolved: The Committee noted the updated Lancashire Strategic Transport Prospectus and provided additional comments to incorporate into the final version, and, recommended its submission to the LEP Board for approval.

7. East Lancashire Rail Connectivity Study Conditional Output Statement

Dave Colbert presented a report (circulated) that provided a progress update on the East Lancashire Rail Connectivity Study and associated Conditional Output Statement.

It was reported that the study had concluded that significant investment is necessary in order to improve both the performance and attractiveness of East Lancashire's rail network, and that without such investment, the perception of East Lancashire as being poorly connected is likely to grow. Moreover, current and proposed investment in the rail network elsewhere across the North of England has the potential to widen the connectivity 'gap' between East Lancashire and key economic centres such as Manchester and Leeds.

Failure to improve or replace existing rolling stock is likely to lead to further deterioration in the quality of the trains, potentially impacting on journey quality, capacity and performance. This could result in existing rail passengers seeking to use alternative modes of transport, placing additional pressure on an increasingly congested highway network.

In addition, it was reported that the Conditional Output Statement will strengthen Lancashire's case when engaging with the Department for Transport, Rail North, the wider rail industry and adjacent transport authorities to secure improvements to East Lancashire's rail network, in particular, with regard to the next rail industry investment period covering 2019 to 2024 ('Control Period 6').

The Committee agreed that improving the East Lancashire Rail connectivity was a priority for Transport for Lancashire and endorsed the proposal to continue dialogue with wider partners to prioritise improvements to the network.

Resolved: The Committee noted the contents of the report.

8. Any Other Business

A briefing note was circulated to the Committee regarding the issue of a Combined Authority for Lancashire and implications for transport.

It was explained that the merits of establishing a Combined Authority for Lancashire were to be discussed at a meeting of the Lancashire Leaders' to be held on 19th June 2015, and, would also be discussed at the Lancashire Enterprise Board meeting scheduled for 16th June 2015.

Resolved: The Committee noted the update regarding a Combined Authority for Lancashire.

9. Date of Next Meeting

It was noted that the next meeting of the Committee would be held on the 17th September 2015 at 2pm, in Cabinet Room 'D', County Hall, Preston.

LEP – Sub Committee

Transport for Lancashire Committee

Private and Confidential: NO

Date: 1st October 2015

A6 Broughton Bypass – Full Approval Application
(Appendix 'A' refers)

Report Author: Dave Colbert, Specialist Advisor Transportation, Lancashire County Council

Executive Summary

The Committee are asked to consider the attached Full Business Case for the A6 Broughton Bypass and endorse the Full Approval Application for formal approval by the Lancashire Enterprise Partnership (LEP) Board at its meeting to be held on 6th October 2015.

Recommendation

The Transport for Lancashire Committee are asked to endorse the A6 Broughton Bypass – Full Approval Application and request that it be submitted to LEP Board for formal approval at its meeting to be held on 6th October 2015.

Background and Advice

The scheme is seeking Full Approval from the LEP and funding towards its £24.3m cost via the Local Growth Deal. In line with the LEP's Accountability Framework, a Full Business Case is required in order to seek Full Approval and draw down funds.

The proposed scheme is a bypass around the village of Broughton which lies on the A6, three miles north of Preston close to the M6 and M55 Junction 1. As part of the Broughton Bypass design process, LCC has committed to invest £0.5 million to improve roads, public areas, and walking and cycling facilities to complement the proposed Broughton bypass.

The consultant, Atkins, is satisfied that the project has been developed to the expected standard in most areas. Overall, it is Atkins recommendation that Full Approval for this project be granted, with the ability to draw down funds conditional on a preferred bidder with firm and final prices being selected. Award of contract is programmed for announcement in December 2015. The LEP published the business case on its website on 21st September 2015 for public consultation for a period of six

period of six weeks to ensure transparency of process. Any comments received will be made available to LEP Board members when final investment decisions are being taken.

The Full Business Case is attached at Appendix 'A' to this report.

INDEPENDENT REVIEW

ATKINS

Project Title:	**Broughton Bypass**	**Scheme Promoter:**	**Lancashire County Council**
Document Reviewed:	**Full Business Case**	**Permission Sought:**	**Full Approval**
Date of Submission:	**14/09/2015**	**Date of Review:**	**24/09/2015**
LEP Accountability Framework:	**The scheme is seeking Full Approval from the LEP and funding towards its £24.3m cost via the Local Growth Deal. In line with the LEP's Accountability Framework, a Full Business Case is required in order to seek Full Approval and draw down funds.**		
Scheme Description:	**The proposed scheme is a bypass around the village of Broughton which lies on the A6, three miles north of Preston close to the M6 and M55 Junction 1. As part of the Broughton Bypass design process, LCC has committed to invest £0.5 million to improve roads, public areas, and walking and cycling facilities to complement the proposed Broughton bypass.**		

SUMMARY SHEET

Overall Score:	**2**	**1**	**Requirements fully met** - No issues of note with the submission, project to progress as scheduled.
Overall Comments:	This review represents Atkins' independent scrutiny of the Full Appraisal Business Case (FABC) for the Broughton Bypass scheme. It does not represent a detailed validation of technical analyses. The scheme, which is being promoted by Lancashire County Council, is seeking Full Approval from the Lancashire Local Enterprise Partnership (LEP) and funding via the Local Growth Deal. Atkins has been in dialogue with the scheme promoter and their transport consultants, Jacobs, since the end of April 2015 as the scheme has progressed through its statutory processes, including face-to-face meetings on 8th May, 9th July and 3rd September 2015. Accordingly, the business case (and supporting documents) has been subject to a series of updates culminating in the final submission document received on 14th September 2015. Supplementary information relating to a WebTAG compliant Dependent Development test was presented on 18th September 2015. Atkins is satisfied that the project has been developed to the expected standard in most areas. Overall, it is our recommendation that Full Approval for this project be granted, with the ability to draw down funds conditional on a preferred bidder with firm and final prices being selected. Award of contract is programmed for announcement in December 2015. The LEP published the business case on its website on 21st September 2015 for public consultation for a period of six weeks to ensure transparency of process. Any comments received will be made available to LEP Board members when final investment decisions are being taken.	**2**	**Requirements substantially met** - Minor issues exist with the submission. Project to progress and issues to be resolved.
		3	**Requirements partially met** - Medium issues exist with the submission. Project to progress and issues to be resolved urgently.
Benefit to Cost Ratio (BCR)	The Broughton Bypass scheme is predicted to provide **very high value for money with a benefit cost ratio of 5.8** and potentially generate an additional £153m of Gross Value Added (GVA) benefits arising from the unlocked residential development (650 dwellings) and the creation of employment opportunities (750 jobs). Broughton bypass is a precondition of the Whittingham Park development (on the former Whittingham Hospital site) beyond 150 dwellings and will support potential future development in Longbridge.	**4**	**Requirements not met** - Critical issues exist with the submission. Project to be suspended whilst issues are resolved.

Case	Status	Comments
Strategic Case	**2**	The Bypass scheme and the route of the highway are confirmed by the Central Lancashire Core Strategy and the Preston Local Plan, which have the statutory force accorded to the development plan. The LTP and the 2013 Central Lancashire Highways & Transport Masterplan provide strong support for the scheme. The scheme also has broad political support, both from the local council and from LCC and City Deal partners. Delivery of the scheme is an integral aspect of the City Deal programme that aims to accelerate housing delivery. The redevelopment of the Whittingham Hospital site represents an early example of the limited capacity available to new development on the existing local road network. Delay in the commencement of the bypass scheme will limit the amount of development that can be carried out. The A6 through Broughton village carries high volumes of local and longer distance traffic. Broughton crossroads does not have the capacity to cope with the traffic, resulting in congestion and delays throughout the day. The need for a bypass for the village has been recognised and identified for many years. An essential need remains. No improvements to the junction are possible because of the physical constraints of existing development and there is no practical alternative scheme that will achieve the proposed objectives of the scheme. The bypass will not only to relieve existing congestion (the traffic model predicts that with the Bypass in place that reductions in traffic of 92% would be achieved on the A6 in 2032) but also improve the environmental quality of the village of Broughton, encourage travel by means other than by the private car and to enable future residential and economic growth in the north Preston area. A particular benefit is the potential to achieve local air quality objectives for the designated Broughton AQMA. A benefit realisation plan should be provided to define which of the scheme benefits are forecast to be the most significant, and therefore which benefits the plan should focus on. A summary table should be prepared which cross references the AST outputs and the proposed monitoring approach.
Economic Case	**2**	The scheme is predicted to provide very high VfM with a BCR of 5.8 and deliver significant journey time saving benefits, amounting to £129.5m (2010 prices, discounted over 60 years), of which 79% are attributable to the peak periods and 60% to travel time savings of more than 5 minutes which are considered to be highly significant. Although the build-up of the present value of costs for the scheme is not fully transparent, including how base costs have been adjusted for risk and how (if) sunk costs have been applied, the scheme BCR is not considered to be sensitive to this value. The traffic modelling is based on fixed trip matrix assumptions for a core scenario without Dependent Development and utilising a cordon version of the Broughton Strategic Highway VISUM Model to limit potential impacts of model noise. To ensure that that traffic modelling is sufficiently robust and fit for purpose in accordance with national guidance (and using accepted modelling techniques and software) a series of updates have been made to both the Local Model Validation Report and Model Forecasting Report. This exercise has been completed satisfactorily. A preliminary quantitative assessment exercise has satisfactorily demonstrated that variable demand modelling is not required, and if implemented would not materially affect the final VfM categorisation of the scheme. A low growth sensitivity test has been carried out resulting in a BCR of 3.9 which can be categorised as providing a high VfM. Although it is predicted that the scheme has the potential to generate an additional £153m of GVA benefits providing a positive contribution to the Lancashire economy and City Deal, verification of the analysis is not possible on the basis of the information supplied through the EAR. In line with the LEP's Accountability Framework, Sue Proctor, Chair of the City Deal Infrastructure Delivery Project Board has confirmed that the AST is true and accurate.
Financial Case	**2**	Broughton Bypass is one of four major highways schemes planned to be delivered within the Preston City Deal agreed in autumn 2013. The total funding cover for the scheme is £24.3 million comprising; £8.8m of committed LTB funding, an indicative allocation of £6.7m from the competitive component of the Local Growth Fund, and £8.8m (36%) local LCC/ third party contributions. Current costs estimates were prepared by LCC in October 2014 based on a full detailed design and rates that reflect construction projects of similar size and nature. No independent cost verification was carried out on the 2014 cost estimates. LCC has opted not to apply any Optimism Bias to the outturn spend profile. A QRA has been undertaken by LCC, which has identified no critical financial risks at this stage, however, this was last undertaken in November 2014 and is in need of being updated to reflect the current status of the scheme - it is noted that LCC plans to update the risk register in consultation with the contractor following contract award. The chosen form of contract is NEC3 Option A (Priced Contract with Activity Schedule) and should provide a high degree of cost certainty. It is understood from the Project Manager that LCC has been provided with some reassurance that based on an 'initial assessment' of tender returns cost estimates closely align with LCC's own October 2014 cost estimate. HCA is committed through the City Deal framework to bring forward sites for development including infrastructure delivery. Upon signing of the Whittingham Hospital S106 agreement HCA had paid a total of £5.1m developer contributions towards the scheme, with future contributions to be recovered through Net Land Receipts under the Community Infrastructure Levy rather than planning obligations. In advance of the collection of full HCA contributions, the City Deal offers the facility of forward funding the scheme. The prospect of third party funding not coming forward is therefore considered to be low. LCC's Section 151 Officer confirms that "the local contribution of £8.8m for this project will be met through the City Deal Infrastructure fund along with any subsequent cost increase above the level of grant already agreed." The County Council has confirmed that any ongoing operation and maintenance liabilities over the lifecycle of the scheme will fall to LCC.

Commercial Case	**3**	LCC has chosen a Traditional Approach for its procurement strategy with the design being undertaken in-house and the Contractor appointed by tender. The main works contract will be procured in accordance with the requirements of the Public Contracts Regulations 2006. The rationale for selecting NEC3 Option A (Priced Contract with Activity Schedule) is considered to be sound, due to a requirement for the lowest level of contractual oversight, the need for financial certainty and the advanced design stage of the scheme. Risks and associated cost items will be specifically assessed and assigned depending on which partner is best placed to manage them. The activity schedule will be written by the Contractor and priced as a lump sum by the Contractor. In pricing the activity, the Contractor will take responsibility for estimating the quantities and resources and assessing the pricing risks which are retained by the Contractor. The procurement strategy was initially approved by the City Deal Infrastructure Delivery Project Board (IDPB) in July 2013 with approval and endorsement noted in the minutes of the IDPB meeting on 30th June 2015. The tender process commenced in July 2015 and tenders were returned on 11th September 2015. The LEP's Accountability Framework stipulates that the Scheme promoters can only apply for Full Approval once procurement has taken place and a preferred bidder with firm and final prices is selected. Accordingly, any approval to draw down funds will need to be conditional on the award of contract which is programmed for announcement in December 2015. It is envisaged that the contract will be of approximately 1 year duration with an anticipated contract start date of January 2016. Due to the proposed contract type and length there is no potential for indexation of payments.
Management Case	**2**	All statutory processes are in place. Planning permission for the scheme was first granted in July 2001, with the last successfully resubmitted application approved in November 2013. A public inquiry was held in April 2015 following objections to the CPOs needed to construct the scheme. In July 2015, the SoS confirmed the orders giving LCC the go ahead to buy the land needed for the scheme. The deadline for a judicial review challenge has now expired and no challenge has been received. All properties required for the bypass are now in LCC ownership. Planning conditions imposed on the scheme were discharged in September 2015. Although the scheme programme shows how the infrastructure works have been coordinated with environmental constraints it was last updated in January 2015 and needs to be updated to reflect the current status of the scheme. It is noted that the programme will be developed further in terms of the works breakdown and deliverables over the construction period following contract award. LCC can demonstrate a strong track record of project delivery, incl. the £130m Heysham to M6 Link Road, which is on track for completion in summer 2016. The governance and approvals arrangements for the project are generally well defined, incl. how these interface with the City Deal Infrastructure Delivery governance arrangements. Highways England should be included within the governance structure given the linkages with M55 Jn1 and stronger links should be made with HCA at a project level. The LEP published the business case on its website on 21st September 2015 for public consultation for a period of six weeks to ensure transparency of process. Any comments received will be made available to LEP Board members when final investment decisions are being taken. A communications strategy for the project is framed within the wider strategy for the City Deal, including engagement with the media, public and stakeholders. A Monitoring & Evaluation Plan has been developed, incl. a logic map which seeks to provide a visual representation of the process by which the scheme outputs will deliver the primary objectives - this should be reviewed in tandem with the preparation of a benefits realisation plan to ensure that an appropriate level of benefits prioritisation is undertaken with resources focussing on tracking the most significant benefits. Furthermore, whilst the M&E plan provides clear governance arrangements it does not include any budget estimation for data collection, nor does it specify how this would be funded.

Sign-Off

Reviewer's Signature:		**Date:**	**24/09/2015**

INDEPENDENT REVIEW

ATKINS

Project Title:	**Broughton Bypass**		
Permission Sought:	**Full Approval**	**Date of Review:**	**24/09/2015**

STRATEGIC CASE

Overall Score	**2**	**1**	**Requirements fully met** - No issues of note with the submission.
Atkins Comments:	The Bypass scheme and the route of the highway are confirmed by the Central Lancashire Core Strategy and the Preston Local Plan, which have the statutory force accorded to the development plan. The LTP and the 2013 Central Lancashire Highways & Transport Masterplan provide strong support for the scheme. The scheme also has broad political support, both from the local council and from LCC and City Deal partners. Delivery of the scheme is an integral aspect of the City Deal programme that aims to accelerate housing delivery. The redevelopment of the Whittingham Hospital site represents an early example of the limited capacity available to new development on the existing local road network. Delay in the commencement of the bypass scheme will limit the amount of development that can be carried out. The A6 through Broughton village carries high volumes of local and longer distance traffic. Broughton crossroads does not have the capacity to cope with the traffic, resulting in congestion and delays throughout the day. The need for a bypass for the village has been recognised and identified for many years. An essential need remains. No improvements to the junction are possible because of the physical constraints of existing development and there is no practical alternative scheme that will achieve the proposed objectives of the scheme. The bypass will not only to relieve existing congestion (the traffic model predicts that with the Bypass in place that reductions in traffic of 92% would be achieved on the A6 in 2032) but also improve the environmental quality of the village of Broughton, encourage travel by means other than by the private car and to enable future residential and economic growth in the north Preston area. A particular benefit is the potential to achieve local air quality objectives for the designated Broughton AQMA. A benefit realisation plan should be provided to define which of the scheme benefits are forecast to be the most significant, and therefore which benefits the plan should focus on. A summary table should be prepared which cross references the AST outputs and the proposed monitoring approach.	**2**	**Requirements substantially met** - Minor issues exist with the submission.
		3	**Requirements partially met** - Medium issues exist with the submission.
		4	**Requirements not met** - Critical issues exist with the submission.

Ref	Item	Status	Comments
S1	Is there a clear description of the components of the scheme and how it fits with the aims and objectives of the LEP, Local Authorities and DfT?	Requirements Fully Met	The proposed scheme is a 1.9km bypass around the village of Broughton which lies on the A6, three miles north of Preston close to the M6 and M55 Junction 1. Details of the scheme are clearly set out in the Business Case. The Bypass scheme and the route of the highway are confirmed by the Central Lancashire Core Strategy and the Preston Local Plan, which have the statutory force accorded to the development plan. The Local Transport Plan and the 2013 Central Lancashire Highways and Transport Masterplan provide strong support for the scheme. Delivery of the congestion relief project is an integral aspect of the City Deal programme that aims to accelerate housing delivery. The Bypass scheme is one project in an overall package of measures to improve the infrastructure to serve the Preston area.
S2	Have the problem(s) the scheme will be addressing been clearly identified – including evidence of the extent of the problem(s), specific barriers / challenges, and how the scheme will overcome them (including the scale of impact)	Requirements Fully Met	The need for a bypass for the village and a link to Eastway has been recognised and identified for many years, stemming from scheme inception in 1986. The traffic congestion and air quality problems suffered by the village of Broughton are a longstanding issue which have many impacts including social, environmental and economic. Ongoing environmental problems culminated in an Air Quality Management Area (AQMA) being declared on the A6 Garstang Road in relation to a likely breach of annual and hourly mean nitrogen dioxide (NO2) attributed to vehicle emissions. No further development is permitted in the local area without increased network capacity because Broughton Crossroads is so constrained. Optioneering work reviewed the highway issues affecting Broughton and produced a list of thirteen key problems based on available datasets and site observations. These defined a number of issues associated with heavy through traffic flows, alongside problems associated with road safety, pedestrian accessibility, public transport and the environment. Without intervention, these problems are predicted to be exacerbated in future years as traffic levels continue to grow. It has been demonstrated that the bypass will not only relieve existing congestion (the traffic model predicts that with the Bypass in place that reductions in traffic of 92% would be achieved on the A6 in 2032) but also improve the environmental quality of the village of Broughton, encourage travel by means other than by the private car and to enable future residential and economic growth in the north Preston area. A particular benefit is the potential to achieve local air quality objectives for the designated Broughton AQMA.

S3	Has the impact of not progressing the scheme been set out, including supporting evidence? Is there adequate rationale to support why the scheme is needed now?	Requirements Fully Met	No further improvements to the Broughton Crossroads are possible because of the physical constraints of existing development. The forecast significant increase in car journeys will have an negative impact on the Broughton area. The Government's Plan for Growth, supported in planning terms in the National Planning Policy Framework, is to support sustainable economic growth, including the provision of new housing and the provision of infrastructure to underpin that growth. The Central Lancashire Core Strategy focuses growth on the urban area of Preston and South Ribble, including a major strategic location for housing development at North West Preston. The redevelopment of the Whittingham Hospital site represents an early example of the limited capacity available to new development on the existing local road network. The signed City Deal in 2013 cited that residential planning applications were being refused planning permission on the grounds there was insufficient capacity on the highway network and that other imminent applications were at risk of refusal at that time. Delay in the commencement of the Bypass scheme will limit the amount of development that can be carried out.
S4	Are there a clearly defined set of objectives for the scheme to address the problem(s) identified?	Requirements Fully Met	The objectives of the scheme are: • To improve the environment, particularly that of the bypassed community. • To provide better conditions for public transportation, cyclists and pedestrians, which facilitate and encourage the increased use of transport options other than private vehicles. • To enhance road safety. • To assist economic growth through an efficient and sustainable transport system and maintenance of accessibility to the trunk road network for the efficient transport of goods. • To bring additional capacity to the network and improve accessibility and journey times into and out of Preston and better connectivity to the wider strategic road network, with additional benefit to the delivery of new development and economic growth in the area. The scheme objectives emphasise the importance of the scheme and associated A6 Improvements for facilitating economic growth and bringing forward development, whilst improving the environment, local road safety and sustainable travel options. It would improve journey times for access to Preston and the wider trunk road network.
S5	Are the expected outcomes clear - How will it be possible to know when the objectives have been met, and what will 'success' actually mean?	Requirements Substantially Met	A logic map has been prepared which aims to present the key steps required in order to turn a set of resources or inputs into activities and outputs, which are, in turn, designed to lead to a specific set of changes or outcomes / impacts. The aim is to articulate the underlying causal theory based on the assumptions and evidence underpinning the rationale for the scheme. In terms of Outcomes, a key Outcome is missing "Reduced traffic through the village". This is fundamental to "Reduced severance in the village" alongside if not more importantly than speed reduction (to 20mph as a result of the complementary A6 mitigation scheme) - indeed one may argue that average speeds are already below 20mph due to existing and future predicted levels of congestion on the A6 without the scheme. In terms of benefit prioritisation, DfT guidance recommends using no more than three scheme objectives for evaluation purposes. It is proposed that the three main objectives of the scheme that should be evaluated against appropriate metrics are: • To provide better conditions for public transportation, cyclists and pedestrians, which facilitate and encourage the increased use of transport options other than private vehicles • To enhance road safety • To bring additional capacity to the network and improve accessibility and journey times into and out of Preston The rationale for this selection is unclear - a benefit realisation plan (BRP) should be provided to define which of the scheme benefits are forecast to be the most significant, and therefore which benefits the plan should focus on. A summary table should be prepared which cross references the Appraisal Summary Table (AST) outputs and the proposed monitoring approach. This will ensure that an appropriate level of benefits prioritisation is undertaken with resources focussing on tracking the most significant benefits, for use in determining the success of the scheme.
S6	Are there any remaining high level internal/external constraints or other factors that present a material risk to the delivery of this scheme?	Requirements Fully Met	The last successfully resubmitted planning application was approved in November 2013. In July 2015, the Secretary of State confirmed the orders giving LCC the go ahead to buy the land needed for the scheme. The deadline for a judicial review challenge has now expired and no challenge has been received. All properties required for the bypass are now in County Council ownership. Planning conditions imposed on the bypass scheme were discharged on 2nd September 2015. Developer contributions from the HCA are committed, previously via a signed Section 106 agreement but now due under the Community Infrastructure Levy (CIL) rather than planning obligations. In advance of the collection of full HCA contributions, the City Deal offers the facility of forward funding the Broughton Bypass. This certainty of funding means the scheme can commence construction in January 2016. The tender process for the main works contract commenced in July 2015 and tenders were returned on 11th September 2015, with award of contract programmed for announcement in December 2015. It is understood from the Project Manager that LCC has been provided with some reassurance that based on an 'initial assessment' of the tender returns cost estimates closely align with LCC's own October 2014 cost estimate. The key remaining delivery constraints for the scheme is a delay to gaining funding approval from the LEP. The signed City Deal in 2013 cited that residential planning applications were being refused planning permission on the grounds there was insufficient capacity on the highway network and that other imminent applications were at risk of refusal at that time. Delay in the commencement of the Bypass scheme will limit the amount of development that can be carried out.
S7	Have any inter-dependencies which may affect the success of the scheme been identified?	Requirements Fully Met	The A6 Broughton Option Study in 2012, included an improvement package at M55 junction 1. A scheme to improve and increase the capacity of the roundabout at the M55 junction 1 was completed by Highways England in January 2014. Recent improvements to the M55 at Junction 1 have reduced the levels of southbound queuing and blocking back from that junction through to Broughton, observed in 2012. However, it has been demonstrated that northbound journeys through Broughton have been relatively unaffected by the M55 improvements, with average journey times still poor with high levels of journey time variability. The scheme is complementary to the proposed Preston North Western Distributor (PNWD) scheme and associated link roads aimed at supporting planned housing in north west Preston. The PNWD will include a new Junction 2 on the M55 just west of the M55 junction 1 south of Broughton. In highway modelling terms the impact of Broughton Bypass can be considered to be independent of the PNWD.

S8	Are any links with other schemes clear?	Requirements Fully Met	Delivery of the safeguarded D'Urton Lane/ Eastway link road is integral to masterplan strategy for Land at Eastway, Preston. The Inspector at the Public Inquiry into the Preston Local Plan stated in his 1998 report that the Link to Eastway from the bypass via D'Urton Lane is so closely associated with the bypass that he recommended the consolidation of the two routes into one policy (T5). Since delivery of the D'Urton Lane/ Eastway link road is dependent on the Bypass scheme it has been excluded from the Do-minimum scenario, nor would it be appropriate to claim any benefits from the scheme through inclusion in any future year Do-Something scenario of the Bypass scheme.
S9	Have the main stakeholder groups and their contribution to the project been clearly defined? This should include any potential constraints or conflicts between stakeholders groups.	Requirements Fully Met	The scheme has broad political support, both from the local council and from LCC and the City Deal partners. Broughton Parish Council has campaigned in favour of a bypass for over 30 years. It is identified in the Central Lancashire Masterplan and supports other schemes put forward in the Central Lancashire Core Strategy and Preston Local Plan.
S10	Is there a robust assessment of different scheme options, including the reasons for any options being discounted?	Requirements Fully Met	No further improvements to the Broughton Crossroads are possible because of the physical constraints of existing development. A wide range of alternative options and packages of interventions have been considered over the history of the scheme's development. These include large scale highways improvements, both on the A6 and the wider highway network and small scale packages of improvements in the local area. The Bypass route and alternative options have been subject to scrutiny through the planning process, both through the grant of planning permissions and in context of the statutory development plan. This work has included an assessment of alternatives based on DfT's appraisal process as well as preliminary traffic modelling testing of options. Examination of alternative options, against scheme objectives, was most recently subject to scrutiny at the public inquiry held in Preston in April 2015 to consider the scheme, following objections to Compulsory Purchase Orders (CPOs) needed to construct the bypass. It has been demonstrated that these do not sufficiently achieve the proposed objectives of the scheme, nor do they effectively address the range of issues and problems associated with traffic in Broughton. In July 2015, the Secretary of State confirmed the orders giving LCC the go ahead to buy the land needed for the scheme.
S11	Have details of stakeholder and public consultation been provided?	Requirements Fully Met	As part of the statutory process for planning applications, the scheme underwent a consultation exercise with key stakeholder groups and members of the public between August and October 2013. As part of the Broughton Bypass design process, LCC has committed to invest £0.5 million to improve roads, public areas, and walking and cycling facilities to complement the proposed Broughton bypass. LCC, in partnership with Preston City Council, carried out a consultation exercise in Spring 2015 to seek the views of the residents of Broughton on proposals for the village and particularly along the A6 Garstang Road once the bypass has been opened to traffic.

INDEPENDENT REVIEW

ATKINS

Project Title:	**Broughton Bypass**		
Permission Sought:	**Full Approval**	**Date of Review:**	**24/09/2015**

ECONOMIC CASE

Overall Score	**2**	**1**	**Requirements fully met** - No issues of note with the submission.
Atkins Comments:	The scheme is predicted to provide very high VfM with a BCR of 5.8 and deliver significant journey time saving benefits, amounting to £129.5m (2010 prices, discounted over 60 years), of which 79% are attributable to the peak periods and 60% to travel time savings of more than 5 minutes which are considered to be highly significant. Although the build-up of the present value of costs for the scheme is not fully transparent, including how base costs have been adjusted for risk and how (if) sunk costs have been applied, the scheme BCR is not considered to be sensitive to this value. The traffic modelling is based on fixed trip matrix assumptions for a core scenario without Dependent Development and utilising a cordon version of the Broughton Strategic Highway VISUM Model to limit potential impacts of model noise. To ensure that that traffic modelling is sufficiently robust and fit for purpose in accordance with national guidance (and using accepted modelling techniques and software) a series of updates have been made to both the Local Model Validation Report and Model Forecasting Report. This exercise has been completed satisfactorily. A preliminary quantitative assessment exercise has satisfactorily demonstrated that variable demand modelling is not required, and if implemented would not materially affect the final VfM categorisation of the scheme. A low growth sensitivity test has been carried out resulting in a BCR of 3.9 which can be categorised as providing a high VfM. Although it is predicted that the scheme has the potential to generate an additional £153m of GVA benefits providing a positive contribution to the Lancashire economy and City Deal, verification of the analysis is not possible on the basis of the information supplied through the EAR. In line with the LEP's Accountability Framework, Sue Proctor, Chair of the City Deal Infrastructure Delivery Project Board has confirmed that the AST is true and accurate.	**2**	**Requirements substantially met** - Minor issues exist with the submission.
		3	**Requirements partially met** - Medium issues exist with the submission.
		4	**Requirements not met** - Critical issues exist with the submission.

Ref	Item	Status	Comments
E1	Has a Value for Money Statement been provided, including a BCR?	Requirements Fully Met	A value for money (VfM) statement has been provided. The bypass will not only to relieve existing congestion (the traffic model predicts that with the Bypass in place that reductions in traffic of 92% would be achieved on the A6 in 2032) but also improve the environmental quality of the village of Broughton, encourage travel by means other than by the private car and to enable future residential and economic growth in the north Preston area. A particular benefit is the potential to achieve local air quality objectives for the designated Broughton AQMA. The Broughton Bypass scheme is predicted to provide very high VfM with a benefit cost ratio (BCR) of 5.8 and potentially generate an additional £153m of Gross Value Added (GVA) benefits arising from the unlocked residential development (650 dwellings) and the creation of employment opportunities (750 jobs).
E2	Are there any key assumptions relating to how the BCR has been derived?	Requirements Fully Met	Economic assumptions reflect WebTAG guidance. Price base year and discount rates have all been accurately applied. The Broughton Strategic Highway VISUM Model extends over a wide area, therefore, for economic appraisal in order to minimise any potential impact of model noise a cordon of the model was produced. The extent of the cordon model was based on an interrogation of the changes in traffic flows and delay as a result of the scheme implementation at 2032 forecast year - the transport model provides estimates for two forecast years: the opening year (2017) and the design year (2032). The model has three time periods representing and morning peak hour, average inter-peak hour and an evening peak hour, with annualisation factors based on observed data. Scheme impacts have been interpolated and extrapolated over a 60-year period assuming no traffic growth beyond 2032. The core scenario is based on fixed trip matrix assumptions and incorporates local sources of uncertainty (in terms of schemes and development) categorised as near certain and more than likely. Dependent development is not included in the core scenario. As delivery of the D'Urton Lane/ Eastway link road is dependent on the Bypass scheme it has been excluded from the Do-minimum scenario, nor would it be appropriate to claim any benefits from the scheme through inclusion in any future year Do-Something scenario.

E3	Is the basis for the calculation of the Present Value of Benefits (PVB) sufficiently robust?	Requirements Fully Met	The sum total of monetised benefits for this scheme is represented by the Present Value of Benefits (PVB) totalling £129.2 million (2010 prices and values). TUBA (1.9.5 - November 2014) has been used to calculate travel time benefits to highway users, vehicle operating costs and indirect tax revenues, while WebTAG spreadsheets have been used to monetise environmental impacts (noise, local air quality and greenhouse gases). The scheme is predicted to generate £129.5 million of travel time savings over the 60-year appraisal period, of which 79% are attributable to the peak periods and 60% to travel time savings of more than 5 minutes which are considered to be highly significant. Based on a proportionate approach to scheme appraisal, delays during construction & future year maintenance savings, benefits in terms of journey quality and accident savings have not been monetised, as these are considered to represent a relatively small percentage of the overall benefits of the scheme.
E4	Is the basis for the calculation of the Present Value of Cost (PVC) sufficiently robust?	Requirements Substantially Met	The scheme Present Value of Cost (PVC) is calculated to be £22.1 million (2010 prices and values). Estimation of the scheme costs includes both the actual cost of the scheme during construction and future year maintenance costs and includes for: • Base costs (before allowing for risk) for construction, land / property, preparation / administration and supervision were estimated by LCC in October 2014 based on a full detailed design and rates that reflect construction projects of similar size and nature. No independent cost verification was carried out on the 2014 cost estimates. A construction-related inflation of 5% has been applied relative to the rate of general inflation; • Maintenance cost estimates have been produced using the typical maintenance profiles, costs, durations and timings for new roads as per the DfT QUADRO manual. • Adjustment for risk has been applied through a Quantified Risk Assessment (QRA); and • Adjustment for optimism bias has been made to reflect the well established and continuing systematic bias for estimated scheme costs and delivery times to be too low and too short - this has been applied at 15%. Costs are rebased to 2010 prices using the GDP-deflator series published in the November WebTAG data book. Although the build-up of the PVC calculation is not fully transparent, including how base costs have been adjusted for risk and how (if) sunk costs have been applied, the scheme BCR is not considered to be sensitive to this value.
E5	Has an appropriate level of optimism bias been applied?	Requirements Fully Met	Optimism bias (OB) has been applied at 15% representing the upper bound limit for conditional approval as per WebTAG Unit A1.2 - and based on the advanced stage of project development & design, and risk this is considered to be an appropriate level of OB. It is noted that the tender process commenced in July 2015 and tenders were returned on 11th September 2015, with award of contract programmed for announcement in December 2015. A 3% OB uplift would typically be applied once a preferred bidder with firm and final prices is in place. It is understood from the Project Manager that LCC has been provided with some reassurance that based on an 'initial assessment' of the tender returns cost estimates closely align with LCC's own October 2014 cost estimate.
E6	Has an appropriate level of risk cost been included?	Requirements Substantially Met	A Quantified Risk Assessment (QRA) was last undertaken by LCC in November 2014 and is in need of being updated to reflect the current status of the scheme. It is noted that LCC plans to update the risk register in consultation with the contract following contract award. The level of risk adjustment applied to the base cost estimates for economic assessment is not transparent. Some of the risks identified in the risk register may have been realised (and are therefore now a cost to the scheme) or have not materialised (notably in relation to delayed decisions to the CPO/SRO) and can be discounted. Taking account the level of OB applied, the overall of level of risk/ contingency applied for economic appraisal is deemed to be acceptable.
E7	Is the traffic modelling and forecasting approach / tools sufficiently robust? Has relevant supporting documentation been provided to substantiate that modelling undertaken is fit for purpose?	Requirements Fully Met	In March 2014, LCC advised that the Broughton Strategic Highway VISUM Model (used to inform the 2013 planning application re-submission and subsequent approval) needed to be updated to ensure it was in line with current DfT WebTAG best practice. The approach adopted was detailed in an Appraisal Specification Report (ASR), dated June 2014. To ensure that that traffic modelling is sufficiently robust and fit for purpose in accordance with national guidance (and using accepted modelling techniques and software) a series of updates have been made to both the Local Model Validation Report and Model Forecasting Report. This exercise has been completed satisfactorily.
E8	Have all other modelling assumptions been made clear?	Requirements Fully Met	A technical note on the need for a variable demand model (VDM) has been prepared. In line with WebTAG unit M2, preliminary quantitative assessments of the potential effects of variable demand on both traffic levels and benefits have been carried out. Since no pre-existing VDM was available in order to quantify the effects of variable demand on both traffic levels and benefits, a comparison has been undertaken between elastic and fixed trip assignments for the Broughton Bypass scheme. This assessment has satisfactorily demonstrated that VDM is not required, and if implemented would not materially affect the final VfM categorisation of the scheme.
E10	Are TUBA outputs robust?	Requirements Fully Met	TUBA performs a series of checks on the input data to assess whether the input appears sensible. An assessment of TUBA warning messages has been undertaken to ensure the results are logical.
E11	Have all relevant options been modelled / appraised?	Requirements Fully Met	As it has been satisfactorily demonstrated that there are no practical alternative low cost options there was no requirement to model/ appraise alternative options as part of the full approval business case.

E12	Have appropriate sensitivity tests been undertaken?	Requirements Partially Met	Whilst the core scenario represents the most unbiased and realistic set of assumptions that form the central case, sensitivity tests should be undertaken to confirm the robustness of appraisal and reflect uncertainties in the core scenario assumptions. A low growth sensitivity test has been carried out in line with WebTAG Unit M4 assuming a proportion of base year demand is subtracted from the core scenario. Additionally to reflect alternative local assumptions about demand, development that is considered to be 'more than likely' has been excluded. Adopting the same cordon model the low growth scenario results in a BCR of 3.9 which can be categorised as providing a high VfM. In addition, a separate sensitivity test has been carried out to consider the 'impact' of dependent development, by including this in both the 'Without Scheme' and 'With Scheme' scenarios resulting in an increased BCR of 7.0 (compared to 5.8 in the core 'without dependent development' scenario). Whilst the finding is intuitive in the sense that travel costs in the 'Without Scheme With Dependent Development' scenario would be expected to increase at a greater rate than in the 'With Scheme With Dependent Development' scenario (due to capacity constraints at Broughton Crossroads) this is a purely theoretical exercise given that full development of Whittingham Park (on the former Whittingham Hospital site) cannot come forward without the bypass scheme and therefore not relevant in an economic assessment of the scheme. The treatment of dependent development is covered in WebTAG Unit A2.3 and is considered in E15 below.
E13	Has a completed AST been provided (with supporting worksheets where relevant)?	Requirements Fully Met	The Appraisal Summary Table (AST) is completed as required with supporting worksheets provided where relevant. In line with the LEP's Accountability Framework, Sue Proctor, Chair of the City Deal Infrastructure Delivery Project Board has confirmed that the AST is true and accurate.
E14	Are forecast housing, jobs and GVA impacts provided robust / realistic?	Requirements Substantially Met	Planning restrictions are in place limiting the amount of the development that can come forward in the local area in the absence of the Broughton Bypass scheme, notably in relation to 650 dwellings and 9,000 sq metres of employment land on om the former Whittingham Hospital site. Potential Gross Value Added (GVA) benefits have been estimated using the approach adopted by Jacobs for the TfL Major Schemes prioritisation work (based on Homes and Communities Agency (HCA) Additionality guidance), which defines GVA as transport-induced changes in jobs, multiplied by GVA per job, adjusted for changes in productivity (agglomeration and labour), plus savings in direct transport costs. It has been estimated that the scheme has the potential to generate an additional £153 million of GVA over the 60-year appraisal period arising from the unlocked residential development (650 dwellings) and the creation of employment opportunities (750 jobs). Whilst the 'net' GVA figure does not seem unrealistic and incorporates the impacts of displacement, deadweight, leakage and substitution in line with HCA Additionality guidance, verification of the analysis is not possible on the basis of the information supplied with the Business Case through the Economic Assessment Report.
E15	Has dependent development been accounted for?	Requirements Fully Met	As identified in E12 above, travel costs associated with a 'Without Scheme With Dependent Development' scenario are by definition not relevant in an economic assessment of the scheme. WebTAG Unit A2.3 advises that dependent development should be appraised in a qualitative manner (as part of its contribution to the Adjusted BCR and final VfM categorisation) based on an estimate of the 'planning gain' arising from the dependent development less the net external costs caused by the dependent development. The value to society of a planning decision to grant permission for new dependent development may be separated into two elements: i) the private benefit associated with the change in land use, as represented by the uplift in land value. ii) net external impact of the resulting development, including: the loss or gain in amenity value of land compared to its existing use; and transport-related external costs i.e. the change in user travel costs as a result of the dependent development between the 'With Scheme With Dependent Development' and 'With Scheme Without Dependent Development' scenarios. Supplementary information relating to a WebTAG compliant Dependent Development test was presented on 18th September 2015, which shows the scheme to have a Slight Beneficial impact.
E16	Have all (relevant) Environmental & Social Impacts been adequately assessed?	Requirements Fully Met	The environmental impacts assessed include monetised impacts (Noise, Air Quality and Greenhouse gases) and non-monetised impacts (Landscape, Townscape, Historic Environment, Biodiversity and Water Environment). The social impacts assessed using quantitative and qualitative information include Physical Activity, Journey Quality, and Severance. The environmental & social impacts associated with the scheme have been adequately assessed and conducted in line with WebTAG guidance (A3 & A4.1) for inclusion in the AST with supporting worksheets provided where relevant. Improvements in Noise and Air Quality are predicted to provide a small contribution to the total monetised benefits of the scheme, while negative benefits are expected from greenhouse gases emissions. In terms of non-monetised impacts, moderate benefical impacts are attributed to the Townscape and Journey Quality, slight benefical impacts to Severance and Physical Activity, netural impact to Accidents, Water Environment and Biodiversity, slight adverse impacts to the Historic Environment and moderate adverse to the Local Landscape.
E17	Have Distributional Impacts been assessed in a robust manner?	Requirements Fully Met	The assessment of the Distributional Impacts (DIs) associated with the scheme are detailed in Appendix H in line with WebTAG Unit A4.2. The final consolidated results of the analysis are presented in the DI Appraisal Matrix and included in the Environmental and Social Benefits appendix as Appendix J12.

INDEPENDENT REVIEW

ATKINS

Project Title:	**Broughton Bypass**		
Permission Sought:	**Full Approval**	**Date of Review:**	**24/09/2015**

FINANCIAL CASE

Overall Score	**2**	**1**	**Requirements fully met** - No issues of note with the submission.
Atkins Comments:	Broughton Bypass is one of four major highways schemes planned to be delivered within the Preston City Deal agreed in autumn 2013. The total funding cover for the scheme is £24.3 million comprising; £8.8m of committed LTB funding, an indicative allocation of £6.7m from the competitive component of the Local Growth Fund, and £8.8m (36%) local LCC/ third party contributions. Current costs estimates were prepared by LCC in October 2014 based on a full detailed design and rates that reflect construction projects of similar size and nature. No independent cost verification was carried out on the 2014 cost estimates. LCC has opted not to apply any Optimism Bias to the outturn spend profile. A QRA has been undertaken by LCC, which has identified no critical financial risks at this stage, however, this was last undertaken in November 2014 and is in need of being updated to reflect the current status of the scheme - it is noted that LCC plans to update the risk register in consultation with the contractor following contract award. The chosen form of contract is NEC3 Option A (Priced Contract with Activity Schedule) and should provide a high degree of cost certainty. It is understood from the Project Manager that LCC has been provided with some reassurance that based on an 'initial assessment' of tender returns cost estimates closely align with LCC's own October 2014 cost estimate. HCA is committed through the City Deal framework to bring forward sites for development including infrastructure delivery. Upon signing of the Whittingham Hospital S106 agreement HCA had paid a total of £5.1m developer contributions towards the scheme, with future contributions to be recovered through Net Land Receipts under the Community Infrastructure Levy rather than planning obligations. In advance of the collection of full HCA contributions, the City Deal offers the facility of forward funding the scheme. The prospect of third party funding not coming forward is therefore considered to be low. LCC's Section 151 Officer confirms that *"the local contribution of £8.8m for this project will be met through the City Deal Infrastructure fund along with any subsequent cost increase above the level of grant already agreed."* The County Council has confirmed that any ongoing operation and maintenance liabilities over the lifecycle of the scheme will fall to LCC.	**2**	**Requirements substantially met** - Minor issues exist with the submission.
		3	**Requirements partially met** - Medium issues exist with the submission.
		4	**Requirements not met** - Critical issues exist with the submission.

Ref	Item	Status	Comments
F1	Is the expected whole life cost of the scheme robust, including the base cost and risk allowance in outturn prices drawn from industry forecasts?	Requirements Substantially Met	Current cost estimates were prepared by LCC in October 2014 based on a full detailed design and rates that reflect construction projects of similar size and nature. No independent cost verification was carried out on the 2014 cost estimates. The build-up of cost comprises: • Construction £12.97 million incl an allowance for utility services to cover alteration works and £0.5 million for A6 mitigation works • Preparation & Supervision £2.98 million • Land £4.70 million incl £1.8 million valuation for properties already owned by LCC and £1.36 million Part 1 claims • Risk £1.69 million based on a QRA undertaken by LCC • Inflation £1.96 million LCC has opted not to apply any Optimism Bias to the outturn spend profile. The main works tender process commenced in July 2015 and tenders were returned on 11th September, with award of contract programmed for announcement in December 2015. The chosen form of contract is NEC3 Option A (Priced Contract with Activity Schedule), which will provide a high degree of cost certainty upon completion of the procurement process. Whilst scheme costs currently do not reflect a preferred bidder with firm and final prices, it is understood from the Project Manager that LCC has been provided with some reassurance that based on an 'initial assessment' of the tender returns cost estimates closely align with LCC's own October 2014 cost estimate.
F2	Has a cost profile been provided showing year on year costs, and breakdown by cost type and parties on whom they fall?	Requirements Fully Met	A cost profile has been provided showing year on year costs (broken down by cost type) (Table 5-1) and parties on whom they fall (Table 5-5).

F3	Have details of key financial risks been provided and is the risk cost allowance robust?	Requirements Partially Met	A quantified risk assessment has been undertaken by LCC, which has identified no critical financial risks at this stage in the project lifecycle. The risks are rated by product of impact and probability as follows: • High (4 risks) £0.31 million; • Medium (34 risks) £1.13 million; and • Low (24 risks) £0.22 million. The QRA, however, was last undertaken in November 2014 and is in need of being updated to reflect the current status of the scheme - it is noted that LCC plan to update the risk register in consultation with the contractor following contract award. Some of the risks identified in the risk register may have been realised (and are therefore now a cost to the scheme) or have not materialised (notably in relation to delayed decisions to the CPO/SRO) and can be discounted.
F4	Are funding sources to cover the full scheme cost clearly set out?	Requirements Fully Met	Broughton Bypass is one of four major highways schemes planned to be delivered within the Preston City Deal agreed in autumn 2013. The HCA as a key landowner is committed through the City Deal framework to bring forward sites for development and work with the relevant local authorities to ensure the required transport infrastructure is constructed. The total funding cover for the Broughton Bypass scheme is £24.3 million comprising £8.8 million of committed LTB funding and an indicative allocation of £6.7 million from the competitive component of the Local Growth Fund, and £8.8 million (36%) local contributions (through LCC/ developer contributions).
F5	Is there sufficient evidence to support third party / alternative funding contributions?	Requirements Fully Met	Developer contributions from the HCA are committed, previously via a signed Section 106 agreement but now due under the Community Infrastructure Levy (CIL) rather than planning obligations. In advance of the collection of full HCA contributions, the City Deal offers the facility of forward funding the Broughton Bypass. This certainty of funding means the scheme can commence construction in January 2016, subject to value for money being demonstrated through this Business Case. The signed Section 106 Agreement with HCA for Whittingham Hospital includes a "By-pass Contribution" capped to the higher of: a) 70.5% of the scheme cost (including costs, construction costs, supervision costs, and the market value of the land required for the Broughton By-pass or b) £11,400,000 towards Broughton Bypass.
F6	Have the impacts of third party / alternative funding not coming forward been considered?	Requirements Fully Met	Upon signing of the Whittingham Hospital S106 agreement (dated 25th June 2014) HCA had paid a total of £5.1 million towards the "By-pass Contribution". Future HCA developer contributions will be recovered through Net Land Receipts under the CIL rather than planning obligations. In advance of the collection of full HCA contributions, the City Deal offers the facility of forward funding the scheme. The prospect of third party funding not coming forward is therefore considered to be low.
F7	Has the long-term financial sustainability of the scheme been demonstrated, including robust plans to ensure the affordability of any ongoing costs for operation, maintenance and major capital renewals?	Requirements Fully Met	Future year maintenance costs of circa £3.0m (at 2010 prices) have been estimated for the 60-year appraisal period and are included in the economic assessment. The County Council has confirmed that any ongoing operation and maintenance liabilities over the lifecycle of the scheme will fall to LCC. Where appropriate these would be recovered through additional Revenue Support Grant (or equivalent) in respect of additional road length.
F8	Has evidence of appropriate S151 Officer sign-off been provided?	Requirements Fully Met	The County Council's Section 151 Officer confirms that "*the local contribution of £8.8m for this project will be met through the City Deal Infrastructure fund along with any subsequent cost increase above the level of grant already agreed. LCC, as the accountable body, take the risk on City Deal deficits over its life. In doing this we allow for variables such as construction inflation and an allowance for the risk of cost estimates.*" The business case highlights that any change in estimated land costs or other costs will be reported to the LEP in October 2015 and will be covered by LCC. It is understood from the Project Manager that LCC has been provided with some reassurance that based on an 'initial assessment' of the tender returns cost estimates closely align with LCC's own October 2014 cost estimate.

INDEPENDENT REVIEW

ATKINS

Project Title:	**Broughton Bypass**		
Permission Sought:	**Full Approval**	**Date of Review:**	**24/09/2015**

COMMERCIAL CASE

Overall Score	3	It should be noted that this score reflects the need for the County Council to complete the procurement process, which is in-hand, and a preferred bidder with firm and final prices is selected, before funds can be drawn down. The award of contract is programmed for announcement in December 2015. Following contract award the requirements of the commerical case would be fully met - an overall score of 1.	1	**Requirements fully met** - No issues of note with the submission.
Atkins Comments:	LCC has chosen a Traditional Approach for its procurement strategy with the design being undertaken in-house and the Contractor appointed by tender. The main works contract will be procured in accordance with the requirements of the Public Contracts Regulations 2006. The rationale for selecting NEC3 Option A (Priced Contract with Activity Schedule) is considered to be sound, due to a requirement for the lowest level of contractual oversight, the need for financial certainty and the advanced design stage of the scheme. Risks and associated cost items will be specifically assessed and assigned depending on which partner is best placed to manage them. The activity schedule will be written by the Contractor and priced as a lump sum by the Contractor. In pricing the activity, the Contractor will take responsibility for estimating the quantities and resources and assessing the pricing risks which are retained by the Contractor. The procurement strategy was initially approved by the City Deal Infrastructure Delivery Project Board (IDPB) in July 2013 with approval and endorsement noted in the minutes of the IDPB meeting on 30th June 2015. The tender process commenced in July 2015 and tenders were returned on 11th September 2015. The LEP's Accountability Framework stipulates that the Scheme promoters can only apply for Full Approval once procurement has taken place and a preferred bidder with firm and final prices is selected. Accordingly, any approval to draw down funds will need to be conditional on the award of contract which is programmed for announcement in December 2015. It is envisaged that the contract will be of approximately 1 year duration with an anticipated contract start date of January 2016. Due to the proposed contract type and length there is no potential for indexation of payments.		2	**Requirements substantially met** - Minor issues exist with the submission.
			3	**Requirements partially met** - Medium issues exist with the submission.
			4	**Requirements not met** - Critical issues exist with the submission.

Ref	Item	Status	Comments
C1	Has a robust procurement strategy been clearly set out?	Requirements Fully Met	LCC has chosen a Traditional Approach for its procurement strategy with the design being undertaken in-house and the Contractor appointed by tender. The main works contract will be procured in accordance with the requirements of the Public Contracts Regulations 2006. The chosen form of contract used will be the Engineering and Construction Contract (ECC), part of the New Engineering Contract (NEC3) family of contract documents, the standard form of construction contract in the UK and in widespread use across Europe.
C2	Has consideration of different procurement options been demonstrated, including justification for selection of the preferred option?	Requirements Fully Met	The choice of payment options (A-F) within the ECC is a balance between risk, apportionment of risk and certainty of cost. The contract options legally define the responsibilities and duties of Employers (who commission work) and Contractors (who carry out work) in the Works Information. The rationale for selecting Option A (Priced Contract with Activity Schedule) is considered to be sound, due to a requirement for the lowest level of contractual oversight, the need for financial certainty and the advanced design stage of the scheme. The procurement strategy was initially approved by the City Deal Infrastructure Delivery Project Board (IDPB) in July 2013 with approval and endorsement noted in the minutes of the IDPB meeting on 30th June 2015.
C3	Have the proposed payment mechanisms / pricing framework been identified?	Requirements Fully Met	The selected payment option is NEC3 Option A (Priced Contract with Activity Schedule). Payment timing will be adopted to maximise the value from the contract through minimising financing and construction costs. Prompt and fair payment mechanisms will be applied throughout the supply chain. This is covered under the procurement process and will be monitored during the contract to ensure full value is delivered. The Contractor will provide the Broughton Bypass construction works described in the contract for a sum of money. The contract provides for specified risks to be carried by the Employer which will result in the lump sum being adjusted if the compensation events occur. Due to the use of the Option A Priced Contract with Activity Schedule approach, there is little potential for incentivisation and cost reductions once the project has been procured.
C4	Have the procurement timescales been set out, and are they realistic?	Requirements Fully Met	The tender process commenced in July 2015 and tenders were returned on 11th September 2015, with award of contract programmed for announcement in December 2015.
C5	Have details of the proposed risk transfer / allocation been provided?	Requirements Fully Met	Risks and associated cost items will be specifically assessed and assigned depending on which partner is best placed to manage them. The activity schedule will be written by the Contractor and priced as a lump sum by the Contractor. In pricing the activity, the Contractor will take responsibility for estimating the quantities and resources and assessing the pricing risks which are retained by the Contractor. The prevailing economic conditions in 2015/2016 will be taken into consideration to ensure correct risk assignment and help maximise value.

C6	Have details of contract management been provided, including contract timescales?	Requirements Fully Met	Graeme Leathard, LCC Highways Manager will be responsible for overseeing the tendering and site supervision of the Contractor supported by Jane Turner, LCC Legal for any contractual matters. It is envisaged that the contract will be of approximately 1 year duration with an anticipated contract start date of January 2016. Due to the proposed contract type and length there is no potential for indexation of payments.
C7	Has evidence of relevant approval been provided from Head of Procurement?	Requirements Partially Met	The main works contract procurement strategy was initially approved by the City Deal Infrastructure Delivery Project Board (IDPB) in July 2013 with approval and endorsement noted in the minutes of the IDPB meeting on 30th June 2015. The LEP's Accountability Framework stipulates that the Scheme promoters can only apply for Full Approval once procurement has taken place and a preferred bidder with firm and final prices is selected. Accordingly, any approval to draw down funds will need to be conditional on the award of contract which is programmed for announcement in December 2015.

INDEPENDENT REVIEW

ATKINS

Project Title:	**Broughton Bypass**		
Permission Sought:	**Full Approval**	**Date of Review:**	**24/09/2015**

MANAGEMENT CASE

Overall Score	**2**	**1**	**Requirements fully met** - No issues of note with the submission.
Atkins Comments:	All statutory processes are in place. Planning permission for the scheme was first granted in July 2001, with the last successfully resubmitted application approved in November 2013. A public inquiry was held in April 2015 following objections to the CPOs needed to construct the scheme. In July 2015, the SoS confirmed the orders giving LCC the go ahead to buy the land needed for the scheme. The deadline for a judicial review challenge has now expired and no challenge has been received. All properties required for the bypass are now in LCC ownership. Planning conditions imposed on the scheme were discharged in September 2015. Although the scheme programme shows how the infrastructure works have been coordinated with environmental constraints it was last updated in January 2015 and needs to be updated to reflect the current status of the scheme. It is noted that the programme will be developed further in terms of the works breakdown and deliverables over the construction period following contract award. LCC can demonstrate a strong track record of project delivery, incl. the £130m Heysham to M6 Link Road, which is on track for completion in summer 2016. The governance and approvals arrangements for the project are generally well defined, incl. how these interface with the City Deal Infrastructure Delivery governance arrangements. Highways England should be included within the governance structure given the linkages with M55 Jn1 and stronger links should be made with HCA at a project level. The LEP published the business case on its website on 21st September 2015 for public consultation for a period of six weeks to ensure transparency of process. Any comments received will be made available to LEP Board members when final investment decisions are being taken. A communications strategy for the project is framed within the wider strategy for the City Deal, including engagement with the media, public and stakeholders. A Monitoring & Evaluation Plan has been developed, incl. a logic map which seeks to provide a visual representation of the process by which the scheme outputs will deliver the primary objectives - this should be reviewed in tandem with the preparation of a benefits realisation plan to ensure that an appropriate level of benefits prioritisation is undertaken with resources focussing on tracking the most significant benefits. Furthermore, whilst the M&E plan provides clear governance arrangements it does not include any budget estimation for data collection, nor does it specify how this would be funded.	**2**	**Requirements substantially met** - Minor issues exist with the submission.
		3	**Requirements partially met** - Medium issues exist with the submission.
		4	**Requirements not met** - Critical issues exist with the submission.

Ref	Item	Status	Comments
M1	Has the proposed governance / organisational structure been provided? Does it provide a robust means of overseeing project delivery with appropriate skills / experience?	Requirements Substantially Met	The governance arrangements for the project are generally well defined, including how these interface with the City Deal Infrastructure Delivery governance arrangements. Moving forwards, Highways England should be included within the governance structure given the linkages with M55 Jn1 and stronger links should be made with HCA at a project level given the dependency of the redevelopment of the former Whittingham Hospital site on the Broughton Bypass scheme.
M2	Does the project programme demonstrate realistic delivery timescales? Does it provide an appropriate level of detail? Have critical path items and dependencies been clearly identified?	Requirements Partially Met	The scheme programme is contained at Appendix M. The programme shows how the infrastructure works have been coordinated with the environmental constraints, specifically, restriction on undertaking works at specific times of the year when bats and newts are present and also the periods when trees can be felled (outside bird nesting seasons). The programme also shows the Compulsory Purchase Order (CPO) / Side Road Order (SRO) / land acquisition process. The detailed programme, however, was last updated on the 16th January 2015 and is in need of being updated to reflect the current status of the scheme. It is noted that as the scheme progresses through the approval and current procurement processes that the programme will be developed further in terms of the works breakdown and deliverables over the construction period.

M3	Have required statutory powers and consents been obtained? Are there any conditions to the powers, consents or funding and do they pose any additional risks? Is a plan in place to demonstrate how these conditions will be met?	Requirements Fully Met	Planning permission for the scheme was first granted in July 2001. Due to the five year time limit under the Town and Country Planning Act and lack of funding at the time to materially construct the scheme, the local highway authority was required to reapply for renewals every five years. The last successfully resubmitted planning application was approved in November 2013 and the legal orders were published to allow LCC to buy land for the scheme (if not already bought by agreement) and alter existing roads and accesses. The orders were advertised for seven weeks, from 23 May until 11 July 2014. A public inquiry was held in Preston in April 2015 to consider the scheme, following objections to Compulsory Purchase Orders (CPOs) needed to construct the bypass. In July 2015, the Secretary of State confirmed the orders giving LCC the go ahead to buy the land needed for the scheme. The deadline for a judicial review challenge has now expired and no challenge has been received. All properties required for the bypass are now in County Council ownership. Planning conditions imposed on the bypass scheme were discharged on 2nd September 2015.
M4	Have details of the reporting, assurance and approval process been provided (including gateways in scheme development / delivery)?	Requirements Fully Met	The document references the alignment with the Lancashire Enterprise Partnership's Accountability Framework, and this independent review of the business case forms a part of the assurance process. The main works contract procurement strategy was initially approved by the City Deal Infrastructure Delivery Project Board (IDPB) in July 2013 with approval and endorsement noted in the minutes of the IDPB meeting on 30th June 2015. In line with the LEP's Accountability Framework, Sue Proctor, Chair of the City Deal Infrastructure Delivery Project Board has confirmed that the AST is true and accurate. Lancashire's Section 151 officer has under-written the authority's ability to fund the local contribution to Broughton Bypass and any subsequent cost increases post the granting of remaining funding approval. In addition, the scheme's inclusion in the City Deal Infrastructure Development Fund means that the City Deal will cover any delay in funding from developers. As per the LEP Assurance Framework, LCC will submit a quarterly monitoring report (QMR) to TfL, setting out progress on scheme preparation and delivery. Monthly update reports are provided by the Project Manager to the Central Lancashire Transport Masterplan Project Board and will continue through the delivery of the scheme. The LEP published the business case on its website on 21st September 2015 for public consultation for a period of six weeks to ensure transparency of process. Any comments received will be made available to LEP Board members when final investment decisions are being taken.
M5	Has evidence of scheme delivery been provided, to demonstrate that the delivery body has the capability and means to successfully implement the scheme?	Requirements Fully Met	Evidence is presented of LCC's strong track record of project delivery, including the £130 million Heysham to M6 Link Road, which is on track for completion in summer 2016.
M6	Has a Risk Management Strategy been provided, setting out how risks have been identified, their likely impact, appropriate mitigation, and how the risks will be managed (and by whom)?	Requirements Fully Met	The risks relating to the delivery of the Lancashire Enterprise Partnership's investment programme will be managed according to the overall monitoring responsibilities set out in the Accountability Framework. The Project Board has overall responsibility for governance and risk associated with the delivery of the scheme. The Project Executive is responsible for managing and overseeing the risk management strategy and where appropriate agreeing and undertaking actions to mitigate key risks. The Project Manager is responsible for maintaining and updating a Quantified Risk Register and planning for mitigating any risks which do not require escalation. The City Deal Infrastructure Delivery Plan (2014/15) contains a risk register for the whole programme identifying risk in the areas of; cost risks; resource risks; timing risks, planning risks, commercial risks and; marketing and communications risks. Mitigation measures are identified for each.
M7	Does the Risk Register cover all foreseeable risks with no obvious omissions? Are suitable mitigation measures proposed? Is the Risk Register updated on a regular basis?	Requirements Partially Met	A detailed risk register is available with no obvious omissions. However, this was last updated by LCC in November 2014 and is in need of being updated to reflect the current status of the scheme. It is noted that LCC plans to be update the risk register in consultation with the contractor following contract award.
M8	Is an appropriate time-based plan in place for proactive communications and media enquiries?	Requirements Fully Met	The communications strategy for the project is framed within the wider communications strategy for the City Deal, including engagement with the media, public and stakeholders. As part of the City Deal infrastructure delivery, a partnership approach to communications activities has been entered in to between the three councils with input from the HCA, LEP, government departments and other partners where appropriate, reflecting the arrangements for delivering the programme overall. All information on the project is available electronically via LCC's Broughton Bypass scheme website. As part of the main works tender process, contractors have been requested to explain how they will engage with community groups and individuals, some of whom will be disaffected, and how they will ensure the construction process will minimise the impact on day to day lives.
M9	Is there a clear intervention logic for how the outcomes will be achieved? (e.g. logic map)	Requirements Substantially Met	A logic map has been prepared which aims to present the key steps required in order to turn a set of resources or inputs into activities and outputs, which are, in turn, designed to lead to a specific set of changes or outcomes / impacts. The aim is to articulate the underlying causal theory based on the assumptions and evidence underpinning the rationale for the scheme. In terms of Outcomes, a key Outcome is missing "Reduced traffic through the village". This is fundamental to "Reduced severance in the village" alongside if not more importantly than speed reduction (to 20mph as a result of the complementary A6 mitigation scheme) - indeed one may argue that average speeds are already below 20mph due to existing and future predicted levels of congestion on the A6 without the scheme.

M10	Has a Monitoring & Evaluation Plan been provided that identifies proposed data / performance indicators to monitor against the scheme objectives?	Requirements Substantially Met	A Monitoring & Evaluation Plan is contained at Appendix O. TfL will monitor and evaluate Broughton Bypass in accordance with the appropriate DfT guidance, and in line with the LEP's Accountability Framework, TfL will publish the results on its website. Given the scale and scope of the Broughton Bypass scheme DfT's Standard Monitoring and Evaluation requirements are deemed appropriate. Although the proposed governance arrangements are set out the plan it does not include any budget estimation for data collection, nor does it specify how this would be funded.
M11	Are there clear proposals to undertake evaluation of the overall effectiveness of the scheme?	Requirements Partially Met	In terms of benefit prioritisation, DfT guidance recommends using no more than three scheme objectives for evaluation purposes. It is proposed that the three main objectives of the scheme that should be evaluated against appropriate metrics are: • To provide better conditions for public transportation, cyclists and pedestrians, which facilitate and encourage the increased use of transport options other than private vehicles • To enhance road safety • To bring additional capacity to the network and improve accessibility and journey times into and out of Preston The rationale for this selection is unclear - a benefit realisation plan (BRP) should be provided to define which of the scheme benefits are forecast to be the most significant, and therefore which benefits the BRP will focus on, it is suggested that a summary table is prepared which cross references the Appraisal Summary Table (AST) outputs and the proposed monitoring approach. This will ensure that an appropriate level of benefits prioritisation is undertaken with resources focussing on tracking the most significant benefits, for use in determining the success of the scheme.

LEP – Sub Committee

Transport for Lancashire Committee

Private and Confidential: NO

Date: 1st October 2015

Blackpool Integrated Traffic Management – Funding Approval Application
(Memorandum, Memorandum Appendices A and B, Business Case and Business Case Appendices A to L refer)

Report Author: Dave Colbert, Specialist Advisor Transportation, Lancashire County Council

Executive Summary

The Committee are asked to consider the attached Funding Approval Application for the Blackpool Integrated Traffic Management Scheme and endorse the application for formal approval by the Lancashire Enterprise Partnership (LEP) Board at its meeting to be held on 6th October 2015.

Recommendation

The Transport for Lancashire Committee are asked to endorse the Blackpool Integrated Traffic Management – Funding Approval Application and request that it be submitted to LEP Board for formal approval at its meeting to be held on 6th October 2015.

Background and Advice

It is proposed to install 16 fully functional variable message signs, 19 parking guidance information signs with variable elements, a car park monitoring system, CCTV and 24 static parking signs. Being able to disseminate information to drivers would help with traffic and event management, and help direct drivers to the most appropriate destination. The scheme would help direct drivers to available spaces and along appropriate routes making the network more efficient. This would benefit the local economy, with reduced congestion, increased dwell times, greater economic activity and job creation. A full scheme overview is attached at the Appendices to this report.

Date **25th September 2015**

To Transport for Lancashire (TfL)

From Jacobs

Subject **Blackpool Integrated Traffic Management (ITM) Scheme**

Introduction

As part of our Independent Assurance role, Jacobs have undertaken a comprehensive review of the Strategic Outline Business Case (SOBC) produced in September 2015 by Blackpool Borough Council for the Blackpool Integrated Traffic Management (ITM) scheme.

The review findings should be used to inform a recommendation on whether the scheme should be granted Full Approval status at the October Local Enterprise Partnership (LEP) Board meeting.

Scheme Description

The Blackpool ITM Scheme consists of installing 16 fully functional variable message signs, 19 parking guidance information signs with variable elements, a car park monitoring system, CCTV and 24 static parking signs.

Being able to disseminate information to drivers would help with traffic and event management, and help direct drivers to the most appropriate destination. The scheme would help direct drivers to available spaces and along appropriate routes making the network more efficient. This would benefit the local economy, with reduced congestion, increased dwell times, and lead to greater economic activity and job creation.

Scheme Costs

The Blackpool ITM scheme has an estimated capital cost of £2.16m (2015 prices) which will be spent over two financial years (2015/16 and 2016/17).

The proposed funding arrangements for the capital costs are as follows:

- £1.51m Local Growth Fund (70%)
- £0.65m Local Contribution from Blackpool Council (30%)

Revenue costs for the Blackpool ITM scheme have been independently estimated at £1.59m (2015 prices) over a 15 year appraisal period. This equates to revenue costs of circa £100k per annum, which in accordance with the LEP's Accountability Framework will be met entirely by Blackpool Council along with any increase in scheme capital costs.

A 20% risk allowance has been included in both the capital costs and the revenue costs to allow for any variation in costs or any potential unforeseen costs.

A letter from Blackpool Council's Section 151 Officer has been provided which confirms the above funding arrangements and the allocation of sufficient budgets. A copy of the letter is appended to this document as **Appendix A**.

Methodology

The SOBC has been reviewed and assessed against the Department for Transport's (DfT) guidance on *The 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) appraisal has been undertaken on each of the five cases in order to:

a. Highlight any keys risks associated with the successful delivery of the project in accordance with the LEP's Accountability Framework.

b. Identify areas of the SOBC where there is insufficient evidence to demonstrate that the scheme has followed DfT best practice for the development of a major scheme.

As part of the review process, Jacobs have actively engaged with the scheme promoter in order to seek clarification on any key issues associated with the SOBC. As a result of this engagement process, the key criteria for each of the five cases have been evidenced to sufficiently detailed level.

The completed RAG appraisal (including details of the updates that have been to the SOBC as a result of Jacobs' review) has been appended to this document as **Appendix B**.

Transport Benefits

Three strands of transport benefits associated with the scheme have been identified that have been assessed in the Economic Case. They are:

1) Reduced Parking Search and Circulation Traffic Impacts

The VMS system will direct cars directly to appropriate non-central area car parks when the central area car parks are full or nearly full. This will generate benefits to both the car occupants themselves and other drivers on the network.

2) Reduced Car Journey Times along the Promenade during the Illuminations

Benefits will be realised during the illuminations period, by using the VMS to inform drivers of journey time information along the Promenade and promote the use of other modes (primarily tram) along the Promenade.

3) Mitigation of Delay Impacts of Incidents and Accidents on the Road Network

The VMS system will be used to direct drivers to alternate routes, and further to use UTMC to modify signal timings in real time in support of the VMS re-routing, in order to mitigate the impact of accidents and incidents.

The total monetised transport benefits over the 15 year appraisal period are summarised in Table 1 below.

SOURCE	DESCRIPTION	BENEFITS (£000S IN 2010 PRICES DISCIOUNTED TO 2010)
Car Parking Benefits	Decongestion	220
	Time Savings	216
	Other Environmental	15
	Indirect Tax	-13
Illuminations Benefits	Time Savings	3,076
Incident Monitoring and Re-routing	Time Savings	3,317
TOTAL		6,831

Table 1: Benefits Summary

GVA Benefits

In addition to the transport benefits, the scheme is expected to generate **Gross Value Added (GVA) benefits** for the economy of Blackpool. The GVA benefits have been calculated based on work undertaken by Amion Consulting for Blackpool Council in 2013.

There are estimated to be GVA uplift benefits of £8.1m (over the 15 year appraisal period) resulting from an assumed impact of a 0.2% uplift in visitor numbers and a 0.5% uplift in visitor spending.

Taking into account the growth in visitors and uplift in visitor spend, it is estimated that the additional anticipated spend over ten years could lead to 34 direct and indirect jobs being supported.

The GVA benefits have not been included in the core transport case but are included in an adjusted BCR used to consider the Value for Money case.

Scheme BCR

The Blackpool ITM scheme BCR is as follows:

- **BCR (excluding GVA benefits) = 1.09**
- **BCR (including GVA benefits) = 2.38**

Consequently the scheme BCR rises from low VfM to high VfM with the inclusion of the GVA benefits.

It should be acknowledged that the scheme has not yet undertaken a procurement exercise.

A procurement exercise is scheduled to take place between November 2015 and January 2016. Optimism bias has subsequently been applied (in the economic case) at 200% to IT related costs and 66% to other costs, in line with DfT guidance.

Consequently if the tender costs come back in line with the scheme cost estimates then the scheme BCR would rise significantly (due to the high rate of optimism bias being removed).

Sensitivity Tests

Having completed an independent assessment of the economic appraisal of the scheme, Jacobs have established the key drivers behind the VfM of the scheme. These are listed below, as well as providing the results of some sensitivity tests we have requested and undertaken in order to provide greater confidence in the VfM of the scheme.

(N.B. All sensitivity tests have been undertaken independent of one another).

The key drivers associated with the Economic Case for the scheme are as follows:

1. **Increase in spend per visitor as a result of the scheme**

   The GVA benefits associated with an uplift in visitor spend account for approximately 70% of the total GVA benefits (£8.1m over the 15 year appraisal period) generated by the scheme. However the mechanism by which these benefits would occur is unclear.

   If the GVA benefits associated with an uplift in visitor spend were excluded, the BCR including GVA benefits *associated with an uplift in visitor numbers would fall to 1.46 (low VfM).*

2. **Journey time benefits on the promenade as a result of the scheme**

   Evidence from journey time surveys and Traffic Master data analysis shows that journey times along the Promenade are very high during illuminations times. It has been assumed that an average reduction in journey time of 10 minutes per vehicle in each direction could be achieved between 18:00 and 22:00 for all weekend (Friday-Sunday) and half term days on which the illuminations are operational. This equates to a total journey time saving over the period of the illuminations of 43,660 person hours.

   The impact of altering the assumption that all vehicles travelling along the promenade during the illumination period would experience a 10 minute journey time saving as a result of the scheme has been investigated.

   If the journey time saving per vehicle was reduced to 5 minutes, the BCR (excluding GVA benefits) would reduce to 0.84 (poor VfM).

3. **Incident Time Savings as a result of the scheme**

   There is limited evidence to underpin the assumption that the effect of an incident (which includes accidents and roadworks) is a 15 minute delay to all affected vehicles on that link.

   This strand of benefits is forecast to reduce the total delay on Blackpool's road network by approximately72 hours a day.

   If the anticipated delay associated with an incident was reduced to 10 minutes per vehicle, the BCR (excluding GVA benefits) would reduce to 0.91 (poor VfM).

In summary, whilst the core BCR incorporating wider economic benefits does meet the TfL assurance criteria, the results of these sensitivity tests should be used to inform the level of risk surrounding the scheme's value for money and consequently inform the decision on whether or not the scheme should be granted Full Approval.

Conclusions

The SOBC for the Blackpool ITM scheme has suitable evidence to sufficiently meet the criteria across each of the 5 cases using a proportionate approach.

The **Strategic Case** describes the current problems and issues associated with Blackpool's road network which the scheme would tackle. The need for the scheme and the scheme objectives have been clearly defined. The scheme objectives primarily relate to better managing levels of congestion in the town centre in order to make Blackpool more accessible for visitors. The Strategic Case is underpinned by specific aims within the LEP's Strategic Economic Plan.

The **Economic** Case presents the three sources of transport benefits as well as quantifying the GVA benefits generated by the scheme. The scheme BCR is 1.09 (excluding GVA benefits) rising to 2.38 (including GVA benefits). Three sensitivity tests have been requested and undertaken to inform the level of risk surrounding the scheme's value for money.

The **Financial** Case meets the LEP's Accountability Framework criteria of the Section 151 Officer endorsing the scheme and underwriting Blackpool's 30% local contribution to the scheme costs. The letter from Blackpool Council's Section 151 Officer also confirms Blackpool's commitment to fund all revenue costs and any increase in scheme capital and revenue costs.

The **Commercial Case** for the scheme contains details on the key risks and mitigation measures as well as detailing the intended procurement strategy which will be implemented upon confirmation of Full Approval being granted.

The **Management Case** provides details of the Project Board that will be established, which will oversee the implementation of the scheme in accordance with the Project Programme. Key stakeholders will be kept informed through established channels and at the council's Highways Consultative Forum. A Monitoring and Evaluation Plan has been provided which provides confirmation of Blackpool's commitment to monitor the success of the scheme going forward.

Recommendations

The Blackpool ITM scheme has a suitable business case and meets the requirements of the LEP's Accountability Framework to fund schemes which represent high value for money, if the GVA benefits are included in the BCR calculation.

The results of the sensitivity tests should be used to inform the level of risk surrounding the scheme's value for money and consequently inform the decision on whether or not the scheme should be granted Full Approval.

Given a procurement exercise has not yet been undertaken it is recommended that a condition of Full Approval being granted is that the tender costs come back as expected.

If the tender costs do come back in line with the scheme cost estimates then the scheme BCR would rise significantly (due to the high rate of optimism bias being removed). If the tender costs vary significantly from the scheme costs presented in the Financial Case then there will be a need to revisit and update the business case accordingly before re-submitting to TfL.

Appendices

Appendix A - Section 151 Officer Letter
Appendix B - RAG Appraisal

Blackpool Council

Date: 25th August 2015

Cllr Jennifer Mein
Chair of Transport for Lancashire Committee
Lancashire County Council
PO Box 78
Preston
PR1 8XJ

Our Ref: ST/JW/LS

Direct Line: 01253 478505
Email: steve.thompson@blackpool.gov.uk

Dear Councillor Mein

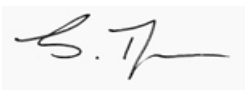
Blackpool Integrated Traffic Management

As Section 151 Officer for Blackpool Council, I declare that the scheme cost estimates quoted in the Strategic Outline Business Case submission for this scheme are accurate to the best of my knowledge and that Blackpool Council has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution.

Blackpool Council will commit the financial resources necessary to maintain and manage the scheme for the duration of its life, estimated to be a period of 15 years from installation. These costs are estimated to be approximately £100,000 per annum, which is considered realistic given that Blackpool Council will use existing staff, facilities and resources to operate the scheme. Specific parking development and maintenance budgets will be earmarked for this purpose.

Blackpool Council will cover any cost increases or cost overruns on all capital and revenue cost elements of this scheme.

Yours sincerely



Steve Thompson
Director of Resources

Director of Resources
Blackpool Council
PO Box 4
Talbot Road
Blackpool
FY1 1NA

Contact
T: (01253) 478505
F: (01253) 477 003

www.blackpool.gov.uk

Scheme Name: **Blackpool ITM Scheme**

Scheme Description:
The Blackpool ITM Scheme consists of installing 16 fully functional variable message signs, 19 parking guidance information signs with variable elements, a car park monitoring system, CCTV and 24 static parking signs.

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.

The criteria used for the assessment is based upon the DfT document, 'The Transport Business Cases' (January 2013).

The review which has been undertaken is based upon:
- Scheme SOBC and supporting appendices

KEY
= Significant additional work required
= Some additional work required
= Sound evidence base

A RAG analysis has been undertaken to highlight areas where there appears to be insufficient evidence to demonstrate that the scheme has followed DfT best practice.
Recommendations have been included on work which should be undertaken to strengthen the business case for the scheme.

Business Case	Criteria	Evidence	RAG Analysis	Recommendations (Jacobs 10.08.15)	Remaining recommendations following a review of the updated SOBC (Jacobs 03.09.15)	Updated RAG	Blackpool responses to how the remaining recommendations have been addressed (Blackpool 09.09.15)	Final RAG
SOBC Report				- Insert an Executive Summary which contains a description of scheme. - Insert a summary at the end of each of the 5 cases. - Remove the blank Recommendations section (p23) - Remove our Document Control Sheet (p2) - Remove Appendix K. - Include references and data sources for any statistics quoted - The report makes several references to the scheme being updated at the 'Detailed Design Stage'. The work required should be clarified given the SOBC is the application for funding. - Need to ensure consistency between the figures quoted in the SOBC, the SYSTRA report and the AECOM report. - SOBC, SYSTRA report and the AECOM report will need updating to reflect the revised scheme costs and economic appraisal.	Need to include an executive summary (which references the scheme costs, BCR, GVA benefits etc.) and ideally chapter summaries. Update contents page and page numbers. Remove red text and highlighted text and update report version to be FINAL (this is the final business case which will get published on the LEP website therefore needs to be complete).		Executive summary included in SOBC, which has been updated to address the second point.	
STRATEGIC	Existing arrangements for the provision of services	Include a description of the current situation The current situation is described in section 1.2, explaining that cars overflow from central car parks onto the promenade in peak times, which adds to congestion on the transport network. Can services be better utilised, or are more fundamental changes required? The strategic case explains that improvements are required to make the network more efficient and more appealing to visitors. What are the constraints? Section 1.5 outlines that there are no significant delivery constraints beyond those pertaining to any scheme of this type, including contractor availability and inclement weather. Section 1.5 also states that the council has apportioned appropriate match funding to support the grant requested to deliver the scheme and that an experienced engineering and project management team is in place to procure and deliver the works necessary.		Include a description of the scheme in section 1.1 which is consistent with scheme outlined in the revised costs spreadsheet Include figures to evidence the fact that visitor numbers have increased in recent numbers and are forecast to increase further. Include figures to evidence the statement that most visitors arrive by car. Need to include any relevant text from the AECOM report and the SYSTRA report in the strategic case as apposed to just a reference to the appendices.				
	Problem Identification	How have the problems been identified? The problems have been identified in section 1.2, although the source of some of the data is not clear. Provide quantification of the extent of the problems The extent of the problem has been identified quantifiably using car park usage analysis in the SYSTRA report.		Append car parking usage data to the SOBC and include a summary of the extent of the 'overflowing' problem in the Strategic Case. Report References / data sources need to be provided for all figures quoted in the SOBC	Further info on the extent of the problem has been provided in section 1.2. However no car parking usage data has been provided - is any available which could be included / appended?		A graph showing the upward trend in car parking levels has been incorporated in the SOBC.	
	The need for investment	Why is the scheme needed now? Section 1.2 outlines that the main car parks in the Town Centre overflow at peak time, and cause local congestion. The resort's economic and social issues have grown as foreign holiday access has increased. Blackpool is now the 6th most deprived local authority area in England and Wales.						
	Impact of scheme not being delivered	Impact on transport network, economy, future development, other schemes etc. Section 1.1 outlines that visitor numbers are expected to increase significantly over the next decade. A poor road system with visitors delayed in traffic congestion would not encourage repeat visitors.		Suggest inserting a sub heading which clarifies the impact of not delivering the scheme (i.e. more congestion > discourages visitors > discourages development etc.)				
	Study Area / affected population	Include a plan showing the scheme location. A Plan is included in the Appendix of Appendix C. However, there is no reference in the SOBC report. Provide a description / plan of targeted population. Section 1.1 outlines the number of visitors to Blackpool that would benefit from the scheme. There is no plan included.		Append a scheme over view plan to the SOBC report. Confirm the location of the VMS signs - the AST and the SYSTRA report states that there will be a VMS sign on various routes (including the M55) which is inconsistent with the photos in the AECOM report. Need to reference the benefits for local residents as well as visitors	Scheme plan included in Appendix A, however doesn't show the location of the VMS signs on the M55 - need to amend accordingly.		Appendix A has been amended to show the indicative locations of signs on the M55 in advance of junctions 3 & 4.	
	Scheme Objectives	What are the aims of the proposed scheme, and how do they address all the problems identified? Section 1.3 outlines that the scheme will help motorists navigate and encourage them to find the most appropriate car park for their primary destination. This will minimise search trips and thus reduce congestion, particularly on the Promenade, where the public realm has been substantially enhanced in recent years.		Need to define how the strategic objectives were derived. Need to clarify the impact of the scheme on the strategic objectives.	No robust evidence of how the scheme objectives were derived - need to link to the existing problems and issues. Currently the SOBC just states that 'The promotor's view is that the scheme's key objectives are'.		The SOBC has been revised accordingly.	
	Strategic Fit (e.g. DfT's business plan and wider government objectives).	How does the scheme contribute to key objectives, including wider transport and government objectives? Section 1.1 outlines the project directly supports a range of strategic documents, in particular the 'Renewal of Blackpool' which is one of only four specific objectives in the Lancashire LEP 'Strategic Economic Plan'.		Need to reference which other Strategic Documents the project supports in section 1.3 Need to emphasis how the scheme contributes to the objectives of the LEP (as set out in the SEP). Need to reference wider transport and government objectives.				
	Option Identification	How were potential problems identified? Section 1.2 outlines that to inform the Economic Case, car parking usage data has been analysed. Evidence that alternative options (covering a range of different modes) were considered There is evidence alternative schemes have been identified in section 1.7. A do minimum option which includes a modern technology upgrade. A Do something (2013 Local Pinch Point Fund scheme) which includes traffic monitoring.		Need to clarify the difference between Option 2 and Option 3. A paragraph should be inserted to emphasise that the preferred scheme would benefit public transport as well. Need to justify why an ITM scheme is the best solution to the problem. Were alternative modes considered? Also need to clarify how the preferred scheme was reached (i.e. how were the location and number of VMS required determined and optimised). Need to justify why a lower cost option consisting of fewer cameras would not work as well.	Need to clarify the difference between Option 2 and Option 3. Need to justify why an ITM scheme is the best solution to the problem. Were alternative modes considered? Also need to clarify how the preferred scheme was reached (i.e. how were the location and number of VMS required determined and optimised). Need to justify why a lower cost option consisting of fewer cameras would not work as well.		The SOBC has been revised accordingly.	
	Early Assessment and Sifting	Methodology for sifting options The methodology used is not clearly stated		As commented above, need to clarify the difference between Option 2 and 3 (and the difference in the benefits) Include the strategic objectives in Table 1.7 and then conduct a qualitative RAG analysis to show how each of the 3 options contributes to each strategic objective. This should help to justify why option 3 is the preferred option.				
	Identification of short listed options	How were the potential options shortlisted? Section 1.2 outlines that the scheme was first identified in 2013 and included in an unsuccessful bid to the Department for Transport (DfT). What were the other shortlisted options? There are 2 other options listed: Do Minimum and a 2013 Local Pinch Point Fund scheme						
	Consideration given to the economic, environmental and social benefits of the possible approaches	What are the high-level strategic and operational benefits envisaged? How do they link to the objectives of the scheme? Section 1.2 highlights the benefits of the scheme.		Reference the range of benefits that will be realised in addition to the congestion benefits - include a sentence saying these have been assessed in the economic case.				
	Consultation / stakeholder engagement	Provide details of any consultation events or stakeholder engagement that has taken place / is planned? Section 1.6 highlights that the scheme in outline has been discussed at the Highway's Consultative Forum, to which all key stakeholders are invited and regularly attend. Who was consulted? Include consultation results where available No further information has been provided on further consultation Letters of support have been requested from BBLG, BPB, ME and HSC		Letters of Support are to be appended to the SOBC once received. Confirm the ownership of the car parks and whether the rates charged at each are the same. I presume they are all council owned and therefore no implication if visitors are being directed from one car par to another.	Letters of support received Car park ownership point not addressed		Car park ownership point now addressed in the SOBC (1.6).	
	Preferred Option	How was the preferred option identified? Reasons why it was the preferred option. The table in section 1.7 identifies the preferred option and alternative options.		The SOBC needs to clarify why the preferred option has been selected (see above recommendation for including a RAG analysis in the table in section 1.7)				
	Traffic Modelling work undertaken	Details of any traffic modelling work which has been undertaken. Has the need for any further traffic modelling work been identified? Results of modelling work No traffic model has been used. Section 1.2 of the SOBC references the fact that the SYSTRA report contains details of the economic assessment undertaken.						
	Level of public support considered?	What are the attitudes of key groups (e.g. the general public, residents, businesses and wider stakeholders) to the proposed scheme? Section 1.6 outlines the local businesses who will benefit from the scheme.		Awaiting Letters of Support				
	Key risks and constraints identified?	What are the main risks associated with delivering the scheme? Include a Risk Register containing appropriate mitigation measures. The main risks are identified in Risk Register in Appendix G						
	Connectivity with other schemes assessed?	How does the scheme impact on other planned schemes? What is the overall level of impact in combination with other connected schemes? No other proposed schemes are mentioned.		Need to consider the impact of this scheme on any other proposed scheme in the proximity of Blackpool (i.e. Blackpool Tramway Extension.)				
ECONOMIC	Outline approach to assessing value for money.	Evidence of any VfM assessment which has already been undertaken. VfM assessment has been undertaken, and estimated using combination of observed data and assumptions outlined in section 2.2		See comments contained in the email sent by Leighton Cardwell to Jeremy Walker on 03/08/15. The economic appraisal will need updating to address the changes to the methodology and the revised scheme costs. The economic case (and AST) will subsequently need updating. Section 2.3 (Sensitivity and Risk profile) should summarise the results of the sensitivity tests undertaken instead of focusing on the ('Light Pool' project. Section 2.4 - insert a table to present the results of the economic appraisal. Need to be clear that the scheme is only high VfM when you include the GVA benefits.	Section 2.2 states that the construction period is 2015-2017. Needs revising to say 2016/17 to be consistent with programme. Doesn't seem to be an adjustment for inflation to the capital costs. As requested previously we need to see what the GVA benefits would be if you didn't include the 0.5% increase in visitor spend per capita and the subsequent impact on the BCR. Jacobs to discuss with SYSTRA • Consideration of Seasonality impact on AADT figure • Accidents v incidents (congestion) – has a 15 minute JT saving being assumed for accident AND incidents? • Car occupancy - assumed 3 people - evidence? • GVA query – what is the impact on the BCR if remove the uplift in spend benefits		Section 2.2 revised. Jacobs spoken to SYSTRA on 7th September. SYSTRA to address the remaining points. Jacobs - Sensitivity tests have been undertaken to test the impact on the BCR of altering key assumptions where limited evidence exists	
	Consideration of economic, environmental, social and distributional impacts.	Qualitative / Quantitative assessment of the likely impact of the scheme Quantitative assessment is described in detail in the appended SYSTRA report. The economic appraisal for the Strategic Outline Business Case has been carried out in line with Transport Appraisal Guidance (TAG) where applicable.						
	Appraisal Summary Table	Has an AST been produced? An AST is included in section 2.5.						
	BCR	Details of any economic appraisal work which has already been undertaken. Section 2.2 outlines the economic appraisal that has been carried out in line with TAG where applicable. The appraisal methodology and assumptions are reported in Appendix D. Provide an indication of the likely VfM (using relevant schemes to benchmark where appropriate) where VfM assessment not been completed yet. Section 2.4 outlines the summary of economic outputs including the BCR.						
FINANCIAL	Scheme Cost	Please provide as much detail as possible, including: - scheme development costs - itemised construction costs - running costs - maintenance costs - range cost estimates The AECOM report states that the Capital Costs, Staff Training Costs, 10 year Maintenance and 10 year Management Costs. Total Cost = £2.4m. Section 3.1 of the SOBC states that Traffic Management during the scheme implementation phase is not included. However section 5.5 suggests there will be low impact during implementation. How were the scheme costs calculated? The AECOM report states that the costs presented should used as a guide only and are not fixed. Up to date costs should be obtained from professional sources prior to undertaking any changes.		See comments contained in the email sent by Peter Hibbert to Jeremy Walker on 04/08/15. The Financial Case will subsequently need updating to reflect the revised scheme costs, as will the SYSTRA and AECOM reports (currently there is inconsistency between these reports). Include a detailed cost breakdown table in section 3.2 which clearly defines all costs associated with the scheme and distinguishes between capital costs and revenue costs. Clarify how the cost estimates have been derived. Confirm arrangements for maintenance costs - will need to include a letter from Blackpool director stating that Blackpool will cover all revenue costs and the budgets this funding will come from. Confirm spend profile for both capital and revenue costs separately - current financial case says that all money will be spent by 2016/17 - however this is inconsistent with the appendices which state a 3 year spend. Also the maintenance costs will be split over 10 years.	The scheme costs have been updated to split out the capital costs from the revenue costs. Funding Arrangement have subsequently been updated to reflect the fact that Blackpool will cover 30% of the capital costs and 100% of the revenue costs.			
	Funding Arrangements	Detail the funding sources and values which have been outlined. Section 3.4 identifies that Blackpool Council has apportioned the necessary match funding (30%) and will be responsible for any cost overruns. Outline any potential risks to securing funding. Section 3.4 highlights that the project depends entirely on the successful award of grant funding from the Lancashire LEP.		As above - need to confirm that funds are in place to cover the maintenance costs.	Section 3.1 states a provisional Growth Fund allocation of £2.4m (should say £1.7m as the £2.4m included the Local Contribution). Reference what the revenue costs for the scheme are and that they will be covered by BBC. Update section 3.5 to state the risk allowance is 20% on both the capital and revenue costs. Update the reference to the Section 151 letter in section 3.4 (currently says appendix F when it is actually appendix G)		The SOBC has been revised accordingly.	
	Key Risks	Please provide a risk register including mitigation measures. Section 4.4 outlines that the Risk Register is included in Appendix G. Has any sensitivity analysis been undertaken? What are the results? Sensitivity testing has been has been undertaken, and described in Appendix D, but there is no mention of the results in the text.		Need to obtain Appendix F (Section 151 letter) Mention the sensitivity testing that has been undertaken, which is described in the SYSTRA report	Section 151 letter has been received which references that BBC will cover all of the revenue costs (circa £100k / year) and any increase in capital costs			
COMMERCIAL	Is there a robust contracting and procurement strategy?	Outline the intended procurement strategy. The intended procurement strategy is not clearly identified How was the proposed procurement approach developed? Section 4.2 outlines that Blackpool Council has a dedicated Corporate Procurement Team whom will support the procurement activity and appointment. This will ensure all procurement rules and regulations are met both internally and at EU level. Have Local Authority contributions been secured? Section 3.4 outlines that Blackpool Council has apportioned the necessary match funding (30%), and there will be a letter from the council's Section 151 officer which is to be included in Appendix F. Have preparation costs been budgeted for? Unknown Have any third party funding arrangements been secured? Include details of any other potential funding risks. Section 3.4 outlines that Blackpool Council will be responsible for any cost overruns.		Need to outline the intended procurement strategy for scheme construction. Need to outline the intended procurement strategy for maintenance services. Outline what will be assessed in the PQQ. Clarify what type of contract will be used between contractor and client (e.g. NEC3 Option A). State what criteria will be used to determine which tender to go with. Clarify who will cover Scheme Preparation Costs Outline the contract length. Clarify the 'existing framework arrangements' which will be used to procure services.	Clarify the 'existing framework arrangements' which will be used to procure services and whether it will be a mini-bid or direct award. Need to outline the intended procurement strategy for maintenance services. Will there be a PQQ and if so what will be assessed and when will this be issued? Clarify what type of contract will be used between contractor and client (e.g. NEC3 Option A) -for both construction and maintenance services? State what criteria will be used to determine which tender to go with. Outline the contract length (for both the construction period and maintenance services)		The SOBC has been revised accordingly.	

MANAGEMENT	Key risks and constraints identified?	What are the main risks associated with delivering and implementing the scheme? Section 5.7 outlines that the successful delivery of the Blackpool Integrated Traffic Management project depends entirely on the successful award of grant funding from the Lancashire LEP. The main risks which are beyond the council's control include: Construction inflation, Statutory undertakers' costs and unforeseen ground conditions. Include a Risk Register containing appropriate mitigation measures. The Risk Register is included in Appendix G.		Provide further information on the intended Risk Management Strategies that will be employed (i.e. who will manage the strategy, how will risks be identified).				
	Delivery Programme	Please include indicative timescales for: - Scheme Development - Design - Procurement - Construction A Project Programme is included in Appendix H.		Include a simplified programme of key dates in section 5.3 and update narrative accordingly (currently section 5.3 appears inconsistent with the appended programme in terms of when the scheme will be fully operational). Detailed Design stage needs adding to the program.	Reference key programme dates in section 5.3		The SOBC has been revised accordingly.	
	Governance / Assurance work	Who is in charge? What is the allocation of roles and responsibilities? Is there a Project Board? Section 5.1 outlines the project board structure. An organogram is included with this application in Appendix I. What control measures will be put in place to ensure the scheme development process is managed suitably? Section 5.1 highlights that a Project Board will be established and will meet monthly. The day to day Project Management will rest with the Project Manager who will report to the Project Board. Has a SGAR been undertaken / scheduled? There is no mention of an SGAR		Need to name the actual people who will undertake each role and who will sit on the project board. Project Management and Governance Organogram (Appendix I) to be provided Section 5.5 states that a high level communication plan is to be produced (which will form Appendix J) - this should clearly state who will be communicated with, how and the intended frequency.	Need to update organogram to show who will sit on the Project Board.		The organogram has been updated with posts, but not actual names.	
	Evidence of similar projects that have been successful.	Provide details of similar projects and their successfulness. No similar projects are mentioned or referenced in terms of operational successfulness. In terms of financial accountability, Section 3.6 outlines that the delivery of the Yeadon Way Local Pinch Point Fund scheme, funded by the DfT, as a recent example of a successfully delivered project.		Include reference to similar projects and comment on successfulness.				
	Who is the client / sponsor?	Include details of the client / sponsor of the scheme. Section 1.6 outlines that Blackpool Council will produce and deliver this scheme. Blackpool Business Leadership Group (BBLG) has expressed support for the scheme (see Appendix E) and its members will be kept informed as the scheme develops.						
	Fall back Plans	Do alternative schemes exist? Is there a lower cost alternative? Section 1.7 identifies the Do Minimum option, but the option is not clearly discussed or quantified.						
	Arrangements for monitoring and evaluating the intervention.	What will constitute success for the project, and how will it be measured? Section 1.4 suggests the council will investigate the use of qualitative surveys, before and after scheme implementation, to help shape and evaluate the scheme.		In accordance with the LEPs Accountability Framework, a Monitoring and Evaluation plan will need to be developed prior to any funds being released. This should identify what metrics will be monitored and when and how the success of the scheme will be measured. The M&E plan should also reference who will pay for any associated data collection costs.	A Monitoring and Evaluation plan has not yet been produced - this will need to be done prior to any funds being released and will need to confirm that Blackpool BC has the funds in place to cover any associated costs.		An updated M&E plan has been produced.	

Lancashire Enterprise Partnership

Blackpool Integrated Traffic Management

Strategic Outline Business Case

Blackpool Council

September 2015

Lancashire Enterprise Partnership

Contents

Document Purpose

The 'Strategic Outline Business Case' sets out the need for intervention (the case for change) and how this will further ministers' aims and objectives (the strategic fit). It provides suggested or preferred ways forward and presents the evidence for a decision to be made. The LEP will then decide whether or not to proceed with the scheme.

Once funding has been confirmed and the LEP has granted Programme Entry, schemes should progress to producing an 'Outline Business Case' (see separate template).

Proportionate Approach - as per Department for Transport (DfT) guidance, the amount of time invested in developing a business case should be proportional to the scale of the scheme. Consequently, schemes costing under £5m (including maintenance schemes) may not be required to produce an Outline / Full Business Case. Instead these schemes should only complete this Strategic Outline Business Case template.

For further information, please consult the following DfT WebTAG Guidance documents:

An Overview of Transport Appraisal
Guidance for the Senior Responsible Officer
Guidance for the Technical Project Manager

Transport for Lancashire's (TfL) Business Case Development Process Chart provides further details. However, please seek confirmation from Transport for Lancashire (TfL) if you are uncertain as to the level of detail required for your schemes Business Case.

Contact Details:

Kathryn Molloy
Head of LEP Coordination & Development
Tel: 01772 538790
Email: kathryn.molloy@lancashire.gov.uk

Executive Summary

It is proposed to install 16 fully functional variable message signs, 19 parking guidance information signs with variable elements, a car park monitoring system, CCTV and 24 static parking signs. Being able to disseminate information to drivers would help with traffic and event management, and help direct drivers to the most appropriate destination. The scheme would help direct drivers to available spaces and along appropriate routes making the network more efficient. This would benefit the local economy, with reduced congestion, increased dwell times, greater economic activity and job creation. A scheme overview plan is provided at Appendix A.

This Strategic Outline Business Case includes the following elements, which are summarised below:

Strategic Case: Visitors to Blackpool are increasing, most of whom access the resort by road from the M55 Motorway. At busy times, car and coach parks in the resort core fill up, with drivers wasting time and causing congestion by looking for a parking space. The scheme is necessary prior to and during the many events that are held in Blackpool year round; vital information will be conveyed to drivers, improving the arrival experience considerably. This will encourage repeat visits to the resort, which will increase spend and create jobs. The scheme will benefit the local economy.

Economic Case: Three main sources of transport economic benefits have been appraised, which will reduce traffic and congestion on the local highway network: 1) Better directing of drivers to the most appropriate car park. 2) Greater use of public transport along the Promenade during the Blackpool Illuminations. 3) A quicker response when incidents occur on the local highway network. The Benefit to Cost Ratio (BCR) for the scheme based on the transport economic benefits alone is 1.09:1. The BCR rises to 2.38:1 with the inclusion of GVA benefits, which represents high value for money.

Financial Case: The capital and revenue costs of the scheme have been clearly separated and are considered to be robust. Blackpool Council is making a 30% contribution (£0.649m) to the capital costs of the scheme (£2.163m) and has committed the necessary revenue funding to operate, maintain and manage the scheme. This is estimated to be £0.1m per annum.

Commercial Case: The scheme will add to the 'Blackpool offer', by giving drivers a good experience when accessing car parks in the town. A clear procurement strategy has been outlined and will be implemented in earnest when the grant funding has been awarded. Key risks have been identified and will be managed and addressed as the project is implemented. Key programme dates have been included.

Management Case: A Project Board will be established, which will oversee the implementation of the scheme in accordance with the Project Programme. Key stakeholders will be kept informed through established channels and at the council's Highways Consultative Forum. Post implementation, an effective monitoring and evaluation programme will be put in place.

1 Strategic Case

The strategic case helps to determine the need for a scheme. It must demonstrate the case for change, presenting a clear rationale for making an investment against the strategic objectives of the organisation proposing it and other relevant Government objectives. It provides important evidence and sets out robust assumptions at an early stage in the development of a business case and explains how various options have been sifted and distilled into a preferred scheme.

1.1 Strategic Context

Please explain the wider strategic context for the proposed scheme by describing the aims and objectives of the promoting organisation. Consider what is driving the need for change at a strategic level, including external factors such as new legislation, technology.

Blackpool Council's objective is to preserve and promote the resort as a leisure and holiday destination for the 21st century, while seeking inward investment and economic diversification opportunities. The council's corporate strategy states that Blackpool will become a more prosperous town by:

- Expanding and promoting our tourism, arts, heritage and cultural offer
- Attracting sustainable investment and creating quality jobs.

A coastal location with excellent air quality and beaches makes for an attractive resort, but tends to isolate Blackpool from the wider economy making attracting inward investment problematic. The resort's economic and social issues have grown as foreign holiday access has increased. Blackpool is now the 6th most deprived local authority area in England and Wales, with the lowest male life expectancy, 73.6 years compared to 78.5 for England. Additional information relating to social deprivation is provided in appendices B (Distributional Impact Appraisal: screening) and C (Distributional Impact Appraisal: further information).

Despite this the resort attracts up to 14m adult visitors per annum (Source: Blackpool Council based on Omnibus reports), causing severe transport and parking overcrowding at the peak.

The 'Greater Blackpool' area has the largest single concentration of seaside tourism jobs in the country, more than 19,000, with the value of tourism in Blackpool at £1.2bn p.a.; 1 in 5 of all employees in Blackpool (11,000 jobs) work in the sector, double the England average. (Source: 'The Seaside Tourist Industry in England and Wales', Centre for Regional Economic and Social Research, Sheffield Hallam University).

Blackpool accounted for 23% of all visits to Lancashire in 2010 (Source: VisitBritain 'Survey of the most visited English Cities and Towns by UK residents'). The Lancashire STEAM report 2012 went further by suggesting almost 17m visitors and £1.2bn spend (27% and 37% respectively of total Lancashire estimates).

The VisitBritain 'Survey of the most visited English Cities and Towns by UK residents' 2010 stated Blackpool was the:

- Second most visited town/city in terms of 'pure holiday trips', after only London.
- Fourth most visited place in England (after London, Manchester and Birmingham) for trips of at least one night.
- Twelfth most visited town/city in the UK for business trips of at least one night, showing its continued conference market.

Blackpool also has strong commercial and manufacturing sectors. However, the visitor economy is forecast by VisitBritain to be one of Britain's best performing sectors over the next decade, with the value added contribution to the economy growing at 3.5% per annum. This would mean tourism showing faster growth than more recognised industries such as manufacturing and utilities. In 2025, the tourism economy is forecast to directly contribute £99.9bn in value added to the English economy, equivalent to 4.4% of England's GDP, and to directly support an estimated 1.7m jobs in England by 2025, equivalent to 5.8% of total employment (Source: VisitBritain 'Tourism: jobs and growth').

The outcomes of the project support the overall objectives of the VisitEngland Strategic Framework for Tourism in England 2014-20, for example 'To offer visitors compelling destinations'. A poor road system with visitors delayed in traffic congestion would not encourage repeat visitors. It is essential that people have a positive entry into and a departure from the town.

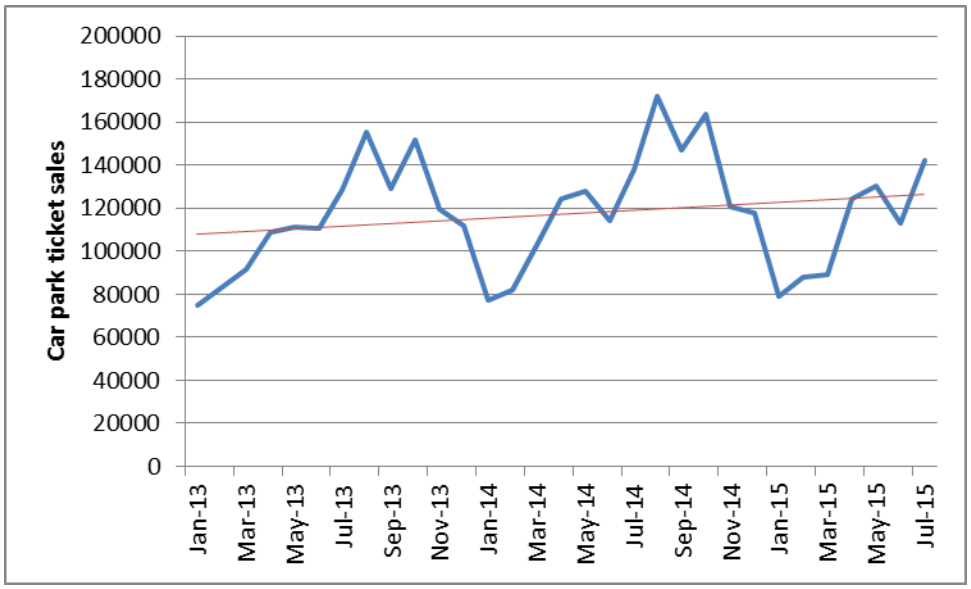
With visitor numbers increasing and new and refurbished visitor attractions in the offing, it is vital that this scheme is brought to fruition. Most visitors arrive in Blackpool by road, by both car and coach, on three key routes from the M55 motorway:

- A583 into Blackpool from M55 J4, for the town centre and north shore.
- Yeadon Way onto Seasider's Way, into the resort core and main car parks.
- Progress Way onto Squires Gate Lane (A5230) for Blackpool Pleasure Beach and south shore.

The arrival experience on these key entries to Blackpool is vital for the resort's economic future. New technology can be deployed to improve visitor management and the visitor experience.

Evidence that supports the assertion that visitor numbers are increasing:

- The Blackpool - Fleetwood tramway carried 378,653 passengers in May 2015, which is around 14% above last year's figure (331,909 during May

	2014). • A combined total of 526,792 ticket sales have been recorded during the first five months of 2015, around 3.5% over the equivalent figure in 2014 (508,988). The following graph shows the upward trend in car park ticket sales:  To manage the traffic and congestion more effectively, for all road users, it is essential that Blackpool has a fit for purpose integrated traffic management system, tailored to the resort's unique access routes. An efficient Parking Guidance Information (PGI) and effectively positioned Variable Message Signage (VMS) are necessary, coupled with existing management of traffic signals through Urban Traffic Management and Control (UTMC). Objectives are: • To reduce unnecessary and wasteful searching for a car or coach parking space. • Take pressure off the Promenade, a key north-south traffic route; but also a key interface between Blackpool Town Centre and the seafront, and the resort's 'shop window'. The scheme, anchored by a PGI and VMS system, will monitor usage of Blackpool's main car parks and direct drivers to the most appropriate car park for their destination, providing them important information on route. This will increase dwell times in car parks and spend in the town, with spin-offs for economic growth and job creation.
1.2 Challenge or Opportunity to be addressed	Blackpool has a considerable influx of visitors, both day and staying; the vast

Please describe the key characteristics of the challenge to be addressed and the opportunity presented. Provide an overview of the evidence supporting this and the impact of not progressing the proposed scheme.	majority of which arrive via the M55 and Yeadon Way. This route is used by the vast majority of visitors to Blackpool. For the economy to grow, it is vital that the local highway network operates effectively and efficiently; for Blackpool and Fylde Coast residents, for all journey purposes. When there is an influx of visitor traffic, the local highway network can be strained, particularly the Promenade, where most visitors gravitate. Most resort car parks are located along Seasider's Way, between Blackpool South railway station and the town centre. This 'central corridor' is used by the majority of road borne visitors, with a vista of Blackpool Tower guiding them into the resort. During peak periods: School holidays, bank holidays and during the Illuminations, car parks in the 'central' area fill up first. When this happens, there is a tendency for drivers to spill over onto the Promenade, which can get congested as a result; this impacts on local bus services and local traffic. When the central car parks fill, some drivers may 'U-turn' and head south back down the central corridor, where usually there are plenty of car parking spaces. Car parking staff pre-empt the peaks by deploying 'A boards' along the central corridor to encourage motorists to use alternative car parks further south. They also deploy signs in the central area to ensure all car parking is utilised. Several large events are organised in Blackpool during the season, such as the Illuminations switch-on, world fireworks championships and Blackpool Air Show. In addition, the Winter Gardens, Blackpool Tower, the three piers, and Blackpool Pleasure Beach offer their own events and attractions. Blackpool's primary shopping centre, Houndshill, is well located for visitors arriving from the south. The Central Coach Station is ideally located for the attractions, town centre and the Promenade. However this is for drop-off and pick-up only, layover is elsewhere; with coach spaces having reduced in recent years, making effective management vital. A scheme to address traffic management effectively was outlined and included in an unsuccessful bid to the Department for Transport (DfT) in late 2013. The feedback from DfT was that this was clearly a 'traffic management scheme' and so did not score highly enough compared to other bids that were addressing 'local pinch points'. Nonetheless Blackpool Council believed the scheme had a lot of merit, so was included by the Lancashire LEP in their Strategic Economic Plan (March 2014). Since then, Blackpool Council has reviewed the scheme and has concluded that it is not sufficiently focussed and probably over ambitious, with extensive deployment of cameras proposed to monitor traffic on many primary routes in the town.

	AECOM produced a Blackpool Wayfinding Strategy for the council in 2010, which included a PGI element. The proposal has been updated, the work documented in the 'Blackpool Vehicle Wayfinding Strategy - Parking Guidance Information System' (August 2015) – Appendix D. This includes proposals for PGI and VMS to complement static signage, to better guide drivers into the resort's car parks. The scheme is shown in figures 3, 4 and 5 of AECOM's report for the southern, central and north area of the resort core. (NB central not to be confused with previous references.) These proposals will be developed in greater detail prior to procurement. This simpler and more legible scheme will help manage congestion on the local highway network, particularly on the Promenade. The implications of not implementing the scheme are that access routes to the resort will become more congested, which will discourage visitors and reduce the likelihood of further investment in the town. The scheme will benefit local people as well as visitors to the resort. The Promenade will be less congested, public transport will operate more efficiently and there will be a more effective response when there are incidents on the road network. The scheme will prove beneficial by providing information when work to renew the town's bridges is underway and the tramway is extended up Talbot Road to Blackpool North Railway Station. To inform the Economic Case, car parking usage data has been analysed. This work is documented in SYSTRA's 'Outline Economic Appraisal' information note v6 (August 2015) – Appendix E. Three strands of potential benefits have been identified; the problems identified are as follows, which have been assessed in the economic case: i) Reduced Parking Search and Circulation Traffic Impacts The primary car park for Blackpool resort visitors is the Central car park. As this car park fills traffic tends to overflow into two other car parks in the same general area (Chapel Street and Bonny Street). During very busy days, primarily at weekends and bank holidays in the summer and at events time, these three car parks reach their practical capacity and there is evidence that traffic overflows into more distant car parks at Foxhall Village, Bloomfield, and Lonsdale Road. These three car parks (and others) are located along Seasider's Way which (together with Yeadon Way) is the main route into the resort from the motorway, and so drivers heading towards Central area car parks will have passed these car parks before finding out that their initial choice of car park is full. It is worth noting that there is a general level of 'churn' (people leaving and arriving) at all the car parks throughout the day, so there is always a possibility of finding a space at Central car park, and this encourages people to head to the Central area as a first choice and then re-route to find spaces elsewhere if they cannot, most often back to car parks that were passed on the route into Central

	area car parks. This re-routing of traffic can add a significant amount of additional vehicle kms to the network on busy days. ii) Reduced Car Journey Times along the Promenade during the Illuminations Evidence from journey time surveys and TrafficMaster data analysis suggests that journey times along the Promenade between Starr Gate and Bispham (the length of the Illuminations) are very high during Illuminations times. During the October half term week they rise to around 2 to 3 hours for a journey that would ordinarily take around 10 minutes, yielding an average speed of 2.7-4.1kph for an 8.2km journey. This is below walking pace. This high level of congestion has a significant negative impact on the ability of people visiting Blackpool for the Illuminations to stop and spend additional time and money in Blackpool as they will spend a lot of time queuing to access and travel along the Promenade. The very high journey times may encourage some drivers and car occupants to park and visit local attractions but on balance the impact is expected to be a large negative one. iii) Mitigation of Delay Impacts of Incidents and Accidents on the Road Network Currently if an incident or accident occurs on the highway network, there is no easy means to provide information to drivers to mitigate the congestion that arises. Drivers are largely left to fend for themselves in dealing with delay and re-routing.
1.3 Strategic Objectives *Please present the SMART (specific, measurable, achievable, realistic and time-bound) objectives that will resolve the challenge or opportunity identified in Section 1.2 and explain how these contribute towards achieving the wider context set out in Section 1.1.*	Visitor numbers are growing; the vast majority arrive by road along Yeadon Way. Car and coach parks fill up during peak periods, impacting on the local economy and environment. The local highway network could be better managed when events are held in the resort. The use of public transport could be increased to help reduce road congestion, which holds back economic growth. To address these issues, the following scheme objectives have been derived: • Better manage levels of congestion in the town centre and resort core • Reduce levels of pollution • Grow the visitor economy (more visitors and jobs) • Manage visitor traffic more efficiently and effectively • Maximise the use of public transport • Improve the efficiency and effectiveness of Blackpool's car and coach parks The scheme will help motorists navigate and encourage them to find the most

	appropriate car park for their primary destination. This will minimise search trips and thus reduce congestion, particularly on the Promenade, where the public realm has been substantially enhanced in recent years. This will benefit all road users, including public transport users. The scheme will help with parking and congestion management; the road network will function more efficiently as a consequence, reducing pollution. Key documents the project supports include: • Blackpool Local Transport Plan (LTP) Strategy, 2011-2016 • Destination Blackpool: Resort Place Making 2015-2017 • Lancashire Strategic Economic Plan (SEP): A Growth Deal for the Arc of Prosperity (March 2014) The scheme aligns with the following SEP objectives: • Ensuring major transport projects and investments are fully aligned with the delivery of key economic and housing growth priorities across Lancashire (including those of Highways England). • Developing complementary local growth accelerator strategies focused on change at the sub-area level, creating economic opportunities for local communities in the greatest need, of which the renewal of Blackpool is a key priority. The scheme will deliver against these key objectives and those in the LTP: • Objective 3 – Manage congestion levels on Blackpool's roads, especially where it impacts on local economic performance. • Objective 5 – Improve the efficiency and management of parking to support the local economy, especially for shoppers and visitors. The scheme will also help meet emerging national and corporate goals.
1.4 Achieving Success *Please describe how the success of the proposed scheme will be assessed and/or quantified.*	Traffic levels will be continuously monitored on the Promenade and Yeadon Way. Car park data will be analysed weekly to evaluate patterns of usage. The council will investigate the use of qualitative surveys, before and after scheme implementation, to help shape and evaluate the scheme. Maximising the benefits from the proposed VMS will be particularly important. The scheme will substantially improve the council's ability to monitor usage on its major car parks. Currently, with the vast majority of car parks operating 'pay and display', it is difficult to accurately determine usage and turnover.
1.5 Delivery Constraints *Please describe any high level internal/external constraints or other factors that present a material risk to the delivery of this scheme.*	There are no significant delivery constraints beyond those pertaining to any scheme of this type, including contractor availability and inclement weather. All issues will be covered in an updated Risk Register and addressed as the project is progressed.

	The council has apportioned appropriate match funding to support the grant requested to deliver the scheme. An experienced engineering and project management team is in place to procure and deliver the works necessary.
1.6 Stakeholders *Please outline the main stakeholder groups/organisations and their relevance or involvement in the development of the scheme. Identify any specific requirements, constraints or conflicts between stakeholders.*	Blackpool Council will produce and deliver this scheme. There are key stakeholders within the council who will sit on the Project Board, which will oversee the project's development and implementation. Outside the council, highway users will be affected as the scheme is implemented, but overall they will be beneficiaries. The scheme in outline has been discussed at the Highway's Consultative Forum, to which all key stakeholders are invited and regularly attend. The Blackpool business community, through the Blackpool Business Leadership Group, has indicated their support for the scheme. In particular, the resort's businesses which manage and operate the major attractions will benefit as visitors will have a better arrival experience by more easily being able to access the most appropriate car park to the major attractions, which include: • Blackpool Pleasure Beach (dedicated car parking) • Winter Gardens • Blackpool Tower (operated by Merlin Entertainments) • SEA LIFE (operated by Merlin Entertainments) • Madame Tussauds (operated by Merlin Entertainments) • Sandcastle Waterpark • Houndshill Shopping Centre (dedicated car park) As car and coach borne visitors will be able to park more quickly and more efficiently, there is likely to be uplift in visitor spend per person. This will benefit businesses in the town by helping them grow and will assist with job creation. Please see Appendix F for letters of support from: • Blackpool Business Leadership Group (F1); • Blackpool Pleasure Beach (F2); and • Houndshill Shopping Centre (F3). The dedicated car parks at Blackpool Pleasure Beach and Houndshill Shopping Centre are privately owned. As indicated in their letters, both companies are

	supportive. Blackpool's parking offer will be better integrated as a result of the scheme.

1.7 Strategic Assessment of Alternative Option(s) (Number of options can be amended as required)

*The DfT's Early Assessment and Sifting Tool (EAST) can aid this process. EAST and guidance on using it can be found on the **DfT website**.*	Option 1	Option 2	Option 3
Option Name *Please insert the name by which the option is known*	Do minimum	Do something (2013 Local Pinch Point Fund scheme)	Do something (preferred scheme)
Infrastructure Type *Please provide if different from the proposed scheme.*	Not applicable	Not applicable	Not applicable
Variation from Proposed Scheme *What are the key differences (characteristics) between the proposed scheme and this option? How is it different?*	Modern technology is used in options 2 and 3, rather than primitive 'A boards', deployed in limited numbers in this option.	Extensive use of traffic monitoring cameras, junction works and the cost of providing a shuttlebus. A more expensive scheme (£2.4m).	This cheaper scheme (£2.163m) does not include complementary junction works and a shuttle bus. However, it does include a greater emphasis on PGI and VMS, with optimal provision (both number and location) to better direct motorists on key access corridors into the resort. From the car parks, users would be encouraged to use public transport. By its very nature, it is a highway scheme, which is the only one suitable to address the issues and deliver against the objectives identified. The optimal provision of signage was determined following a thorough assessment of both the car/coach parks to be included in the scheme and the nature/function of key approach routes to the facilities.
Technical Assessment & Appraisal *Please describe the level of technical appraisal or assessment undertaken – including previous studies and relevant data – to*	Not applicable	Not applicable	Not applicable

*The DfT's Early Assessment and Sifting Tool (EAST) can aid this process. EAST and guidance on using it can be found on the **DfT website**.*	Option 1	Option 2	Option 3
assess this option, including application of the Early Assessment and Sifting Tool.			
Consultation *Please explain the extent of any stakeholder or wider consultation on the option and summarise the key findings.*	Not applicable	Not applicable	Discussed at Blackpool Council's Highways Consultative Forum.
Indicative Cost (£M) & Economic Appraisal *Please provide indicative costs if known or provide information on the likely affordability against the headings 'high' 'medium' or 'low.' Also explain any economic appraisal undertaken, including benefit/cost analysis*	Minimal cost and of limited benefit.	No comparable assessment is available	£2.163m BCR 2.38:1
Impact against Strategic Objectives *Please describe how this option delivers against the strategic objectives set out in Section 1.3. Make reference to the outputs of the Early Assessment and Sifting Tool process.*	Delivers very poorly Using a qualitative RAG analysis: • Better manage levels of congestion in the town centre and resort core • Reduce levels of pollution • Grow the visitor economy (more visitors and jobs) • Manage visitor traffic more efficiently and effectively • Maximise the use of public transport • Improve the efficiency and effectiveness of Blackpool's car and coach	Delivers well. Issues around: Scale of impact; Key uncertainties; Degree of consensus over outcomes; Practical feasibility and Quality of the supporting evidence. Using a qualitative RAG analysis: • Better manage levels of congestion in the town centre and resort core • Reduce levels of pollution • Grow the visitor economy (more visitors and jobs) • Manage visitor traffic more efficiently and effectively • Maximise the use of public transport	Delivers well, but without the issues identified for Option 2. Using a qualitative RAG analysis: • Better manage levels of congestion in the town centre and resort core • Reduce levels of pollution • Grow the visitor economy (more visitors and jobs) • Manage visitor traffic more efficiently and effectively • Maximise the use of public transport • Improve the efficiency and effectiveness of

*The DfT's Early Assessment and Sifting Tool (EAST) can aid this process. EAST and guidance on using it can be found on the **DfT website**.*	Option 1	Option 2	Option 3
	parks	• Improve the efficiency and effectiveness of Blackpool's car and coach parks	Blackpool's car and coach parks
Key Risks *Please identify the key technical, funding and delivery risks associated with this option.*	Minimal	Project cancelled; finance not provided; unforeseen costs; cost increases; delays; effect on tourist high season; staffing issues; inclement weather and loss of trade during works.	Please see Risk Register (Appendix H)
Rationale for Rejection *Please explain why this specific option has been rejected in favour of the proposed scheme.*	Not applicable.	Considered to be not sufficiently focused and overly ambitious.	Not applicable.

2 Economic Case

The Economic Case assesses options to identify all their impacts and the resulting value for money. This is a key requirement in fulfilment with HM Treasury's requirement for appraisal. In line with HM Treasury's appraisal requirements, the impacts considered are not limited to those directly impacting on the measured economy, nor to those which can be monetised. The economic, environmental, social and distributional impacts of a proposal are all examined, using qualitative, quantitative and monetised information. In assessing value for money, all of these are consolidated to determine the extent to which a proposal's benefits outweigh its costs.

2.1 Value for Money

Please describe to what extent the proposed scheme has been assessed in terms of value for money. Also explain how this will be developed through the Outline Business Case to provide accurate benefit-cost ratio information.

Where applicable, please include details of all options that have been appraised.

VfM should also include reference to the proposed scheme's economic, social, environmental and public accounts impact. (in line with the DfT's Transport Appraisal Framework)
The Transport Appraisal Process

The scheme is judged to offer three main sources of transport economic benefit:

- Benefits arising from using VMS to direct cars directly to appropriate non-central area car parks when the central area car parks are full or nearly full – both to the car occupants themselves and other drivers on the network;
- Benefits arising from using VMS and UTMC to reduce the very high journey times experienced on the Promenade during Illuminations times, particularly at weekends and school half term; and
- Benefits arising from using VMS and UTMC to mitigate the impact of traffic incidents on the network.

These benefits have been estimated using a combination of observed data and assumptions outlined in section 2.2 below, streamed and monetised over a 15 year appraisal period.

Benefits that have been monetised are:

- Marginal external cost of car km benefits from the removal of car kms from the network (due to a reduction in parking search circulating traffic) includes congestion, accidents, environmental impacts, and indirect taxes.
- Journey time savings for parking search cars, Illuminations impacts, and due to incidents and accident impact mitigation.
- Gross Value Added (GVA) uplift of assumed impact of 0.2% increase in visitor numbers and 0.5% increase in visitor spend. This is not included in the core transport case but is included in adjusted BCR used to consider Value for Money case.

All impacts in the appraisal framework have been considered.

Impacts that have only been partially monetised (for the parking guidance section impacts only) are:

- Accident impact of reduction in car kms.

	• Air Quality impact of reduction in congestion. Other impacts that have not been monetised but may be significant are: • Journey time reliability (an estimate has been included in the response to clarification questions). • Regeneration impacts beyond the GVA impact. The full details of the outline value for money appraisal are included at Appendix E.
2.2 Economic Assumptions *Please describe any economic assumptions made or that will be made as part of future appraisal work and the development of the Outline Business Case.*	The economic appraisal for the Strategic Outline Business Case has been carried out in line with Transport Appraisal Guidance (TAG) where applicable. The following economic assumptions have been made in the preparation of the outline business case: • 2010 price base and discount year. • Construction period 2016/17. • Opening year 2017. • 15 year appraisal period 2017-2031. • Costs and benefits discounted to 2010 at 3.5% p.a. • Capital costs estimated in 2015 prices. No QRA carried out but 20% risk allowance included plus 200% optimism bias applied to IT-related costs and 66% to other costs. • Operating and maintenance costs estimated at £1.59m over 15 years including 20% risk allowance. Processing included allowing for +1% real inflation p.a. and factored to 2010 market prices using GDP deflator and discounted to 2010. • TAG values of time, vehicle occupancies, purpose splits, and marginal external costs of car travel used where appropriate. All week average figures used. • 100% 'other' purpose and higher car occupancies assumed for parking and Illuminations impacts. • Three streams of transport benefits: ➢ Parking search time benefits – journey time savings and marginal economic cost of car km savings. 12,265 cars per year save 8.1 minutes each and removes 33,116 car kms per year. ➢ Illuminations / event journey time benefits – journey time savings; 10 minutes per vehicle during busiest illumination times equates to 14,553 car hrs per year. ➢ Incident and accident mitigation benefits – journey time

	savings. • Gross Value Added benefits from assumed 0.2% uplift in visitors and 0.5% uplift in visitor spend per head. The appraisal methodology and assumptions are reported in detail in Appendix E.
2.3 Sensitivity & Risk Profile *If applicable, please describe how changes in economic, environmental and social factors could affect the impact of the proposed scheme in terms of its benefit and costs.*	The risks to the capital costs are allowed for by including 20% risk allowance plus applying optimism bias at 200% to around 70% of costs and 66% to the remainder, reflecting the scheme is predominantly IT-based. A number of sensitivity tests and BCR threshold tests are reported in Appendix E and have been forwarded to the assurance consultants under separate cover. The core economic appraisal reports low value for money and remains low value for money under a wide range of sensitivity tests on modelling assumptions. The sensitivity tests show that the scheme performance is most sensitive to modelling assumptions regarding the Illuminations time savings and incidents and accidents impacts. In addition, the GVA uplift makes up a very significant part of the adjusted BCR and adjusted value for money. A significant risk to the benefits would be a drop in visitor numbers to the Illuminations, and to the resort in general. However these are on an upward trend as evidenced by increasing tramway patronage and parking sales figures reported in the strategic case. There is also continuing investment in the Illuminations through the new 'LightPool' project and other visitor attractions which help to maintain and grow Blackpool's position as a major attraction. Furthermore social and economic changes could impact on scheme benefits and costs. Increased economic activity and any resulting increases in visitor numbers would result in greater traffic flows, higher levels of congestion, and more demand for parking spaces. This would mean that the benefits arising from the scheme would likely increase as parking guidance would become more important to more people, and there would be an increase in incidents to provide mitigation for.
2.4 Value for Money Statement *Using the Appraisal Summary Table (AST) (see section 2.5), please include a summary of the conclusions from the Value for Money assessment. The statement should provide a concise summary of*	Summary outputs from the appraisal (in 2010 prices discounted to 2010) are: • Total benefits: £6.8m consisting of:

the proposed scheme's economic, environmental, social and public accounts impact.	➢ £0.44m parking search time benefits ➢ £3.08m event journey time benefits ➢ £3.32m accident/incident mitigation benefits • Total costs: £6.3m of which: ➢ £5.11m capital costs ➢ £1.18m maintenance and operating costs • Net Present Value: £0.5m • Benefit to Cost Ratio: 1.09 There are also very small (<£0.02m) environmental and accident benefits resulting from small reductions in vehicle kms as a result of the parking search reduction modelled. Environmental benefits from the reduction in congestion of the other two impacts have not been monetised. These unadjusted figures mean that the scheme is low value for money. However, in addition there are estimated GVA uplift benefits of £8.1m resulting from an assumed impact of a 0.2% uplift in visitor numbers and a 0.5% uplift in visitor spending. Including these in the Benefits/NPV/BCR calculations gives adjusted figures of: • Adjusted Total benefits: £15.0m • Total costs: £6.3m • Net Present Value: £8.7m • Adjusted Benefit to Cost Ratio: 2.38 The outcome of the appraisal is that the scheme, as appraised including GVA benefits, is judged as high value for money. The full details supporting this assessment are included in Appendix E. The GVA benefits in the economic assessment are taken from work Amion Consulting undertook for Blackpool Council in 2013 for the aforementioned Local Pinch Point Fund bid 'Blackpool Promenade and Town Centre Integrated Traffic Management', as detailed below: The works are expected to have an impact on the number of day visits to Blackpool as a result of making parking by those visiting by motor vehicle more attractive, and encouraging day visitors to spend longer in the town and thereby increase visitor spend. In terms of the number of day visits, an estimate has been made that this will lead to a total increase of 2% (from 7.8m to 7.96m) over a period of 3 years – and thereafter remaining at that level. Over a period of 10 years, and taking into account the increased build-up, it is estimated that an

additional 1.24m visits would result.

In terms of visitor spend, an estimate has been made of an overall increase of 5% on current average spend per head (from £34.00 to £35.70) by day visitors in stages over a similar period of 3 years – and again thereafter remaining at that level. Over a period of 10 years, and taking into account the increased build-up of visits, it is estimated that additional spend of £147.4m would result.

Based on an estimate of visitor spend required to support one job (from STEAM data for Lancashire and Blackpool, 2010), it is estimated that the additional anticipated spend of £147.4 million over ten years could lead to 341 direct and indirect jobs being supported, taking into account the growth in visitors and visitor spend. Based on GVA per person employed in the visitor economy sector (from the Annual Business Survey), and the anticipated build-up of additional jobs, it is estimated that a net additional cumulative GVA impact (at constant prices) of £73.9 million would result over a period of 10 years. The impacts are summarized below:

Estimated impacts of improvements	**Total over 10 years**
Number of additional day visits over 10 years	1.24 million
Additional visitor spend over 10 years	£147.4 million
Gross direct and indirect jobs supported by year 10	341
Net additional GVA (constant prices) over 10 years	£73.9 million

Only 10% of these benefits have been used in the economic assessment, which is considered appropriate to support this submission.

2.5 Preliminary Appraisal Summary Table

N.B. This is a preliminary AST and should provide an overview of the impacts which must be developed during the Outline Business Case.

Appraisal Summary Table

Date produced:	August2015

Contact:	
Name	Jeremy Walker
Organisation	Blackpool Council
Role	Promoter/Official

Name of scheme:	Blackpool Integrated Traffic Management
Description of scheme:	Sixteen Variable Message Signs (VMS) implemented on a number of routes on approaches and in Blackpool including the M55, the A5230, Yeadon Way, Seasider's Way, Waterloo Road, and along the Promenade – high specification multi-message signs supported by existing fixed signage that has recently been overhauled. Parking Guidance Information (PGI) system including inductive loop and CCTV car park monitoring, 19 parking signs with variable elements, and 24 static parking signs.

Impacts		Summary of key impacts	Assessment			
			Quantitative	Qualitative	Monetary £(NPV)	Distributional 7-pt scale/ vulnerable grp
Economy	Business users & transport providers	Reduction in congestion experienced by drivers on business due to reduction in circling traffic searching for parking, and better mitigation of incidents and accidents on the highway network.	Value of journey time changes(£) / Net journey time changes (£): 0 to 2min; 2 to 5min; > 5min		£1.48m	
	Reliability impact on Business users	Positive impact due to reduction in vehicle kms and better mitigation of incidents and accidents on the highway network – not quantitatively assessed.		Slight beneficial		
	Regeneration	Potential to increase visitor numbers may lead to regeneration opportunities within Blackpool in general and along Promenade in particular.		Slight beneficial		
	Wider Impacts	GVA uplift estimated from 0.2% increase in visitor numbers and 0.5% increase in visitor spend. GVA £0.9m p.a. supporting an estimated 34 jobs.			£8.13m	
Environmental	Noise	Very small impact on areas near car parks, effectively neutral.		Neutral		
	Air Quality	Small positive impact due to reduction in car kms and increase in efficiency of network, and localised reductions near car parks.		Slight beneficial		
	Greenhouse gases	Small positive impact due to reduction in car kms and increase in efficiency of network.	Change in non-traded carbon over 60y (CO2e); Change in traded carbon over 60y (CO2e)	Slight beneficial		
	Landscape	Any signing in rural areas (M55) will be designed and located to reduce any adverse impacts on landscape.		Neutral		
	Townscape	Signing will be designed and located to reduce any adverse impacts on townscape.		Neutral		
	Historic Environment	No detailed review of sign locations and historic resources has been undertaken but impact on historic resources will be minimised.		Neutral		
	Biodiversity	No impact		Neutral		
	Water Environment	No Impact		Neutral		
Social	Commuting and Other users	Reduction in congestion experienced by traffic on commuting and other purpose due to reduction in circling traffic searching for parking, reduction in event journey times, and better mitigation of incidents and accidents on the highway network.	Value of journey time changes(£) / Net journey time changes (£): 0 to 2min; 2 to 5min; > 5min		£5.34m	
	Reliability impact on Commuting and Other users	Positive impact due to reduction in vehicle kms and better mitigation of incidents and accidents on the highway network – not quantitatively assessed.		Slight beneficial		
	Physical activity	No Impact		Neutral		
	Journey quality	Improvements in car driver journey quality when searching for parking and in areas with incidents / accidents or during events.		Moderate beneficial		
	Accidents	Very small reduction in accidents due to reduction in parking search traffic circulation.		Slight beneficial		Neutral
	Security	No Impact		Neutral		Neutral
	Access to services	No Impact		Neutral		Neutral
	Affordability	No Impact		Neutral		Neutral
	Severance	No Impact		Neutral		Neutral
	Option and non-use values	No Impact		Neutral		
Public Accounts	Cost to Broad Transport Budget	Capital cost estimated at £2.16m in 2015 prices results in Present Value of £5.11m. Operating and Maintenance costs of £106k p.a. result in PV of £1.18m. Capital costs include 200% optimism bias on IT-related costs (71% of base costs) and 66% on remainder. Total costs £6.29m.			£6.29m	
	Indirect Tax Revenues	Small indirect tax revenue reduction due to decreases in parking search car kms.			-£0.01m	

The Quantitative column of the AST above has been greyed out as this is a SOBC and therefore scheme appraisal will be primarily qualitative. However if quantitative info is available please include.

3 Financial Case

The Financial Case concentrates on the affordability of the proposal and its funding arrangements.
It presents the financial profile of the proposed scheme and any associated risks. It determines the project costs per year and over its lifespan.

3.1 Affordability Assessment

Please explain how the affordability of the proposed scheme has been assessed.

Since the provisional Growth Fund allocation of £1.7m for the scheme in July 2014, work has been done to make the business case more robust. This has included commissioning AECOM to update a key element of their Vehicle Wayfinding Strategy produced for Blackpool Council in 2010.

The August 2015 update of the PGI and VMS chapter, with all costings, can be viewed at Appendix D.

3.2 Financial Costs

Please provide details of the Whole Life Costs of the proposed scheme and a profile of the costs over the period shown.
See Scheme Costs Guidance

Whole Life Costs (£m)		Please see Appendix D			
Year	2015/16	2016/17	2017/18	2018/19	>2019
Profile (revenue)	0.106	0.106	0.106	0.106	11.66
Profile (capital)	1.89	0.27			

3.3 Financial Cost Allocation

Please illustrate how the Whole Life Costs (WLC) will be allocated between the organisations involved in the delivery of the proposed scheme. Also provide a cost profile of the costs allocated to each organisation over the period shown.

Local Growth Fund (WLC £m)					
Profile	1.32	0.19			
Private Sector (WLC £m)					
Profile					
Other Public Sector (WLC £m)					
Profile	0.57	0.08			

3.4 Financial Risk

Please provide details of any financial risks associated with the delivery of the proposed scheme. Explain how these have been assessed and quantified. Have funds been committed? Identify any known shortfall in funding and provide evidence of how this shortfall will be addressed.

The successful delivery of the Blackpool Integrated Traffic Management project depends entirely on the successful award of grant funding from the Lancashire LEP. Blackpool Council has apportioned the necessary match funding (30%) and will be responsible for any cost overruns. Financial risk has been built in at the economic appraisal stage, by including 200% optimism bias for the IT-related elements. The cost estimates at Appendix D are considered to be realistic and robust.

The main risks which are beyond the council's control include:

- Construction inflation
- Statutory undertakers' costs
- Unforeseen ground conditions.

	A letter from the council's Section 151 officer is included at Appendix G. Blackpool Council will commit the financial resources necessary to maintain and manage the scheme for the duration of its life, estimated to be a period of 15 years from installation. These costs are estimated to be approximately £100,000 per annum, which is considered realistic given that Blackpool Council will use existing staff, facilities and resources to operate the scheme. Specific parking development and maintenance budgets will be earmarked for this purpose. Blackpool Council will cover any cost increases or cost overruns on all capital and revenue cost elements of this scheme.
3.5 Financial Risk Management *Please provide details of any risk allowance or contingency built into the Whole Life Costs of the project. Explain the rationale for the level of risk/contingency allocated and how this will be managed.*	The cost estimates submitted with this project are up to date and are based on experience elsewhere, e.g. Bury St Edmunds in Suffolk. Please see Appendix D. An allowance for risk (20%) has been applied to both capital and revenue costs.
3.6 Financial Accountability *Please explain who will be responsible for managing the finances of the project. What arrangements are in place to ensure diligent financial management is in place?*	Blackpool Council is the accountable body for the Blackpool Integrated Traffic Management project. Accountancy practices are based strictly on CIPFA best practice guidelines. PRINCE2 financial and project management processes are utilised for overseeing the management of capital projects. Delivery of the Yeadon Way Local Pinch Point Fund scheme, part funded by the DfT, is a recent example of where these processes have been successfully employed.

4 Commercial Case

The Commercial Case provides evidence on the commercial viability of the proposed scheme and the procurement strategy. It should clearly set out the financial implications of the procurement strategy. It presents evidence on risk allocation alongside implementation timescales and details of the capability and skills of the delivery team.

4.1 Commercial Viability *Please outline the approach taken to assess commercial viability*	There is a focus of commercial activity in the town centre and resort core, including the Promenade. Commercial considerations will be to the fore as this scheme is developed and implemented. It is proposed that Blackpool Pleasure Beach, one of the resort's key attractions, is fully integrated into the system. It is also intended that the scheme integrates with the Houndshill Shopping Centre's car park. The 'LightPool' project will benefit from the proposed PGI/VMS scheme. Blackpool Tower and the Winter Gardens are other important destinations, which will benefit from more efficient access arrangements. A Heritage Museum proposed for the Winter Gardens will attract more than 400,000 visitors per annum and provide £14.9m additional wider economic benefits annually to the local economy. It will also provide 80 full time equivalent (FTE) jobs (Source: Business Plan, Hosta Consulting, 2014). Work carried out by Amion Consulting in 2013 identified some potential economic benefits of the Local Pinch Point Fund scheme submitted to DfT (Option 2 in section 1.7 above). This identified additional development (housing and commercial), additional visitor numbers (day and overnight) and additional spending per visitor that would help to be delivered by the scheme. The following were assumed: • Day visitor uplift of 2% (from 7.8m p.a.) • Day visitor spend uplift of 5% (from £34 per visitor) • Visitor spend to support FTE jobs £55,374 • GVA per FTE employee £27,772 • A ramp in benefits in the first 3 years. This work has been adapted to inform an estimation of GVA for the revised scheme (Option 3 in section 1.7 above). The appraisal of benefit has been modified to include discounting and streaming over the 15 year appraisal period. Using the assumptions above this gives GVA uplift of £82.4m supporting around 340 FTE jobs. If the scheme is considered to have just one tenth of this impact, it would increase visitor numbers by 0.2% and spending per visitor by 0.5%. The impact on GVA uplift over the 15 year appraisal period would be £8.13m supporting around 34 FTE jobs.

	Further commercial benefits of the scheme could be explored, including any potential income from VMS, e.g. from commercial advertising. The council recognises that if it is to maximise its potential to make efficiency gains, it is essential that a common approach be taken on all procurement matters. This will avoid dual standards and ensure that its procurement experience and expertise, is fully developed and harnessed to deliver value for money. The council acknowledges that providing robust commercial challenge should result in cost-effective contracts and improved service outcomes.
4.2 Procurement Strategy *Please summarise potential procurement options available (e.g. partnership, framework, new competitive tender). Details of the intended procurement strategy and the rationale behind selecting it should be provided.*	A Prior Information Notice (PIN) was advertised in OJEU on 20th February 2013. Following the PIN exercise, a decision was taken to call off an existing framework agreement as there would be no significant additional benefit to the council undertaking its own tender process. There are a number of suppliers who responded to the council's PIN that are also named on existing framework agreements. The decision to utilise a framework agreement follows due consideration, having taken into account a number of factors: • A fully compliant OJEU tender process, already undertaken on behalf of all potential public sector contracting authorities. • Reduced timescales, even if running a mini-competition from a framework, in comparison to a full tender process. • Increased leverage, resulting in more competitive prices compared with current market rates. The council has identified a Crown Commercial Service (CSS) contract that would be suitable for this scheme. This is RM869, Traffic Management Technology, which has seven named suppliers. Under this contract, there can be a direct award or a mini-competition can be run. Suppliers in Lot 3, Electronic and Interactive Message Signs, can supply all types of information / messaging signs and the supply of related services. Under this contract, the procurement of maintenance services can readily be separated out. Blackpool Council will not undertake a PQQ, as any short listing will have been done as part of the establishment of the framework. The council will sign up to the overarching conditions contract of the framework. The CCS framework has been set up under the terms of

	NEC3, professional services. It is likely that unless there was only one provider able to meet the council's requirements, a mini-competition would be run and an award made based on the most economically advantageous tender.
4.3 Identification of Risk *Please outline the main commercial risks associated with the scheme (e.g. at-risk funding (capital and revenue)) and what strategy is in place to monitor and review these risks.*	A Risk Register has been produced for the project, which can be found at Appendix H. This will be reviewed and updated under the auspices of the Project Board.
4.4 Risk Allocation *Please describe how the risks identified in section 4.3 will be apportioned and shared to demonstrate that risks are allocated to the organisation / body best placed to manage them to ensure cost effective delivery.*	Please see Appendix H. As above; risks will be addressed by the Project Board.
4.5 Contract Management *Please explain the contractual arrangements for delivering the proposed scheme. A high level overview of the implementation timescales should be included (append MS Project Programme, if preferred).*	A provisional Project Programme is shown at Appendix I. This will be updated when funding is confirmed. At that stage, professional services could be procured through existing framework arrangements. The council has an excellent record of implementing major capital highway projects, recognising: • The importance of consultation/liaison with stakeholders, residents and elected members from an early stage, managed by the Project Board. • Sound project and programme management structures and arrangements being essential, adopting PRINCE2 principles. • The need for well-planned procurement strategies. • The necessity of effective risk management. • Communication and stakeholder plans need to be in place.

5 Management Case

The Management Case assesses whether a proposal is deliverable by reviewing the project planning, governance structure, risk management plan, communication and stakeholder management. The Management Case should be clearly defined, concise and sufficiently robust to enable cost-effective delivery.

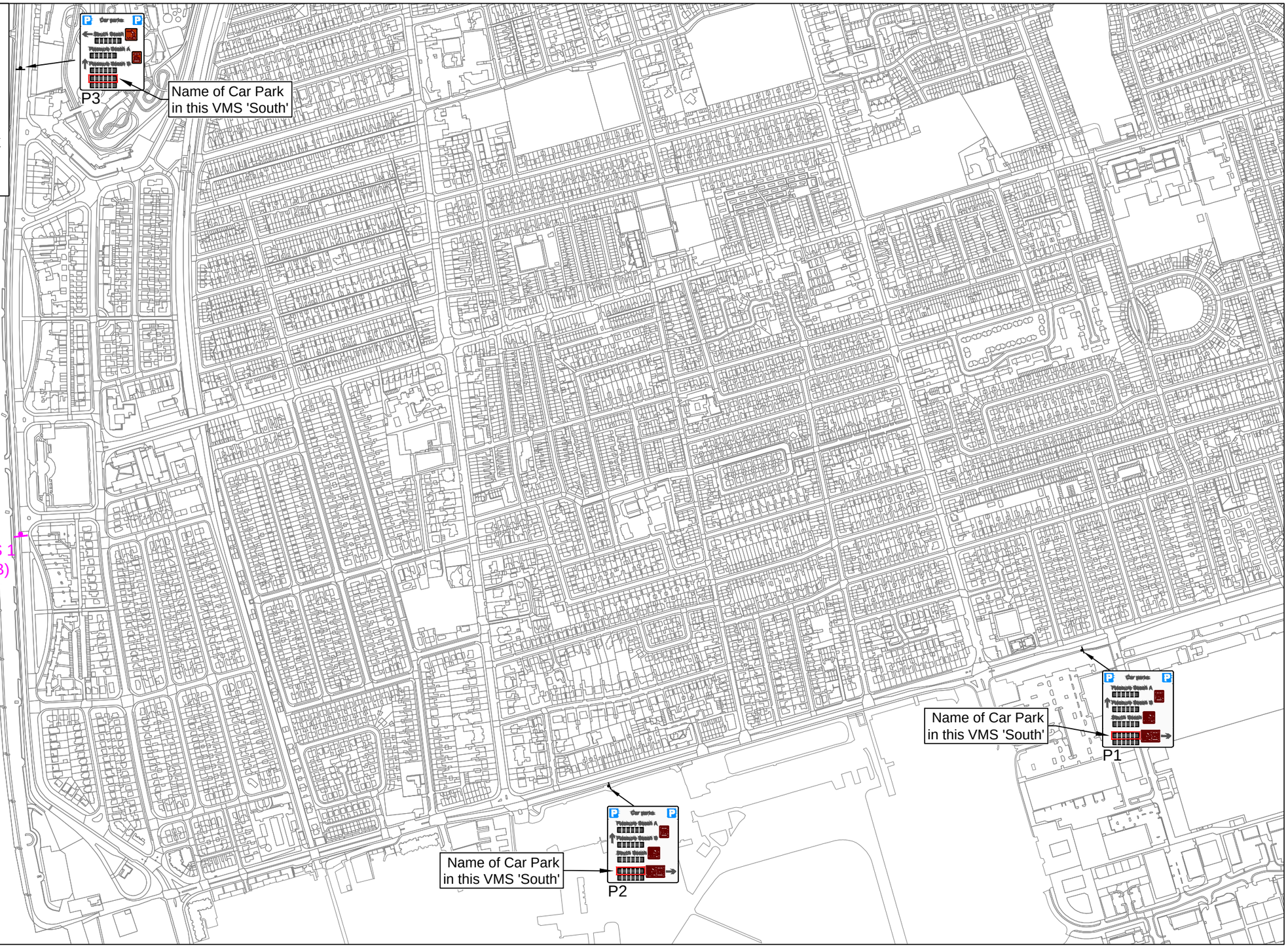
5.1 Governance *Please describe the Project Governance arrangements in relation to the Project Team; Project Sponsor/Project Manager; Project Board/Executive and their suitability to the role based on previous programmes of work.*	Project Governance will be in-line with the council's PRINCE2 project management system, based on SMART principles, and will deliver the programme to budget. An organogram is included with this application as Appendix J. The project board structure includes the following roles: • Senior Responsible Owner: Holds ultimate project responsibility, ensuring focus on objectives and delivery. This officer will report to the Cabinet Member accordingly – Jeremy Walker: Transport Policy Manager • Senior User: Responsible for specifying project users' needs, including supervising necessary procurement procedures and monitoring contract performance, also identifying and seeking approval for any project variances, in-line with achieving the programme's overall aims – Will Britain: Principal Engineer, Highway Asset Management. • Senior Supplier: Represents those designing, developing, facilitating, procuring and implementing the project – Latif Patel: Group Engineer, Traffic Management. • Project Manager: Dealing with the works' day-to-day implementation – Bob Sutcliffe: Senior Highways Engineer. The Project Team will report to this senior officer. This team will report to the Project Manager who will report to the Project Board, handling procurement compliant with European and domestic regulations. Post-scheme appraisal and any ongoing monitoring will be addressed. Invoiced expenditure will be monitored so that delivery targets are met. A Project Board will be established and will meet monthly. The day to day Project Management will rest with the Project Manager who will report to the Project Board.

5.2 Go/No-Go & Decision Milestones *Please describe any outstanding Go/No-Go processes and Decision Milestones in relation to the progression of the proposed scheme.*	By far the main issue is whether or not the Lancashire LEP Board decides to fund the scheme, based on a recommendation from TfL. This will have implications for the match funding (30%) that Blackpool Council has allocated to the project.
5.3 Project Programme *Please set out an indicative delivery programme, including key milestones. Any programme / project dependencies should be referenced. If applicable, please explain how the programme is aligned to relevant delivery strategies and plans.*	A Project Programme is included at Appendix I. The key programme dates are as follows: • Detailed Design: October 2015 • Procurement: November 2015 - January 2016 • Contractor Selection: February 2016 • Site Surveys & Investigations: March 2016 • Manufacturing & Purchasing: April - May 2016 • CCTV, Signage, Power Supplies & IT Management System Installation: June - October 2016 • Commissioning: November 2016
5.4 Assurance and Approvals Plan *Please document any key assurance and approval milestones (including any independent assurance).*	A Project Programme can be found at Appendix I. Assuming the scheme is approved by the LEP Board in October 2015, the procurement process can begin in earnest.
5.5 Communications & Stakeholder Management *Please explain how key stakeholders will be engaged throughout the delivery of the scheme, including details of proposed consultation events.*	The council's Highways Consultative Forum will keep all key stakeholders informed, as they are all invited to its early evening meetings. In its delivery phase, it is expected the scheme will be 'low impact'. Works to erect the signs can be phased during off peak periods to minimise disruption to road users. Blackpool Business Leadership Group (BBLG) has expressed support for the scheme (please see Appendix F1) and its members will be kept informed as the scheme develops. A high level communication plan can be found at Appendix K.
5.6 Programme / Project Reporting *Please describe the proposed reporting and approvals process. This must cover technical, financial, commercial and management elements.*	Blackpool Council, as highway authority, is the technical approval authority. Financial, commercial and management reporting/approvals are managed within a PRINCE2 project management regime. A Project Board will be established, which will meet monthly.
5.7 Risk Management Strategy *Please describe the scope of the Risk Management Strategy for the proposed scheme. Include details of the key risks including organisational accountabilities.*	The successful delivery of the project depends entirely on the successful award of grant funding from the Lancashire LEP. Project risk management strategies are as follows: • Identification of key risks

	• Categorisation of risks with commentary and actions • Monitoring and control arrangements for key risks. A project Risk Register is provided at Appendix H.
5.8 Monitoring and Evaluation *Please summarise outline arrangements for monitoring and evaluating the performance of the proposed scheme.*	Traffic levels will be continuously monitored on the Promenade and Yeadon Way. Car park data will be analysed weekly to evaluate patterns of usage. The council will investigate the use of qualitative surveys, before and after scheme implementation, to help shape and evaluate the scheme. Maximising the benefits from the proposed VMS will be particularly important. The scheme will substantially improve the council's ability to monitor usage on its major car parks. Currently, with the vast majority of car parks operating 'pay and display', it is difficult to accurately determine usage and turnover. A Monitoring and Evaluation Plan has been developed and can be found at Appendix L. Blackpool Council will pay for any associated data collection costs.
5.9 Project Management *Please summarise the overall approach for project management at this stage of the project.*	Project management will take place through the Project Board, which will be set up when funding is confirmed. The people identified in section 5.1 above will attend board meetings that will be held monthly. Blackpool Council has a good record of delivering similar sized schemes. For example, the recent Yeadon Way Local Pinch Point Fund scheme, part funded by the DfT, was delivered on time and to budget.

KEY

- VMS (SB) — Proposed new VMS location
- Private Car Park
- Municipal Car Park
- Municipal Coach Car Park



Client: Blackpool Borough Council	Title: Car Parking Guidance Signs Southern Area PROPOSED	AECOM	Design: MF / CAD: MF
Project: Blackpool Wayfinding Directional Signage		3rd Floor, Princes Parade, Princes Dock, Liverpool, L3 1QH Tel: +44 (0) 151 331 8900 Fax: +44 (0) 151 331 8999 www.aecom.com	Chk'd: AF / App'd: MA Date: 20/07/2015 / Scale: NTS No. Figure 3 / Rev: A3

KEY

- VMS (SB) — Proposed new VMS location
- Private Car Park
- Municipal Car Park
- Municipal Coach Car Park

P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18 P19 P20 P21 P22 P23 P24 P25 P26 P27

VMS 1 (SB) VMS 2 (SB) VMS 3 (NB) VMS 4(EB) VMS 5 (WB) VMS 6 (NB) VMS 7 (SB) VMS 11(EB) VMS 12(WB) VMS 13(NB)

AECOM

SCALE: NTS	DATE: 20/07/2015	TITLE: Car Parking Guidance Signs - Central Area Proposed	FIGURE NO.: Figure 4
LOCATION: BLACKPOOL			

KEY

- VMS (SB) — Proposed new VMS location
- Private Car Park
- Municipal Car Park
- Municipal Coach Car Park

VMS 10 (SB)

P41

P40

P39

P37

P42

P38

P36b

VMS 9 (NB)

P36a

P35

P34

P33

P32

P31

VMS 8 (NB)

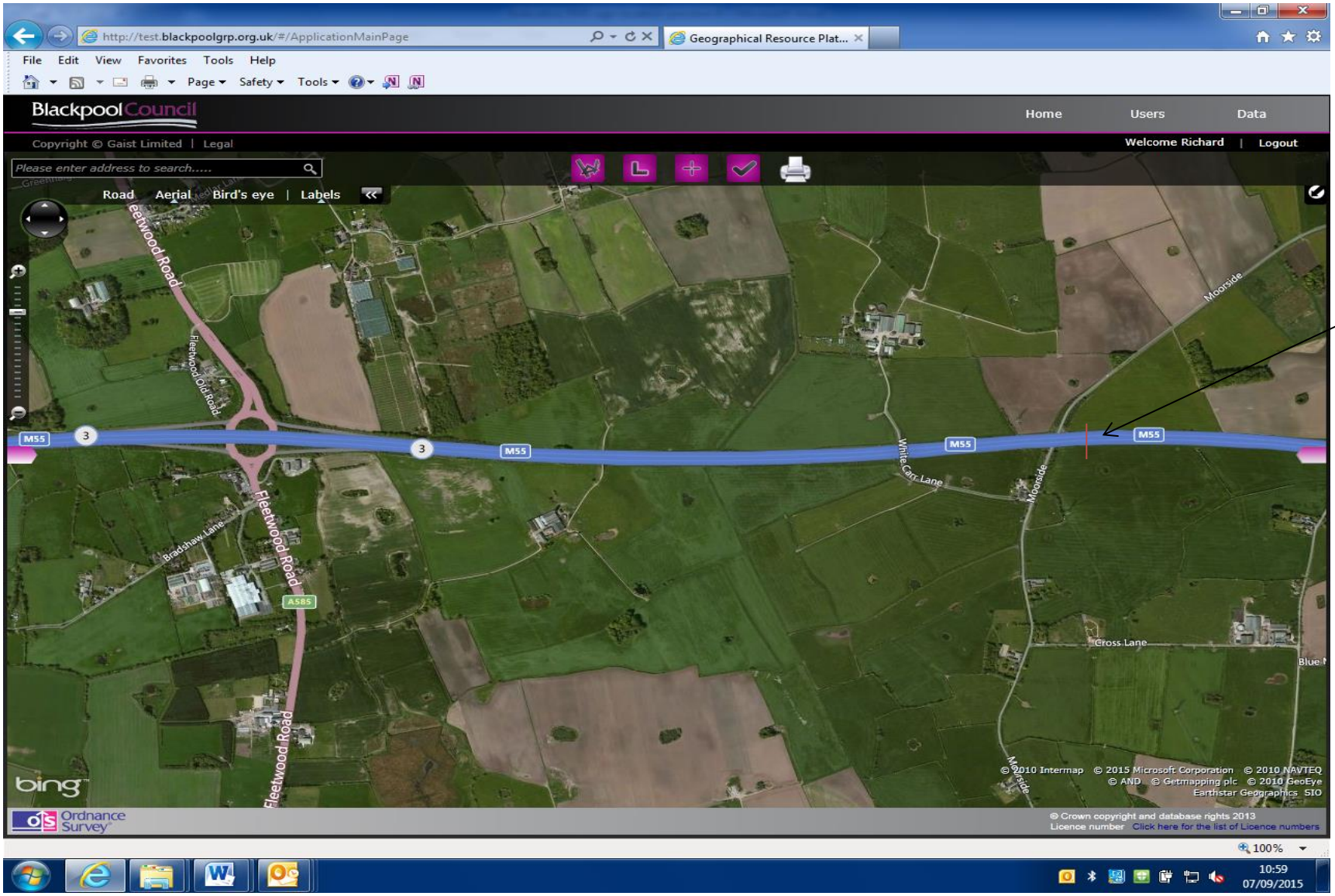
P30

P28

P29

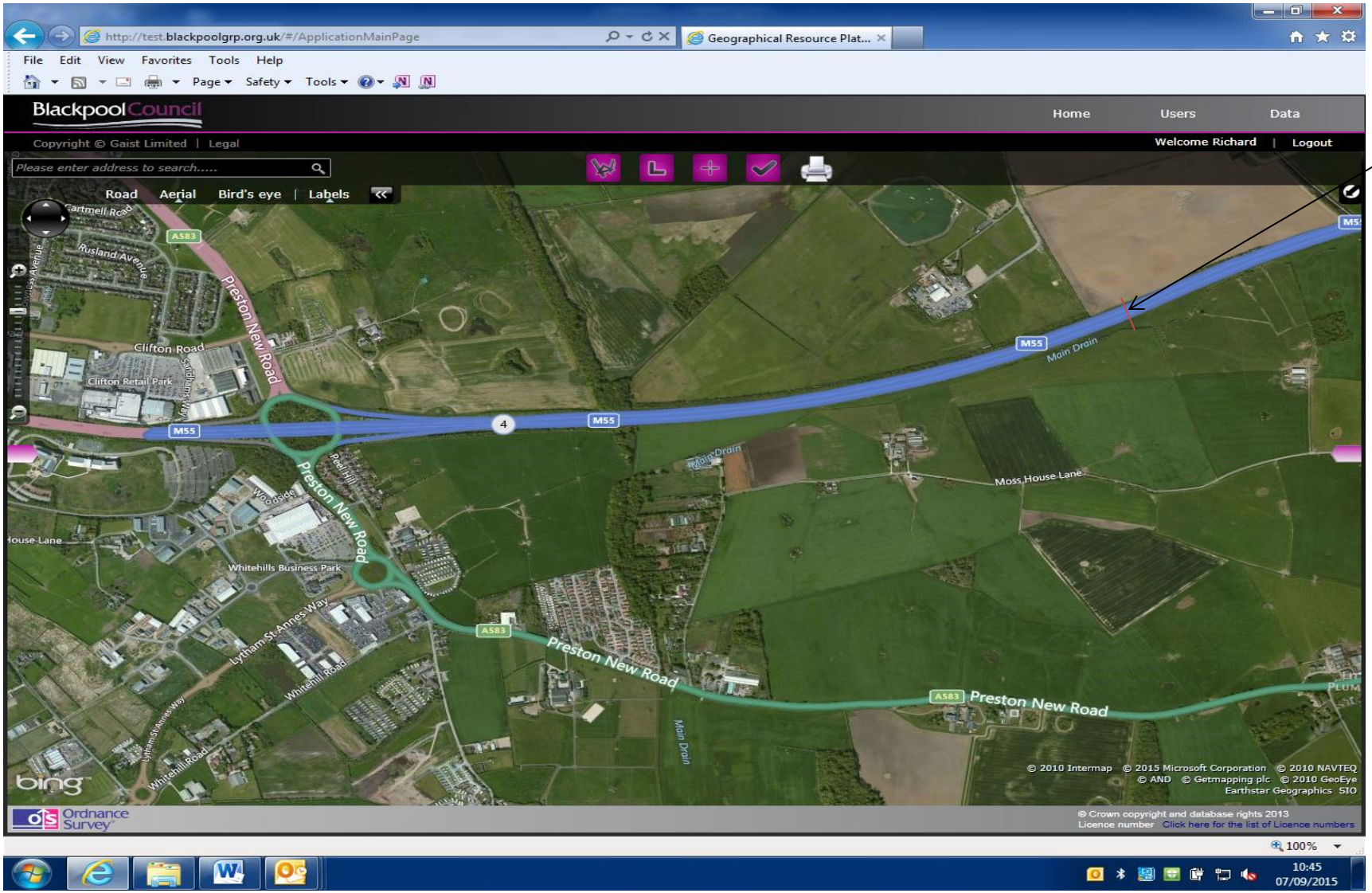
SCALE	DATE	TITLE	FIGURE NO.
NTS	20/07/2015	Car Parking Guidance Signs - Northern Area Proposed	Figure 5
LOCATION: BLACKPOOL			

M55 proposed VMS



Indicative location of VMS sign – 200 metres in advance of the 1 mile ADS sign

M55 proposed VMS



Distributional Impact Appraisal: Screening

Scheme description: Integrated Traffic Management
The proposed provision of an intelligent transport system including Variable Message Signage (VMS) and Parking Guidance Information (PGI).

Indicator	(a) Appraisal output criteria	(b) Potential impact (yes / no, positive/negative if known)	(c) Qualitative Comments	(d) Proceed to Step 2
User benefits	The TUBA user benefit analysis software or an equivalent process has been used in the appraisal; and/or the value of user benefits Transport Economic Efficiency (TEE) table is non-zero.	Positive impact	If the project is implemented user benefits will be high for both visitors and locals with reduced delays from traffic congestion. This will have a beneficial impact upon surrounding deprived neighbourhoods with less idling traffic. A GVA uplift is estimated from a 0.2% increase in visitor numbers and 0.5% increase in visitor spend. GVA £0.9m p.a. supporting an estimated 34 jobs.	Not deemed necessary
Noise	Any change in alignment of transport corridor or any links with significant changes (>25% or <-20%) in vehicle flow, speed or %HDV content. Also note comment in TAG Unit A3.	Slightly positive impact	The project if implemented would provide a slight improvement in traffic noise in certain locations for example areas near car parks due to less idling traffic and a reduction in journey times. However, if the project did not proceed traffic volumes and hence noise will remain the same near densely populated diverted routes.	Not deemed necessary
Air quality	Any change in alignment of transport corridor or any links with significant changes in vehicle flow, speed or %HDV content: • Change in 24 hour AADT of 1000 vehicles or more • Change in 24 hour AADT of HDV of 200 HDV vehicles or more • Change in daily average speed of 10kph or more • Change in peak hour speed of 20kph or more • Change in road alignment of 5m or more.	Slightly positive impact	Small impact due to reduction in car kms and increase in efficiency of network, and localised reductions near car parks.	Not deemed necessary
Accidents	Any change in alignment of transport corridor (or road layout) that may have positive or negative safety impacts, or any links with significant changes in vehicle flow, speed, %HGV content or any significant change (>10%) in the number of pedestrians, cyclists or motorcyclists using road network.	Impact would be slightly positive	Very small reduction in accidents due to reduction in parking search traffic circulation. The use of UTMC will have an impact on when an incident is detected through general network monitoring processes either automatically or on the ground, VMS will be used to alert drivers of incidents and re-routing options. Blackpool Council would use UTMC to alter signal settings in real time to support the diversionary routes being promoted by the VMS. This process will help to ensure the most efficient response to the incident or accident and help to mitigate the impacts in terms of congestion and delay to vehicles on the network. Benefits would come from a reduction in journey time increase across the network due to accidents and incidents.	Not deemed necessary
Security	Any change in public transport waiting/interchange facilities including pedestrian access expected to affect user perceptions of personal security.	Impact would be neutral. The project as proposed will provide a status quo in terms of security.	The project is not by its very nature a security improvement scheme.	Not deemed necessary
Severance	Introduction or removal of barriers to pedestrian movement, either through changes to road crossing provision, or through introduction of new public transport or road corridors. Any areas with significant changes (>10%) in vehicle flow, speed, %HGV content.	Impact would be neutral. The project as proposed will provide a status quo in terms of severance.	The project if implemented would provide a status quo situation only.	Not deemed necessary
Accessibility	Changes in routings or timings of current public transport services, any changes to public transport provision, including routing, frequencies, waiting facilities (bus stops / rail stations) and rolling stock, or any indirect impacts on accessibility to services (e.g. demolition & re-location of a school).	Positive Impact	The project if implemented as proposed would provide a positive situation on public transport movements in particular buses with reductions in traffic congestion around key town centre bus routes. This will have a major impact upon communities on low incomes, with low level car ownership whom rely on public transport availability.	Not deemed necessary
Affordability	In cases where the following charges would occur; Parking charges (including where changes in the allocation of free or reduced fee spaces may occur); Car fuel and non-fuel operating costs (where, for example, rerouting or changes in journey speeds and congestion occur resulting in changes in costs); Road user charges (including discounts and exemptions for different groups of travellers); Public transport fare changes (where, for example premium fares are set on new or existing modes or where multi-modal discounted travel tickets become available due to new ticketing technologies); or Public transport concession availability (where, for example concession arrangements vary as a result of a move in service provision from bus to light rail or heavy rail, where such concession entitlement is not maintained by the local authority).	Slightly positive impact	Car fuel usage would reduce slightly due to reduced congestion and idling which would also have a positive impact on the operation of public transport.	Not deemed necessary

Blackpool Integrated Traffic Management
Distributional Impact Appraisal: Additional Information

Blackpool's Economic Profile

In 2013, Blackpool's population was 141,400. In addition to the resident population, Blackpool sees an estimated 13 million visitors to the resort each year. The population of Blackpool has considerable amounts of transience, including movement in and out of the town, as well as movement within the town.

Population projections

The total population of Blackpool is projected to grow to 157,600 by 2025 (ONS mid-2006 based population estimates). Key factors contributing to the projected increase include improved life expectancy and net inward migration. In recent years, net inward migration to Blackpool from other districts within the country has been the main contributory factor to population increase. Over the next 20 years the number of residents over 65 is anticipated to show a considerable increase, far above the levels of increase expected in all other age bands.

Population age profile

Blackpool has a population that is older than the average for England and Wales. A larger proportion of Blackpool's population is aged 45 and over compared to the national average. The proportion of the population aged under 10, and 20-39 are lower than average.

Deprivation

Blackpool experiences considerable levels of disadvantage. In 2010, it ranked as the 6th most deprived of 354 local authorities in England. 46 out of 94 small areas within Blackpool are amongst the 20% most deprived areas of the country and there are no areas amongst the 20% most affluent.

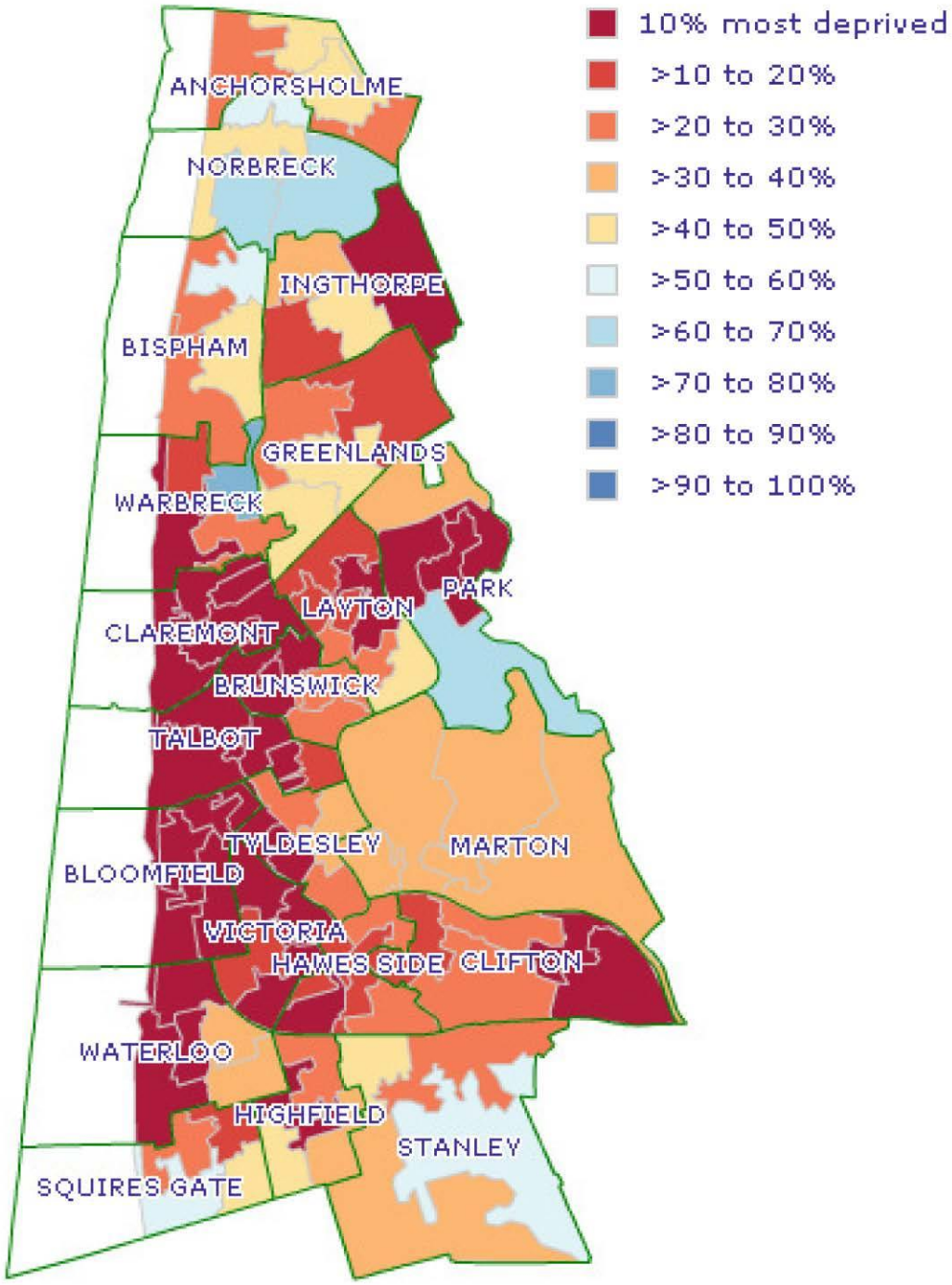
Of the 32,482 lower-layer super output areas (LSOAs) in England, three Blackpool LSOAs appeared in the bottom 10 most deprived. These are: One of the five LSOAs in Bloomfield ward (3rd worst in England), one of the five LSOAs in Park ward (5th worst in England) and one of the five LSOAs in Brunswick ward (8th worst in England).

The static parking signs, partial VMS signs and full function VMS signs are all located in deprived wards including those referred to above.

In addition, a total of thirteen LSOAs in the authority were in the lowest hundred. Blackpool was ranked as the 10th most deprived area out of 326 districts and unitary authorities in England. This was the worst ranking of all the 14-authorities in the broader Lancashire area.

The mosaic profile of local households classifies 'transient renters and modest traditions' (mature owners of value homes enjoying stable lifestyles) as the dominant groups in large parts of Blackpool. The latter are to be expected in a coastal authority, with a bias towards a higher percentage of people of retirement age. However, the economically better off mature residents tend not to to live in any of the deprived wards, instead residing on the fringes, e.g. Stanley Park area.

Ranks of Blackpool LSOAs in the Index of Deprivation by Band



Source Data: CLG, Indices of Deprivation, 2010

Only 63.3% of the population had a car (2011 Census) which outlines the importance of the use of public transport.

Average house prices are well below the county and national averages. The yearly ratio of median house price to median earnings reveals a rate for the authority that is under the England average.

Blackpool has high proportions of its housing stock in the lowest two council tax bands (A and B). 13.5% of households were in fuel poverty in 2012. The main factors that determine this are the energy efficiency status of the property, the cost of energy, and household income.

Employment

The authority has a high reliance on public-sector employment which has been under pressure over recent years. As a major tourist destination, Blackpool has always had a lower than average rate of employee jobs in the manufacturing sector and conversely a higher rate of employment in the service sector. The visitor economy, that incorporates employment in accommodation and food service activities, results in the dominance of the service sector in Blackpool. 11,000 people are employed in the visitor economy, the highest level in the UK. Low incomes dominate this sector, a key aspect of the deprivation figures.

In 2012, there were 3,945 active enterprises in Blackpool, whilst the five-year survival rates for active enterprises reveal a poor outturn for the authority. A strong local visitor economy can often lead to high levels of business births and deaths. The authority has a history of low overall employment rates in comparison to the national average.

The seasonal nature of tourism in the authority leads to quite high rates of unemployment (claimant counts) in the winter months. Even however at the height of the tourism season (which extends into October because of the illuminations), the unemployment rate in Blackpool is usually well above the county and national averages. At the ward level there are some particularly high unemployment rates.

The authority has a very high proportion of workers who have a relatively short commute to work. The 2011 census indicated that 15,851 or a substantial 25.6% of Blackpool's working residents aged 16+ commute less than two kms. This is the highest percentage in Lancashire and is in excess of the regional and national averages. The authority also has the highest percentage in the 2-5km category (28.6%).

Using sustainable transport modes can significantly improve employment opportunities and life chances.

Gross disposable household income in Blackpool is lower than the county and UK average with average earnings in Blackpool very low when measured by both place of residence and by place of work.

The authority has a very large number of incapacity benefit, severe disablement allowance and employment and support allowance claimants. Housing benefit recipient numbers are

also extremely high in the authority. There is a very high percentage of the working age population that is reliant on welfare benefits.

The personal insolvency rate in Blackpool per 10,000 population is one of the highest recorded among all the district and unitary authorities in England and Wales.

Crime and health inequalities

Blackpool has a very high crime rate that is well in excess of all other authorities in the Lancashire area.

Figures for life expectancy at birth reveal that Blackpool had the lowest male rate in England and the third lowest female rate for the 2011-13 period. The premature death rate (before 75 years) is also very high in the authority.

The health of people in Blackpool is generally worse than the England average and there are marked inequalities both between Blackpool and the national average, and within the town itself. Life expectancy for men in Blackpool is the lowest in the country at 73.6 years and the third lowest in the country for females at 79.4 years (England averages of 78.6 for men and 82.6 for women). There is considerable variation within Blackpool where life expectancy is 12.8 years lower for men and 8.1 years lower for women in the most deprived areas than the least deprived areas of the town.

Project impact upon the local population

The project will provide benefits to the local area in particular through user benefits, air quality improvements and noise reduction.

There will be a reduction in congestion experienced by traffic on business purposes due to a reduction in circling traffic searching for parking, and better mitigation of incidents and accidents on the highway network.

Positive impact due to reduction in vehicle kms and better mitigation of incidents and accidents on the highway network – not quantitatively assessed.

Potential to increase visitor numbers may lead to regeneration opportunities within Blackpool in general and along the Promenade in particular.

Finally a GVA uplift is estimated from a 0.2% increase in visitor numbers and 0.5% increase in visitor spend. This GVA uplift of £0.9m p.a. is estimated to support 34 jobs.

Blackpool Council

Blackpool Vehicle Wayfinding Strategy

Parking Guidance Information System

August 2015

AECOM

Document Control

Project Title: Blackpool Vehicle Wayfinding Strategy

Document: Parking Guidance Information System

Client: Blackpool Council

Project Number: 60431795

File Origin: f:\marketing\development marketing\new jobs\blackpool wayfinding\2015 vms wayfinding update\03 execution\documents\2015 report\blackpool wayfinding strategy 2015_v1.5_210815.docx

Document Checking

Prepared by: 

Amy Friel / Steven Turvey

Graduate / Senior Consultant

Checked by: 

Michael Anthony

Principal Consultant

Approved by: 

Mark Edwards

Regional Director

Rev No	Comments	Checked by	Approved by	Date
1	Final Draft	MA	ME	22.07.15
2	Final	MA	ME	21.08.15
3				
4				

1 New York Street, Manchester, M1 4HD, United Kingdom

Telephone: 0161 601 1700 Website: http://www.aecom.com

CONTENTS

FIGURES

APPENDICES

1 Introduction

1.1 Introduction

1.1.1 AECOM have been commissioned by Blackpool Borough Council (BBC) to provide an update to the Parking Guidance Information (PGI) element of the Vehicle Wayfinding Strategy produced by AECOM in September 2010.

1.1.2 Previously, AECOM was appointed by BBC in 2010 to develop a Vehicle Wayfinding Strategy for the town, with a particular emphasis on aiding tourists and visitors to easily navigate their way around, and to find the most appropriate car park for their primary destination.

1.2 2010 Strategy Summary

1.2.1 The key outputs of the 2010 Strategy included a detailed review of static directional signage along key corridors serving the town, with recommendations and preliminary designs generated to implement the Vehicle Wayfinding Strategy.

1.2.2 The Strategy also considered the application of Variable Message Signing (VMS) to improve network efficiency and driver experience, along with an outline design for a Parking Guidance Information (PGI) system and event information system which was prepared to help drivers navigate to the most appropriate car park for their preferred destination.

1.2.3 The 2010 Strategy also included budget estimates for both the recommended static and VMS signage proposals.

1.3 2015 Strategy Scope

1.3.1 The aim of this latest Strategy is to provide an update to the PGI element of the previous report including updating car park names, capacities, potential interface with the Highways England (HE) Strategic Road Network (SRN), together with revised costings for the proposed infrastructure.

1.3.2 The scope of the updated Strategy is to consider the application of VMS to help improve traffic flow around Blackpool allowing for improved network efficiency and driver experience. In particular, in order to implement a PGI system and event information displays an outline design of the PGI system has been prepared, with consideration given to the deployment of VMS which could provide event information and guidance to drivers as necessary throughout the year.

1.3.3 The findings of the Strategy will inform recommendations on where signage opportunities may be improved within Blackpool, supported by sign-face design proposals and final estimated costings.

1.3.4 For the purposes of this Strategy, the study area has been separated in to North, Central and South to enable clear planning and understanding of the Strategy to be presented, as shown in **Figure 1**.

1.3.5 The estimated capital costings generated for the 2015 Strategy shown in Chapter 3 have been developed by drawing on previous experience and infrastructure costing estimates available at the time of writing.

1.3.6 It is understood that indicative revenue costs, including ongoing communications and technology maintenance, staff training and operational costs will be remunerated by BBC. It should be noted that the revenue estimates been projected for a 15 year period and have been discussed further in Chapter 3.

1.4 Report Structure

1.4.1 Following this introduction, this report contains the following chapters;

Chapter 2 – Car Parking Guidance
Chapter 3 – Final Estimated Costings Summary

2 Car Parking Guidance

2.1 General Approach

2.1.1 For the PGI system, the car parks in the area were considered in terms of their location, uses and size. Typically a car park less than 60 spaces should not be included in a PGI system as the accuracy errors represent too great a proportion (a drift of 3 spaces would be a 5% error, for example).

2.1.2 Having reviewed the car parks in Blackpool and considering the space available, 22 car parks have been considered for inclusion in the Strategy, of which 15 have been selected for use within the PGI system. The car park locations and capacities are shown in **Table 1**.

2.1.3 Additionally, it is recommended that the current name of "South" car park should be altered as it may be confusing when providing directions to tourists and visitors.

2.1.4 **Table 1** lists the 15 car parks included in the PGI system with the "South" car park recommended for a name alteration highlighted green. The signs presented in the outline design use the current given names; this could be easily altered at the detailed design stage. For the purpose of this Strategy the Pleasure Beach car parks "North Entrance" and "East Car Park" have been combined as "Pleasure Beach".

Table 1 - Car Parks included in the PGI system

Car Park	P&D spaces	Disabled spaces
Bonny Street	135	8
Central	714	34
Bloomfield Road	617	25
Foxhall Village	148	10
Chapel Street Surface	208	9
East Topping Street	131	9
Houndshill Multi-Storey (private)	770	-
Lonsdale Road	172	4
Talbot Road Multi-Storey	558	38
Seasider's Way (dual purpose)	142	-
South Beach	195	11
South Car Park	919	19
West Street Multi-Storey	177	9
APCOA (private)	460	-
Pleasure Beach (private)	626	-

2.2 Variable Message Signage

2.2.1 For the full function VMS, it is considered that their real value comes in assisting with event management in and around Blackpool with a significant number of events requiring specific traffic management arrangements.

2.2.2 The following section discusses the proposed locations of VMS, supported by the attached figures which illustrate the VMS and PGI signage locations proposed by the Strategy. However, it should be considered during detailed design that street clutter (lights / decorations etc.) could potentially impact the effectiveness of the VMS.

- **M55 entrance to Blackpool**

2.2.3 Provision of full function VMS on Blackpool Council's own highways network is a matter for the council but there would also be merit in providing advanced events information on the M55 approaching Blackpool.

2.2.4 There are two key routes into Blackpool from the M55, one is from Junction 4 which takes drivers onto the A583 and the other involves continuing to the end of the M55 where it meets the A5230 / Yeadon Way.

2.2.5 Signing on the Motorway is provided by gantries, instructing drivers to follow the A583 for Blackpool North and to carry on for Blackpool South and Central. VMS would be useful to assist with event management in Blackpool but at present no VMS are located on the M55. Discussions have been initiated with the Highways England on this matter to explore if they would support or permit a VMS to be located on their network.

2.2.6 Initial negotiations with the local HE team resulted in agreement, in principle, for two VMS locations on the Strategic Road Network (SRN) pending negotiation of the operational processes, as shown in **Appendix A**.

2.2.7 Following these negotiations, the HE indicated that VMS signage located on the SRN should commence in advance of M55, Junction 3 in order to enable motorists to use the A585 as an alternative route if necessary.

- **A5230, west of M55**

2.2.8 If continuing to the end of the M55 and joining the A5230, drivers come to a roundabout (with the 'Helter Skelter' sculpture) where they can select to follow Yeadon Way into the centre of Blackpool or alternatively turn left onto Progress Way (continuation of the A5230) for Blackpool South.

2.2.9 The A5230 is the current preferred route for the Pleasure Beach and Sandcastle Waterpark attractions. After consultation with Blackpool Pleasure Beach however, parking in this area via the A5230 route was found to be at full capacity during peak times; therefore it may be more efficient to direct vehicles along Yeadon Way in these occasions and into the "South" Car Park (Car park 17 identified in **Figure 2**.

2.3 PGI Signage

2.3.1 It is recommended that PGI signing principles remain as existing at this roundabout and continue to direct people onto Yeadon Way for the Town Centre and Tower attraction and on to the left (A5230) for the Pleasure Beach and Sandcastle Waterpark. Signing along the A5230 can then divert people to overspill car parking when necessary to maintain network efficiency. To direct people to the most appropriate car parks for their attraction of destination, the car parks will be signed in the following areas:

- **South Area**

2.3.2 The South Area car parks are intended for people visiting the Pleasure Beach and Sandcastle Waterpark and travelling from the M55 on Progress Way. These car parks are:

- Pleasure Beach;
- South Beach; and
- South Car Park.

2.3.3 Each car park is considered to be sufficient in size to accommodate car park monitoring and should be included in a PGI system. The Pleasure Beach and Sandcastle car parks are the more popular in this area and when full, it is necessary to sign drivers to the "South" car park.

2.3.4 It is proposed to introduce PGI on Progress Way directing people along St Anne's Road and Lytham Road. However it is acknowledged that many drivers will continue onto the Promenade especially as there is on-street parking in this area. On the Promenade therefore there is additional signing to direct people back to the "South" Car Park.

2.3.5 Despite on-street parking being present in this area, it is not recommended for this is included in any parking guidance system. It would be prohibitively expensive to monitor on street parking and the levels of accuracy would be low.

2.3.6 Signing is also provided for the town centre in the South Area, albeit most drivers heading for the town centre should be progressing along Yeadon Way. It is acknowledged however that some drivers will have taken a wrong turn, ignored the signs or would have travelled from the south. At

this stage, it is recommended that "Town Centre" is grouped together into one element until drivers are further into the correct area for town centre parking.

- **Central Area**

2.3.7 The Central Area parking is aimed at people travelling along Seasider's Way and wishing to visit the football ground and to provide alternative parking for people visiting the Pleasure Beach and Sandcastle Waterpark attractions once the car parks to the south become full. These car parks are:

- Bloomfield Road;
- Foxhall Village;
- Lonsdale Road;
- Central;
- Bonny Street; and
- Chapel Street Surface.

2.3.8 These are signed as drivers progress along Seasider's Way with additional elements included for town centre car parking although at this stage, the town centre is grouped into one element. The key aim here is to ensure that people travelling to the town centre progress along Yeadon Way / Seasider's Way and on the town centre network north of "South" Car Park.

2.3.9 Coach parking exists along Seasider's Way and will be incorporated onto the signs as part of the updated Strategy. As a result of coaches having the option to book parking spaces in advance, it is recommended that additional consideration is given in regards to operational management of the Strategy.

- **North Area**

2.3.10 The car parks in the northern section of the study area serve the Tower and the town centre amongst other smaller attractions. The North Area is not believed to be overly busy in terms of visitor parking but there will be some shopper parking and a number of large car parks are located in this area that could be included in the PGI system; these are:

- Houndshill Multi-Storey;
- West Street Multi-Storey;
- Talbot Multi-Storey;
- East Topping Street; and
- APCOA (Wilkinsons).

2.4 Costs and Operational Issues

2.4.1 The outline designs have been costed as follows:

- Static Parking Signs (including installation) £18,548
- PGI sign costs (excluding power and infrastructure) £338,000
- PGI sign costs (power and infrastructure only) £165,000
- Full Function VMS costs £620,000
- Installation Costs (PC and software control) £145,000
- Car park monitoring costs (assuming all entrances are covered on proposed car parks and excluding CCTV) £192,000
- CCTV coverage for each car park £144,000
- Communications Setup costs £180,000

2.4.2 These costs will be discussed in detail in the following sections.

2.5 Full design and procurement of a contractor

2.5.1 Estimated cost £120,000. This cost would cover the full sign design as well as the procurement of a contractor to oversee the installations. The outline designs would be considered and on-site assessment of the exact location of the signs determined. This would take into account road / pavement width, sign clutter, junction arrangements, etc.

2.5.2 The estimated cost would also involve liaising with car park operators to ensure they are willing to be included in the system, explore financing options and agreeing communication means and monitoring locations. This would inform the development of Invitation to Tender documents, and will be recompensed by BBC.

2.6 Static Parking Signs

2.6.1 To support the PGI signs, 24 static signs have been proposed across the network to help visitors reach their desired car park. These signs are shown in **Figure 3**, **Figure 4** and **Figure 5**. **Table 2** outlines the location and cost of these signs. A cost of £400 per square metre was assumed for the static parking signs. It should be noted that the final static signage costings in **Table 2** include the installation costs of the signage.

Table 2 - Proposed Static Parking Sign Costs

Sign Ref.	Figure	Location	Size (sqm)	Cost
P7	4	Balmoral Road	4.51	£1,804.00
P8	4	Bond Street at Balmoral Road	0.81	£324.00
P9	4	Promenade at South pier	0.73	£292.00
P11	4	Lytham Road opposite Station Road	0.73	£292.00
P12	4	Lytham Road and Waterloo Road roundabout	0.73	£292.00
P13	4	Lytham Road south of Watson Road	0.73	£292.00
P14	4	St Anne's Road south of Watson Road	0.73	£292.00
P16	4	Yeadon Way before South Car Park	0.73	£292.00
P17	4	Yeadon Way before South Car Park second entrance	5.05	£2,020.00
P18	4	Yeadon Way and Parkinson Way roundabout	0.73	£292.00
P19	4	Watson Road before Parkinson Way	0.73	£292.00
P20	4	St Anne's Road before Waterloo Road	0.73	£292.00
P21	4	Waterloo Road before St Anne's Road	0.73	£292.00
P23	4	Entrance to Central Beach Car Park	1.74	£696.00
P25	4	Entrance to Lonsdale Car park	1.84	£736.00
P26	4	Approach to roundabout near Lonsdale	5.87	£2,348.00
P27	4	Roundabout with Seasider's and Sands Way	4.76	£1,904.00
P28	5	Approach to roundabout near Lonsdale (exiting)	8.55	£3,420.00
P30	5	Entrance to Central Coach Park	1.56	£624.00
P32	5	Chapel Street opposite Kent Road	0.75	£300.00
P33	5	Chapel Street at Central Drive	0.75	£300.00
P34	5	New Bonny Street before Promenade	0.64	£256.00
P36a	5	Promenade, after New Bonny Street	1.12	£448.00
P42	5	Talbot Square, westbound	1.12	£448.00
			TOTAL - STATIC	**£18,548.00**

2.7 PGI System

2.7.1 The PGI system requires car park monitoring, signs with variable elements and installation providing overall control and records for the system. We have proposed 19 signs with variable elements across Blackpool, listed in **Table 3**. These are shown in **Figures 3, 4** and **5**.

2.7.2 Car park monitoring would be considered in greater detail at the detailed design stage but, it is envisaged that inductive loops would do the bulk of the monitoring. Some car parks already have these in place along with barrier systems which would be utilised where possible. Some car park entrances may require works to ensure proper delineation to assist accuracy of the counts.

2.7.3 CCTV would also be recommended for the car parks to allow a check to be undertaken from time to time on the system accuracy without the need for on-site visits. This could be coupled with improvements to overall car park security if desired and potentially assist Blackpool in obtaining Park Mark Status for a number of car parks.

2.7.4 The signs would be similar to static directional signing but with LED variable elements to allow display of car parking availability. 6 characters would be recommended to allow display of the number of spaces available or the legends “OPEN”, “FULL”, and “SPACES”. Numbers and “FULL” would be used where possible but it is useful to have default legends available also. The signs would be modular in design allowing alterations over time and upgrades to be easily accommodated.

2.7.5 The installation would be simple control software that could be accommodated on a standalone PC or integrated into a wider control system. Software would be UTMC compliant and would easily cater for expansion of the system to assist future expansion and to manage cash flow in delivery.

2.7.6 These are indicative at this stage only and would be subject to fuller consideration of the designs and ultimately obtaining competitive tenders. Prices are based on recent experience of installing PGI and VMS systems and elements could be phased. Once the design is complete and the installation provided, all other elements could be developed as appropriate.

2.7.7 The PGI sign costs (including power and infrastructure) costs have been calculated as shown in **Table 3**.

Table 3 - PGI partial VMS Signs Costs

Ref.	Figure	Location	V elements	Size (m2)	Dual Post	Single post
P1	3	Squires Gate Lane opposite Belham Ave	4	4.5	£19,500	£20,000
P2	3	Squires Gate Lane opposite Sandon Place	4	4.5	£19,500	£20,000
P3	3	Promenade opposite Pleasure Beach/Coasters	4	4	£19,000	£19,500
P4	4	Promenade before Sandcastle Station	1	2.5	£16,000	£16,500
P5	4	Promenade opposite Sandcastle Station	3	3.5	£18,000	£18,500
P6	4	Promenade at Osbourne Road	3	3.5	£18,000	£18,500
P10	4	Promenade at Dean Street	4	4.5	£19,500	£20,000
P15	4	Yeadon Way at South Shaw Services	3	3.5	£18,000	£18,500
P22	4	Seasiders Way at Duke Street	2	3.5	£17,500	£18,000
P24	4	Seasiders Way opposite Bloomfield Road stadium	2	3.5	£17,500	£18,000
P29	5	Seasiders Way at Rigby Road	2	3.5	£17,500	£18,000
P31	5	Chapel Street at County Court	3	3.5	£18,000	£18,500
P35	5	Central Drive opposite Hornby Road	2	3	£17,000	£17,500
P36b	5	Albert Road at Leopold Grove	1	2.5	£16,000	£16,500
P37	5	Promenade at North Pier	1	2.5	£16,000	£16,500
P38	5	Talbot Square	2	3	£17,000	£17,500
P39	5	Talbot Road east of Promenade	3	4	£18,500	£19,000
P40	5	Promenade at Queen Street	2	3	£17,000	£17,500
P41	5	Talbot Road opposite Station	3	4	£18,500	£19,000
				TOTAL	**£338,000**	**£347,500**

2.7.8 Operationally, the system can be very simply operated from a PC in the Council offices. This PC could provide links to the signs, show status reports, fault logs and car park information. This could be designed to ensure ongoing monitoring of car park status providing the council with an additional source of information about car park usage. CCTV could be used at the car parks to ensure accuracy can be checked and the system rebased as necessary without requiring staff to physically go to the car parks on a regular basis.

2.7.9 The PGI sign costs for power and infrastructure only have been calculated to £165,000, as discussed in Chapter 3.

2.8 Full Function VMS for event management

2.8.1 Sixteen VMS signs have been included for event management. These signs would be full function signs – at this stage it is assumed they would be 4 lines of 15 characters capable of displaying

event information, directional information, incident information or other messages as appropriate. Mobile VMS could also be employed and located as required for various events / incidents. However mobile VMS tend to look less tidy and adds additional operational / maintenance costs incurred through the positioning of them prior to events.

2.8.2 The following table details possible locations to consider for the installation of these signs:

Table 4 - Proposed locations and costing of full function VMS signs for event management

Sign Ref.	Location	Cost
V1	Promenade at Harrow Place Northbound	£30,000
V2	Promenade at Rawcliffe Street Southbound	£30,000
V3	Yeadon Way east of Watson Road Park	£30,000
V4	Waterloo Road at Seasider's Way Eastbound	£30,000
V5	Waterloo Road at Garden Terrace Westbound	£30,000
V6	Promenade, northbound, south of south pier	£30,000
V7	Promenade, southbound, north of south pier	£30,000
V8	Seasider's Way near Central / Chapel Street / Bonny street car parks	£30,000
V9	Promenade northbound south of the north pier	£30,000
V10	Promenade southbound north of north pier	£30,000
V11	Waterloo Road, eastbound, east of Promenade	£30,000
V12	Waterloo Road, Westbound east of Promenade	£30,000
V13	A583 northbound	£30,000
V14	M55 approach to A5230/Yeadon Way roundabout	£30,000
V15	M55 in advance of Junction 3	£100,000
V16	M55 in advance of Junction 4	£100,000
	TOTAL	**£620,000**

2.8.3 The signing in advance of Junction 3 and Junction 4 on the M55 (if permitted) would be a large MS3 type cantilever sign with 3 lines of 18 characters, 400mm x-height and would be in the order of £100,000 each. The VMS sign on the M55 on the approach to the junction with Yeadon Way would also be a small MS3 type cantilever sign with 4 lines of 15 characters, 100mm-160mm x-height costing £30,000.

2.8.4 The total cost estimated for the full function VMS signage is £620,000.

2.8.5 It is assumed that the power consumption would be a revenue cost. This has not been included in the report as quantification of this cost is not predictable considering the hours per day equipment is in operation and the energy efficiency of the units being procured.

2.9 Installation costs (PC and software control)

2.9.1 An estimated £145,000 for installation costs would cover the physical installation of the PGI system. The costs included for the installation include the provision of a PC, monitor and the development of the control software including the graphical user interface and coding of the equipment included in the system.

2.9.2 The software would be bespoke for Blackpool but we would propose a UTMC compliant system to allow additional expansions to be undertaken by another contractor at a later date, rather than being tied into one supplier. This adds an additional cost but ensures the system is future proof.

2.9.3 Monitoring usage and operating costs to ensure that the software is functioning correctly would be funded by BBC, at approximately £140,000. It is envisaged that the system can run without human intervention; however monitoring would allow for increased accuracy and control.

2.10 CCTV coverage

2.10.1 CCTV coverage has been proposed for each of the car parks to allow for real time monitoring and for the PGI system to be observed. We estimated this to cost approximately £144,000 for all car parks included within the strategy as detailed in **Table 5**. However, this will depend on the number of cameras and associated infrastructure required to obtain the necessary coverage.

2.10.2 The proposed PGI CCTV system would be managed by Blackpool Council and would be integrated into their existing CCTV infrastructure.

2.11 Car park monitoring costs

2.11.1 The total cost of linking the entrances and egress' to the PGI signs for all of the 15 car parks comes to £192,000 which includes detector and cabling costs per entrance / egress. It should be noted that some entrances could be combined / removed as part of the detailed design stage, so reducing the overall cost. Car park monitoring costs are shown in **Table 5**.

Table 5 - Cost car park monitoring system based on access and egress points

Car park	Study Area	Access / Egress points	Monitoring Costs	CCTV Costs
Bonny Street	Central	1	£7,000	£4,000
Central	Central	5	£23,000	£20,000
Bloomfield Road	Central	2	£11,000	£8,000
Foxhall Village	Central	1	£7,000	£4,000
Chapel Street Surface	Central	7	£31,000	£28,000
East Topping Street	North	4	£19,000	£16,000
Houndshill Multi-storey	North	1	£7,000	£4,000

Lonsdale Road Car Park	Central	2	£11,000	£8,000
Talbot Road Multi-Storey	North	2	£11,000	£8,000
Seasider's Way	Central	2	£11,000	£8,000
South Beach	South	2	£11,000	£8,000
South Car Park	South	3	£15,000	£12,000
West Street Multi-Storey	North	1	£7,000	£4,000
APCOA Wilkinsons (private)	North	1	£7,000	£4,000
Pleasure Beach (private)	South	2	£14,000	£8,000
		Total	£192,000	£144,000
		Car Park Monitoring Total	**£336,000**	

2.12 Summary

2.12.1 It is proposed to install 16 fully functional VMS signs, 19 PGI signs with variable elements, a car park monitoring system, CCTV and 24 static parking signs.

2.12.2 Overall, it is considered that a PGI and VMS system would operate well in Blackpool helping direct drivers to available spaces and along appropriate routes making the network more efficient and the journey more pleasant for visitors. Being able to disseminate information to drivers would help with traffic and event management to ensure a smoother flow of traffic through Blackpool, and to help direct vehicles to their appropriate destinations.

3 Final Estimated Costings Summary

3.1 Introduction

3.1.1 This section provides a summary of all costs estimated to implement the changes proposed within this document. It is important to note that these are to be used as a guide only and are not fixed. Up to date costs should be obtained from professional sources prior to undertaking any changes.

3.2 Costings Summary

3.2.1 The costs for the static signage and monitoring (including CCTV) proposed are shown in **Table 6**:

Table 6 - Static Sign and Monitoring costs

Static Signs	Total cost
Static Parking Signs	£18,548
Monitoring and CCTV	£336,000
Subtotal for Static Signs & Monitoring costs	**£354,548**

3.2.2 **Table 7** shows the costs associated with the proposed VMS signs and dual post PGI variable element signs:

Table 7 - VMS and PGI Sign costs

VMS and PGI signs only	Cost
Full VMS	£620,000
PGI Parking Signs	£338,000
Subtotal for VMS and PGI costs	**£958,000**

3.2.3 The total of the above two tables is £1,312,548, which covers the cost of the PGI, Static and VMS signs and monitoring only. This cost does not take into consideration the costs associated with installation, communications setup and networking, however these costs have been summarised in **Table 8**.

Table 8 - Other costs associated with the project

Other Capital Costs	
PGI sign power and infrastructure (only)	£165,000
Installation costs to include PC and software control	£145,000
Communications Setup	£180,000
Subtotal for other costs	**£490,000**

3.2.4 Additionally, a number of revenue costs are to be remunerated by BBC. These costs include ongoing communications and technology maintenance, design, staff training and operational costs and have been derived using previous project experience and infrastructure cost estimates at the time of writing. The PGI / VMS system will be managed by BBC and where possible will utilise existing infrastructure (e.g. CCTV room) and will be operated by existing Civil Enforcement Officers.

3.2.5 It should be noted that the revenue estimates have been projected for a 15 year period. The total indicative revenue costings have been broken down as shown in **Table 9**. A 20% allowance for risk has been included to allow for fluctuation in rates or any potential unforeseen scheme costings.

Table 9 - Strategy Revenue Costs

Revenue Costs (15 Years)	
Communications (Including SDSL line lease, camera location)	£540,000
Full design and procurement of a contractor	£120,000
Technology Maintenance	£150,000
Staff Training (£5,000 per year)	£75,000
Ongoing Operations (1x £20,000 annual salary)	£300,000
Monitoring and Operating of PGI	£140,000
Subtotal for Revenue costs	**£1,325,000**
Allowance for Risk (20%)	£265,000
Total Revenue Costs (Incl. Risk)	**£1,590,000**

3.2.6 **Table 10** demonstrates all accumulated estimated capital costs:

Table 10 - Total Accumulated Capital Costs

Total Accumulated Capital Costs	
Estimated Static Signs and Monitoring	£354,548
VMS and PGI Variable Element Signs	£958,000
Other Costs	£490,000
Subtotal for Total Accumulated Costs	**£1,802,548**
Allowance for Risk (20%)	£360,510
Total Capital Costs (Incl. Risk)	**£2,163,058**

3.2.7 Allowance for risk has been calculated by assuming 20% of the total capital costs for the scheme, as shown in **Table 10**. By adding an allowance for risk, we are permitting the tolerance of uncertainty in execution of strategy elements.

Estimated Overall Capital Scheme Total (Incl. Risk): £2,163,058

3.2.8 It should be noted that this figure does not include the cost of traffic management during implementation, for example closing roads to erect signs.

3.2.9 Traffic management costs on the local road network associated with Static, PGI and local VMS signage is expected to be the responsibility of BBC as the Local Highways Authority. Traffic management costs for the full function VMS signage located on the SRN would be subject to further discussions and agreement between Highways England and BBC Highways Officers.

FIGURES

Figure 1 – Study Areas

NORTH

CENTRAL

SOUTH

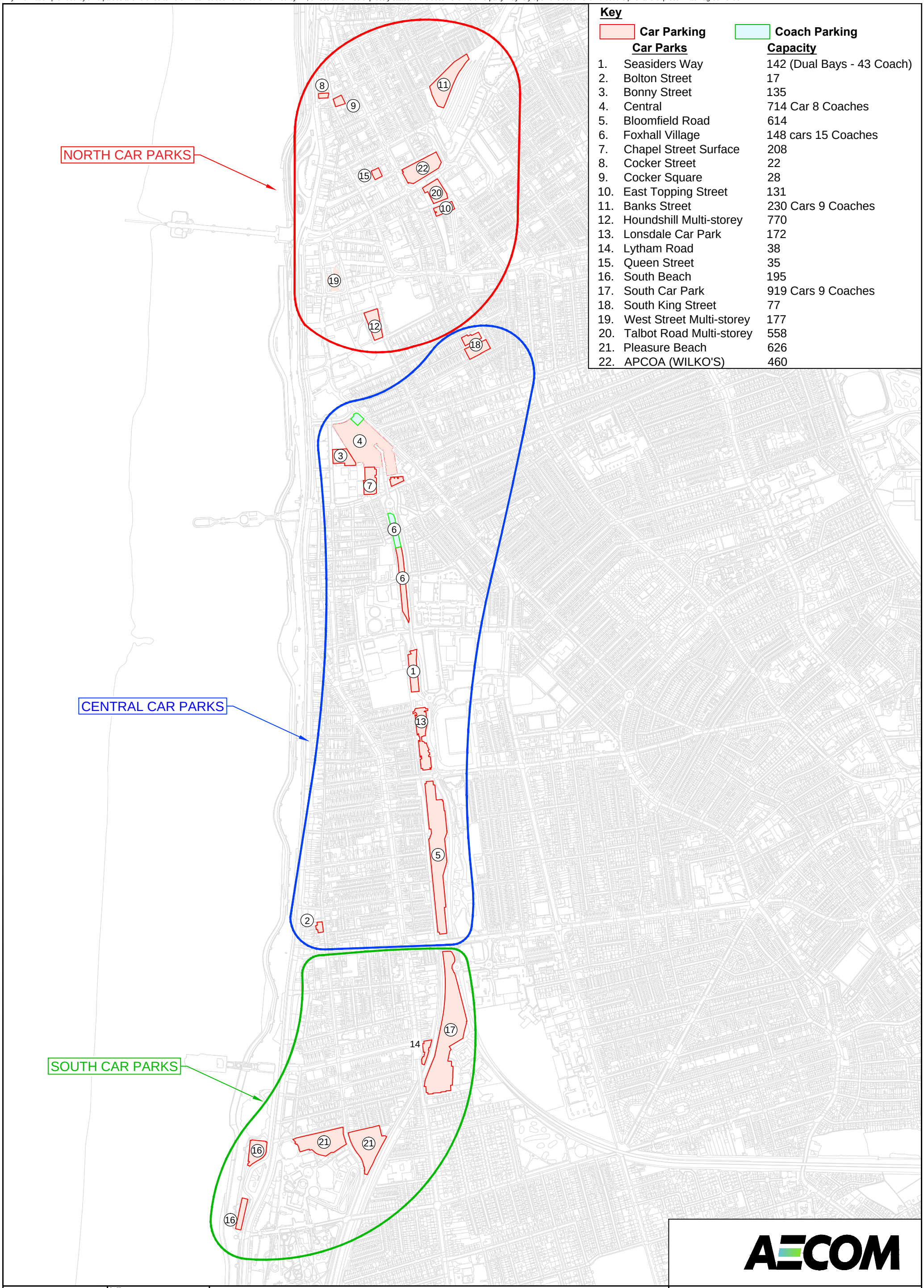
NOTES

1. VEHICULAR ZONES

- NORTH - ACCOMMODATION, TALBOT GATEWAY CBD
- CENTRAL - RESORT CORE, TOWN CENTER, TOWER.
- SOUTH - PLEASURE BEACH, WATER PARK, SOUTH PIER.
- OTHER - AIRPORT, ZOO, STANLEY PARK FOOTBALL GROUND

SCALE	DATE	TITLE	FIGURE NO.
NTS	29/06/2015	Study Areas	Figure 1
LOCATION			
BLACKPOOL			

Figure 2 – Car Park Location and Capacities



Key

Car Parking — Coach Parking

	Car Parks	Capacity
1.	Seasiders Way	142 (Dual Bays - 43 Coach)
2.	Bolton Street	17
3.	Bonny Street	135
4.	Central	714 Car 8 Coaches
5.	Bloomfield Road	614
6.	Foxhall Village	148 cars 15 Coaches
7.	Chapel Street Surface	208
8.	Cocker Street	22
9.	Cocker Square	28
10.	East Topping Street	131
11.	Banks Street	230 Cars 9 Coaches
12.	Houndshill Multi-storey	770
13.	Lonsdale Car Park	172
14.	Lytham Road	38
15.	Queen Street	35
16.	South Beach	195
17.	South Car Park	919 Cars 9 Coaches
18.	South King Street	77
19.	West Street Multi-storey	177
20.	Talbot Road Multi-storey	558
21.	Pleasure Beach	626
22.	APCOA (WILKO'S)	460

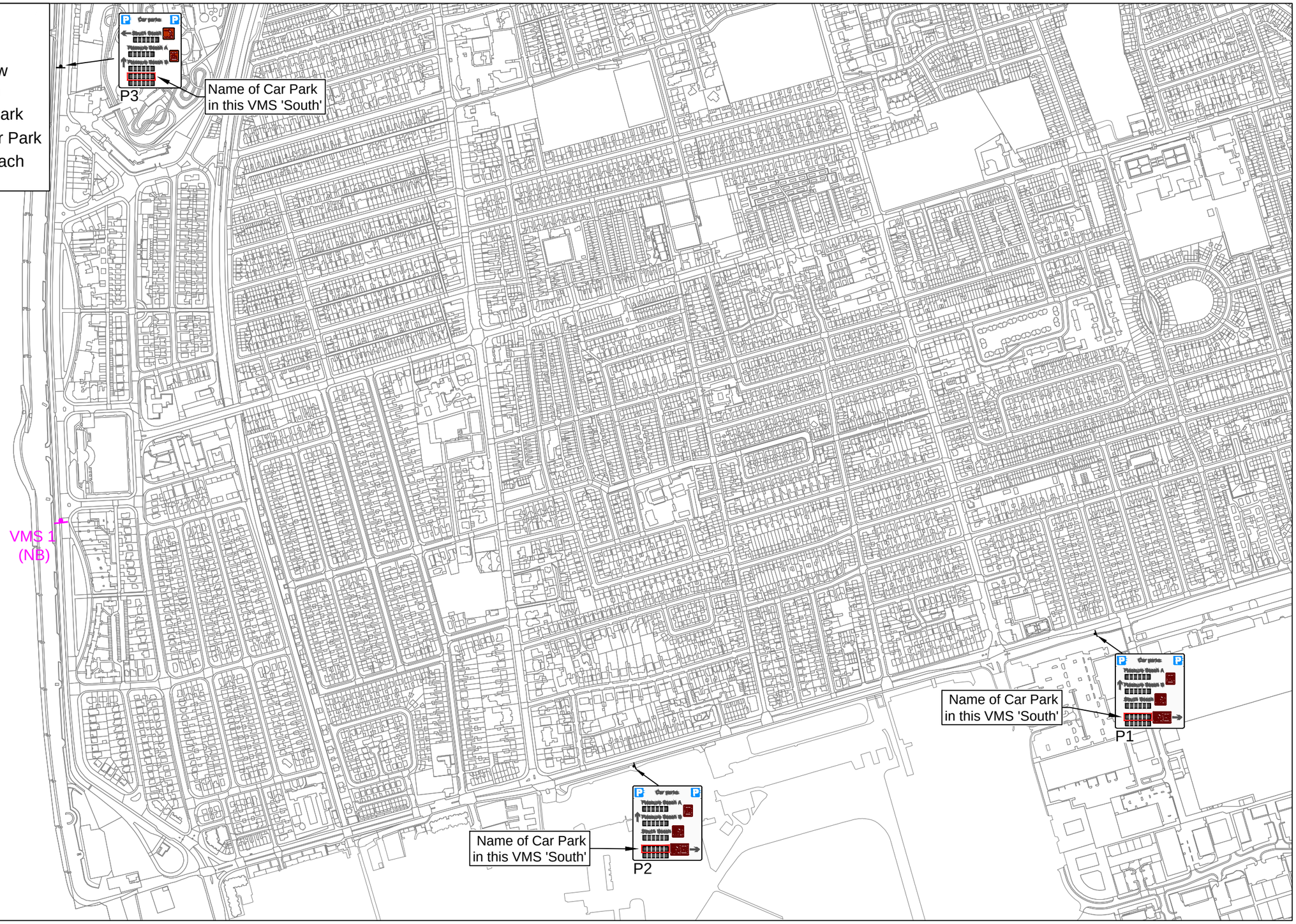
AECOM

SCALE	DATE	TITLE	FIGURE NO.
NTS	20/07/2015	Car Park Locations and Capacities	Figure 2
LOCATION			
BLACKPOOL			

Figure 3 – Car Parking Guidance Signs Southern Area

KEY

- VMS (SB) — Proposed new VMS location
- Private Car Park
- Municipal Car Park
- Municipal Coach Car Park



Client: Blackpool Borough Council	Title: Car Parking Guidance Signs Southern Area PROPOSED	AECOM	Design: MF / CAD: MF
Project: Blackpool Wayfinding Directional Signage		3rd Floor, Princes Parade, Princes Dock, Liverpool, L3 1QH Tel: +44 (0) 151 331 8900 Fax: +44 (0) 151 331 8999 www.aecom.com	Chk'd: AF / App'd: MA Date: 20/07/2015 / Scale: NTS No. Figure 3 / Rev: A3

cm

Figure 4 – Car Parking Guidance Signs Central Area

KEY

- VMS (SB) — Proposed new VMS location
- Private Car Park
- Municipal Car Park
- Municipal Coach Car Park

P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18 P19 P20 P21 P22 P23 P24 P25 P26 P27

VMS 1 (SB) VMS 2 (SB) VMS 3 (NB) VMS 4(EB) VMS 5 (WB) VMS 6 (NB) VMS 7 (SB) VMS 11(EB) VMS 12(WB) VMS 13(NB)

AECOM

SCALE: NTS	DATE: 20/07/2015	TITLE: Car Parking Guidance Signs - Central Area Proposed	FIGURE NO.: Figure 4
LOCATION: BLACKPOOL			

Figure 5 - Car Parking Guidance Signs Northern Area

KEY

- VMS (SB) — Proposed new VMS location
- Private Car Park
- Municipal Car Park
- Municipal Coach Car Park

VMS 10 (SB)
VMS 9 (NB)
VMS 8 (NB)

P41
P40
P39
P38
P37
P42
P36b
P36a
P35
P34
P33
P32
P31
P30
P29
P28

SCALE	DATE	TITLE	FIGURE NO.
NTS	20/07/2015	Car Parking Guidance Signs - Northern Area Proposed	Figure 5
LOCATION: BLACKPOOL			

Appendix A – Highways England Correspondence

Anthony, Michael

From: Wild, David <David.Wild@highwaysengland.co.uk>
Sent: 02 July 2015 11:20
To: Anthony, Michael
Cc: Reynolds, Shaun; Sinnott, Mike
Subject: M55 Blackpool - VMS

Follow Up Flag: Follow up
Flag Status: Completed

Anthony,

Thank you for your e-mail.

The installation of VMS on the M55 does accord with our technology strategy and therefore the principle would be acceptable. However, as you have alluded to below, there are strict requirements on the use / type of information that can be displayed on VMS. There would also be a need to demonstrate the strategic benefit that might be derived. With this in mind, we consider that any VMS strategy should provide appropriate alternatives for motorists. From our point of view, this would require the signing to commence in advance of J3 to enable motorists to use the A585 and A585(T) as alternative routes if necessary. In addition, the installation of VMS does raise some more fundamental questions, as follows:

- Who would control the messages and settings?
- What type of message would be permitted?
- Who would maintain the signs?
- How would the power consumption be funded if the signs are a non-Highways England asset?

Perhaps, once you have had an opportunity to consider the above issues, the best way forward might be to meet up to discuss in more detail. If this is acceptable, I would seek to bring along technology colleagues from both Highways England and our Service Provider.

Please give me a call if you wish to discuss

Kind regards,
Dave

David Wild, Asset Manager (Lancashire)
Highways England | Piccadilly Gate | Store Street | Manchester | M1 2WD
Tel: +44 (0) 161 9305768 | **Mobile**: + 44 (0) 7753 651455
Web: http://www.highways.gov.uk
GTN: 4315 5768

From: Anthony, Michael [mailto:Michael.Anthony@aecom.com]
Sent: 01 July 2015 12:15
To: Wild, David
Cc: Friel, Amy
Subject: M55 Blackpool - VMS

David,

AECOM has been commissioned by Blackpool Council to prepare an outline design for an Event Information system in Blackpool to help drivers navigate to the most appropriate car park for their destination. It is intended that the system will use Variable Message Signing (VMS) to provide drivers with up-to-date information, thereby improving network efficiency and driver experience.

At this stage, it is expected that the majority of car visitors to Blackpool will arrive via the M55 and it is proposed to provide VMS signs at the A5230/Yeadon Way roundabout. However, as part of this study, we would also like to explore the possibility of providing a VMS sign further to the east on the M55 on the approach to Blackpool.

The proposed signs would be fully functional capable of displaying event information, directional information, incident information or other messages as appropriate. I note in TA 83/05 Annex A that VMS can be deployed on motorways for Strategic Traffic Management with the aim of improving the performance of the network by redistributing traffic efficiently.

With the above in mind, please could you provide your views regarding to the potential to provide VMS on the M55 in this area.

Should you require any further information please do not hesitate to contact me.

Kind regards,

Michael Anthony
Principal Consultant
Transportation
D +44 (0)161 601 1715
M +44 (0)792 041 4833
michael.anthony@aecom.com

AECOM
1 New York Street, Manchester M1 4HD
T +44 (0)161 601 1700 F +44(0) 161 601 1799
www.aecom.com

INFORMATION NOTE

BLACKPOOL INTEGRATED TRAFFIC MANAGEMENT

BLACKPOOL INTEGRATED TRAFFIC MANAGEMENT

OUTLINE ECONOMIC APPRAISAL

IDENTIFICATION TABLE	
Client/Project owner	Blackpool Borough Council
Project	Blackpool Integrated Traffic Management
Title of Document	Blackpool Integrated Traffic Management Outline Economic Appraisal
Type of Document	Information Note
Date	24/08/2015
Reference number	103211 – 13 -02
Number of pages	20

TABLE OF CONTENTS

1. INTRODUCTION

1.1 Background

1.1.1 Blackpool Borough Council (BBC) previously submitted an unsuccessful Local Pinch Point Fund (LPPF) Bid for £1.68m from the Department for Transport (DfT) in Autumn 2013 for a £2.4m scheme entitled Blackpool Promenade and Town Centre Integrated Traffic Management.

1.1.2 The scheme was outlined as an intelligent transport system including video camera monitoring of key routes and variable message signing, as well as integration with the Urban Traffic Management Control (UTMC) system in order to provide real time responses to congestion and for the purposes of parking management.

1.1.3 The current proposed scheme has been developed from the LPPF scheme with a reviewed and revised specification including car park video camera monitoring, fully variable, partially variable, and static message signing, incident responses, and parking management tools.

1.2 Scheme Description

1.2.1 The details of the scheme are:

- Sixteen Variable Message Signs (VMS) implemented on a number of routes on approaches and in Blackpool including the M55, the A5230, Yeadon Way, Seasiders Way, Waterloo Road, and along the Promenade– high specification multi-message signs supported by existing fixed signage that has recently been overhauled.
- Parking Guidance Information (PGI) system including Inductive loop and CCTV car park monitoring, 19 parking signs with variable elements, and 24 static parking signs.

1.3 Structure of the Note

1.3.1 Following this introduction the note includes sections on:

- Potential benefits identified
- Modelling of benefits
- Appraisal of transport benefits
- Other economic benefits
- Costs and Processing of costs
- Outturn Economic Appraisal
- Summary and Conclusions

2. POTENTIAL BENEFITS IDENTIFIED

2.1 Introduction

2.1.1 The scheme as described in section 1.2.1 contains a number of elements that combine to

produce a variety of potential benefits, in the day-to-day running of the transport network in Blackpool, during high season days, and for special events (such as Illuminations times). Three main transport economic benefits have been identified and are outlined in this section.

2.1.2 The rest of this chapter outlines the way in which the scheme will deliver each of the benefits. Each benefit is treated in turn with a "problem" section that outlines the problem that the scheme addresses, followed by a "mitigation and benefits" section that outlines how the scheme mitigates the problem and how the benefits are realised.

2.2 Reduced Parking Search and Circulation Traffic Impacts

The Problem

2.2.1 The primary car park for Blackpool resort visitors is the Central car park. As this car park fills traffic tends to overflow into two other car parks in the same general area (Chapel Street and Bonny Street).

2.2.2 During very busy days, primarily at weekends and bank holidays in the summer and at events time, these three car parks reach their practical capacity and there is evidence that traffic overflows into more distant car parks at Foxhall Village, Bloomfield, and Lonsdale Road. These three car parks (and others) are located along Seasiders Way which (together with Yeadon Way) is the main route into the resort from the motorway, and so drivers heading towards Central area car parks will have passed these car parks before finding out that their initial choice of car park is full.

2.2.3 It is worth noting that there is a general level of "churn" (people leaving and arriving) at all the car parks throughout the day, so there is always a possibility of finding a space at Central car park, and this encourages people to head to the Central area as a first choice and then re-route to find spaces elsewhere if they cannot, most often back to car parks that were passed on the route into Central area car parks. This re-routing of traffic can add a significant amount of additional vehicle kms to the network on busy days.

Mitigation and Benefits

2.2.4 With the scheme in place, parking utilisation at Central, Chapel Street, and Bonny Street will be monitored. Benefits will be realised by providing early warning, via VMS, of the capacity situation at Central car parks advising drivers to park at car parks along Seasiders Way when the Central area car parks are approaching capacity.

2.2.5 This will remove significant amounts of parking search traffic from the network on busy days. The presence of regular buses linking Seasiders Way car parks to the resort area along Lytham Road provides the linkages necessary for the re-routing of traffic from Central area car parks to these car parks to be more attractive.

2.2.6 The removal of these car kms from the network will reduce congestion on the network in general, providing decongestion benefits to the remaining traffic and small local environmental benefits. There will also be benefits to the car occupants as they will be able to identify and access a car parking space with much reduced search and circulation time, thereby experiencing travel time savings which can be valued, as well as allowing more time for additional activities in Blackpool that will benefit both the occupants and the local

economy.

2.3 Reduced Car Journey Times along the Promenade during the Illuminations

The Problem

2.3.1 Evidence from journey time surveys and TrafficMaster data analysis suggests that journey times along the Promenade between Starr Gate and Bispham (the length of the illuminations) are very high during illuminations times. During the October half term week they rise to around 2 to 3 hours for a journey that would ordinarily take around 10 minutes, yielding an average speed of 2.7-4.1kph for an 8.2km journey. This is below walking pace. This high level of congestion has a significant negative impact on the ability of people visiting Blackpool for the illuminations to stop and spend additional time and money in Blackpool as they will spend a lot of time queuing to access and travel along the Promenade. The very high journey times may encourage some drivers and car occupants to park and visit local attractions but on balance the impact is expected to be a large negative one.

Mitigation and Benefits

2.3.2 VMS would be used to inform drivers on approaches to Blackpool when journey times are very high along the Promenade. Drivers will be made aware of differences in journey times northbound and southbound through the illuminations so that demand and supply can be better balanced to reduce overall delays. VMS would also be used to provide information on alternative options based around parking and continuing journeys by public transport – the tram is unaffected by congestion so the journey along the promenade can be made roughly 2 hours more quickly than by car during congested periods.

2.3.3 This would promote a shift from car to Public Transport that would reduce congestion on the Promenade and therefore reduce highway journey times. It would also increase Public Transport patronage and revenue.

2.4 Mitigation of Delay Impacts of Incidents and Accidents on the Road Network

The Problem

2.4.1 Currently if an incident or accident occurs on the highway network there is no easy means to provide information to drivers to mitigate the congestion that arises, and traffic and drivers are largely left to fend for themselves in dealing with delay and re-routing.

Mitigation and Benefits

2.4.2 When an incident is detected through general network monitoring processes either automatically or on the ground, VMS will be used to alert drivers of incidents and re-routing options. BBC would use UTMC to alter signal settings in real time to support the diversionary routes being promoted by the VMS.

2.4.3 The above process would help to ensure the most efficient response to the incident or accident and help to mitigate the impacts in terms of congestion and delay to vehicles on the network. Benefits would come from a reduction in journey time increase across the

network due to incidents and accidents.

3. MODELLING AND APPRAISAL OF BENEFITS

3.1 Introduction

3.1.1 An approach to quantifying the scale of benefit of each of the effects described in the previous section has been developed. This section outlines the approaches, data sources, and assumptions used for each one.

3.2 Appraisal Parameters

3.2.1 The appraisal has been carried out following standard DfT guidance in TAG using streams of costs and benefits converted to market prices where necessary and discounted to 2010 at 3.5% p.a. The opening year is assumed to be 2017, and the appraisal period is assumed to be 15 years (2017-2031). Annualisation of benefits varies by benefit and is included in each of the sections below.

3.3 Parking Search Reduction Benefits

3.3.1 The general approach used to quantifying the benefits discussed in section may be summarised as:

- Car park ticket sales data (available by day and hour) used to identify if and when cars "overflow" from the Central area car parks into car parks in other areas.
- Frequency and number of cars overflowing is estimated and location of secondary car parks identified.
- Distance of additional car km for each diversion is estimated and multiplied by diverting cars to give total additional car km.
- Marginal External Costs of car travel (TAG databook sheet A5.4.2) used to calculate benefits (including congestion, environmental, accidents, and indirect taxes).
- The car occupants will also benefit from saving time in locating a car parking space due to reduced searching and circulation time that may be estimated from network speeds and diversion route distances.
- All benefits streamed and discounted over 15 years from 2017-2031

3.3.2 The data used is:

- Central area car parks ticket sales by day and hour for Fridays, Saturdays, Sundays and bank holidays May to October 2014.
- West Street car park ticket sales by day and hour for the same period.
- Seasiders Way car parks ticket sales by day and hour for Fridays, Saturdays, Sundays, and bank holidays in August and October 2014.
- Measurements of additional car km saved resulting from car km overflow
- TAG data book (Autumn 2014) sheet A5.4.2 Marginal External Costs by Road Type and Congestion Band

3.3.3 Blackpool has neither directly observed data on the number of drivers that find their intended car park full nor information on actual utilisation of the car parks. The number of

cars has therefore been inferred from the numbers of tickets sold in each hour at the central car parks and at the alternative car parks.

3.3.4 Car park demand shares for individual days and hours in August and October were calculated. Examination and presentation of this data in graphical form showed clear evidence of the Seasiders Ways car parks patronage picking up during the daytime as Central area car parks were busiest and with level or reducing ticket sales, and therefore evidence of overflowing cars. However, there was no clear evidence of a link between this happening and West Street car park patronage increasing, as West Street car park typically showed a different profile even on non-busy days.

3.3.5 A set of criteria was developed to identify when the central area car parks were overflowing. These were:

- Central area car parks demand share <90% - this is typically 95% on non-busy days and before 11am and after 3pm on busy days.
- Central area car parks cumulative sales up to that hour >600 tickets sold – to ensure that central area car parks are at least approaching capacity.
- Demand in the Seasiders Way car parks >25 tickets sold – to ensure that some level of displaced parking is occurring.

3.3.6 All three criteria must be met for the hour to be identified as an "overflow" hour. When an overflow hour is identified the parking shares for that hour are clearly influenced by capacity issues. The "desired" parking share is estimated by looking at the cumulative share for that day up to a point an hour before the first "overflow" hour. A comparison of this "desired" split and the observed split gives an estimated number of cars to have attempted to park in central area car parks only to fail and divert to the Seasiders Way car parks.

3.3.7 The outturn number of overflowing and diverting cars is shown in Table 1 below.

MONTH	DAY	NO OF DAYS IN MONTH	AVG O/FL HOURS PER DAY	AVG O/FL CARS PER HOUR	AVG O/FL CARS PER DAY	TOTAL O/FL CARS
August	Fridays	5	2.2	50	110	551
	Saturdays	5	4.8	46	222	1111
	Sundays	5	2.8	51	143	717
	Bank Holidays	1	3	75	224	224
October	Fridays	5	2.0	19	37	187
	Saturdays	5	5.2	37	191	957
	Sundays	5	2.6	28	73	367

MONTH	DAY	NO OF DAYS IN MONTH	AVG O/FL HOURS PER DAY	AVG O/FL CARS PER HOUR	AVG O/FL CARS PER DAY	TOTAL O/FL CARS
	Half Term Weekdays	4	6.3	47	291	1164

Table 1. Central Area Car Park to Seasiders Way Car Parks - Overflowing Cars

3.3.8 The analysis indicates that the effect is primarily on Saturdays and during October half term holidays. It is likely that bank holiday observations are greatly affected by the weather on the one day (which was rainy and 15C), but the number of diversions on this day were still relatively high at 224 per day. The October half term holidays show the largest diversions, which is thought to be an impact of the demand for the illuminations intensifying and extending the overflow period into the early evening.

3.3.9 To estimate the level of diversion during the remaining months of the tourist season, factors have been derived from traffic counts. Traffic counts available for Yeadon Way by day in the months May to October have been used to calculate factors to apply to the numbers in the above table by day. The factors and resulting estimates of overflowing car numbers are shown in Table 2 below. Yeadon Way was chosen as the source for the factors because it is the primary access route to Blackpool for resort traffic. May-August have been factored with reference to the August model as it is felt this best represents these months (primarily school holidays with no illuminations), and the October model has been used to factor September as this period does not contain significant school holidays but does include the effects of the illuminations on demand.

MONTH	MODEL MONTH USED	FRIDAY		SATURDAY		SUNDAY		BANK HOLIDAY	
		FACTOR	CARS O/FL PER DAY	FACTOR	CARS O/FL PER DAY	FACTOR	CARS O/FL PER DAY	FACTOR	CARS O/FL PER DAY
May	August	0.858	94	0.898	199	0.850	122	1.095	245
June	August	0.930	102	0.875	194	0.864	124	N/A	0
July	August	0.921	101	0.938	208	0.907	130	N/A	0
August	August	1.000	110	1.000	222	1.000	143	1.000	224
September	October	1.094	40	1.061	203	0.965	70	N/A	0
October	October	1.000	37	1.000	191	1.000	73	N/A	0

Table 2. Factoring of Cars Overflowing per day by Yeadon Way ATC data

3.3.10 The table shows that overflowing cars per day is highest on bank holidays and Saturdays and lower on Fridays and Sundays. The figures per day are factored by day types per month in Table 3 below.

MONTH	FRIDAY		SATURDAY		SUNDAY		BANK HOLIDAY		HALF TERM		TOTAL
	DAYS	TOTAL CARS O/FLOW	DAYS	TOTAL CARS O/FLOW	DAYS	TOTAL CARS O/FLOW	DAYS	TOTAL CARS O/FLOW	DAYS	TOTAL CARS O/FLOW	TOTAL CARS O/FLOW
May	5	472	5	996	4	486	2	490	0	0	2,445
June	4	409	4	777	5	618	0	0	0	0	1,804
July	4	405	4	833	4	519	0	0	0	0	1,757
August	5	550	5	1,110	5	715	1	224	0	0	2,599
September	4	162	4	811	4	282	0	0	0	0	1,255
October	5	185	4	764	4	292	0	0	4	1,164	2,405
Total	27	2,183	26	5,292	26	2,912	3	714	0	1,164	12,265

Table 3. Factoring of Cars Overflowing per day to Monthly and Period Totals

3.3.11 Table 3 shows that the estimate of total cars overflowing from the central car parks to the Seasiders Way car parks in each May-October period is 12,265. It would be expected that diversions outside this time period would be negligible.

3.3.12 It has been estimated that the additional car km per diverted car park trip is around 2.7km (based on a circuit of Seasiders Way – New Bonny St – Promenade – Lytham Road – Bloomfield Road).

3.3.13 Assuming that the car park CCTV cameras and VMS allow all 12,265 cars to identify a space in a car park and so are prevented from making this circuit, this results in around 33,116 car km removed from the network. Assuming a speed of 20kph this equates to 8.1 minutes of travel time per car.

3.3.14 The benefit from the reduction in car kms has been monetised by applying the standard TAG Marginal External Costs for the North West (TAG data book sheet A5.4.2), and assuming congestion band 4. The time savings benefits have assumed a car occupancy of 1.85 (TAG all week "other" purpose average") and a Value of Time based on other purpose. The output benefits streamed over the 15 year appraisal period are summarised in Table 4.

	IMPACT (£000S)
Decongestion Benefit to General Traffic	220
Time Savings to Car Park Users	216
Environmental Impacts	15
Indirect Taxes	-13
TOTAL	**438**

Table 4. Car Park Access Benefits Summary (£000s in 2010 prices discounted to 2010)

3.3.15 Total benefits for parking search reduction over the 15 year appraisal period are therefore £0.438m in 2010 prices discounted to 2010.

3.4 Reduced journey times along the Promenade during the Illuminations

3.4.1 Benefits can be realised during the Illuminations period, by using the VMS to inform drivers of journey time information along the Promenade and promote the use of other modes (primarily tram) along the Promenade. Current journey times along the length of the illuminations from Starr Gate to Bispham have been estimated using a single observed journey time run carried out by BBC, and TrafficMaster journey time data provided by BBC through Lancashire County Council.

3.4.2 The TrafficMaster data has been analysed for the period September 2013 to November 2013 including periods with and without the effects of the illuminations. The availability of data is sparse on some stretches of the Promenade due to the low flows and mix of vehicle types. Analysis has therefore been carried out at a fairly aggregate level. Table 5 below shows total average journey times (in minutes) for the links that make up the Promenade route between Starr Gate and Red Bank Road, Bispham, in either direction for the period 1800-2200 by month, day type, and whether the illuminations were on display (all periods except November without Illuminations). This is a distance of around 8.2km. A journey time of 10-15 minutes implies an average speed of 33-50kph while journey times of 100 minutes imply a speed of just 5kph, a relatively moderate walking pace.

MONTH	MON-THU	FRI	SAT	SUN	HALF TERM WEEKDAYS
Northbound					
September	18	71	83	42	
October	30	41	114	77	77
November	16	20	106	50	
November without Illuminations	10	10	13	11	
Southbound					
September	18	28	91	29	
October	22	40	123	56	77
November	15	20	133	53	
November without Illuminations	10	11	14	N/D	

Table 5. TrafficMaster End to End Journey Times 2013 (minutes)

3.4.3 The table shows that Illuminations traffic has a very large impact on journey times, adding around 5-10 minutes on the quieter weekdays and anywhere from 30-100 minutes or more on busier days. These represent increases of 50-100% on weekdays and 300-1000% on some weekend evenings. It should also be noted that these are averages for the period 1800-2200, and the peak of this period is likely to have even longer journey times and slower speeds.

3.4.4 This evidence supports the two observed journey time survey outputs of 179 minutes northbound and 210 minutes southbound carried out on a weekday half term evening in 2011 and a Saturday evening in October 2012.

3.4.5 It has been assumed that the scheme will allow a reduction in journey time to be experienced through a combination of factors using VMS to:

- advertise journey times and promote mode shift to Public Transport
- Re-balance Northbound and Southbound flows to reduce overall average journey times.

3.4.6 It has been assumed that a reduction in journey time of 10 minutes in each direction could be achieved between 1800 and 2200 for all weekend (Friday-Sunday) and half term days on which the Illuminations are operational.

3.4.7 Vehicle flows have been taken from ATCs on the North and South Promenade, which show hourly flows in the period 1800-2200 of around 280-350 vehicles in each direction depending on day type, month, and direction.

3.4.8 A vehicle occupancy of 3 persons on "other" purpose has been assumed and this is then factored up to account for all illuminations days. The total time savings over the period of the illuminations is 43,660 person hours.

3.4.9 These time savings benefits are monetised using TAG values of time, and streamed and discounted over the 15 year appraisal period to give total benefits of £3.08m.

3.5 Accidents and Incidents

3.5.1 A third strand of benefits is the response to accidents and incidents using the VMS system to direct drivers to alternate routes, and further to use UTMC to modify signal timings in real time in support of the VMS re-routing, in order to mitigate the impact of the accidents and incidents. The VMS sign on the M55 allows for widespread re-routing of all traffic entering Blackpool from the M55.

3.5.2 Little incident-specific data is available on the frequency, duration, or impact of accidents on the highway network in Blackpool, although BBC have monitored the number of incidents and recorded accidents and consider that the following assumptions are robust. A number of assumptions have been made:

- There are a total of 0.5 detected incidents per day in the two peak periods (0700-1000 and 1600-1900) on the three main routes covered by the scheme.
- There are 0.5 detected incidents per IP period (1000-1600) on the same three main routes.
- The effect of incidents lasts for 0.5hrs per incident
- The effect of an incident is a 15 minute delay to all vehicles on that link
- The scheme can mitigate 75% of this impact through the measures outlined above.

3.5.3 Table 6 shows the progression of the calculations for the three main routes from the above assumptions and observed flows through to total annual time savings. Incidents are distributed between the roads based on their flow levels, and delay time saved is based on savings in one direction only. Annualisation is based on 6 peak period hours * 253 weekdays, while the Interpeak includes an allowance for weekends.

	YEADON WAY	PRESTON NEW ROAD	PROGRESS WAY
PEAK Periods			
Flows (total of both dirs.)	860	2,170	1,140
Incident delay	15	15	15
Incidents per peak hour	0.02	0.04	0.02
Duration	0.5	0.5	0.5
Mitigation	75%	75%	75%
Delay time saved	0.7	4.4	1.2
Annualisation	1,518	1,518	1,518
Annual vehicle hours saved	1,052	6,696	1,848
INTERPEAK Period			
Flows (total of both dirs.)	870	1,950	1,200
Incident delay	15	15	15
Incidents per peak hour	0.02	0.04	0.02
Duration	0.5	0.5	0.5
Mitigation	75%	75%	75%
Time saved	0.7	3.7	1.4
Annualisation	1,986	1,986	1,986
Annual vehicle hours saved	1,461	7,338	2,779

Table 6. Incident Impact Benefits

3.5.4 The total vehicle hours saved is therefore 21,173 per year. This is split between vehicle types using national fleet split figures and car vehicle type is further split between purposes using TAG all week average figures. The benefits are monetised using TAG values of time by vehicle type and streamed and discounted over the 15 year appraisal period. The value of the time savings are around £3.317m

3.6 Benefits Summary

3.6.1 The output benefits are summarised in the table below.

SOURCE	DESCRIPTION	BENEFITS (£000S IN 2010 PRICES DISCIOUNTED TO 2010)
Car Parking Benefits	Decongestion	220
	Time Savings	216
	Other Environmental	15
	Indirect Tax	-13
Illuminations Benefits	Time Savings	3,076
Incident Monitoring and Re-routing	Time Savings	3,317
TOTAL		6,831

Table 7. Benefits Summary

4. OTHER BENEFITS

4.1 Introduction

4.1.1 Additional work was carried out by Amion Consulting in 2013 to identify the potential economic benefit (Gross Value Added – GVA) of the Local Pinch Point Fund Bid schemes. This work identified additional development (housing and commercial), additional visitor numbers (day and overnight) and additional spending per visitor that would help to be delivered by the package of LPPF schemes, including Yeadon Way improvements, Lytham Road scheme, and Promenade Traffic Management. This work has been adapted to inform an estimation of GVA for the revised scheme.

4.2 Gross Value Added

4.2.1 The Amion work for the Promenade Traffic Management scheme only assumed:

- Day visitor uplift of 2% (from 7.8m p.a.)
- Day visitor spend uplift of 5% (from £34 per visitor)
- Visitor spend to support full time equivalent (FTE) job £55,374
- GVA per FTE employee £27,772
- A ramp in benefits in the first 3 years

4.2.2 The appraisal of benefit has been modified to include discounting and streaming over the 15 year appraisal period. Using the assumptions above this gives GVA uplift of £82.4m (2010

prices discounted to 2010), supporting around 340 FTE jobs.

4.2.3 It is considered that this level of benefit is unlikely given the small scale of the scheme, and its revised nature since the LPPF. If the scheme is considered to have just one tenth of its previously assumed impact it would increase visitor numbers by 0.2% and spending per visitor by 0.5%. The impact on GVA uplift over the 15 year appraisal period would be £8.13m (2010 prices discounted to 2010) supporting around 34 FTE jobs. Increasing visitor numbers and increasing their spending even by relatively small amounts can have large impacts on GVA uplift that may be larger than the direct traffic impacts described in the previous section.

5. COSTS

5.1 Introduction

5.1.1 Costs have been provided by BBC from updated cost estimates prepared by AECOM in 2015. These costs include the changes made in consultation between BBC/AECOM and JACOBS, acting for Transport for Lancashire, in August 2015.

5.2 Capital Costs

5.2.1 Capital costs have been estimated at £2.163m in 2015 prices assumed to be spent over two financial years from 2015-2017 with 87.5% in year 2015-16. This includes a 20% allowance for risk on top of the base costs. The following steps are then applied to produce the economic appraisal costs:

- Inflation assumed to be in line with the GDP deflator: 2.163m
- Costs split between IT and "Other" in the ratio 71% to 29%
- Optimism bias of 200% applied to IT costs and 66% to "other" costs (standard TAG value for IT and other projects at programme entry): £5.654m
- Converted to 2010 prices using GDP deflator: £5.169m
- Discounted to 2010 at 3.5% p.a.: £4.297m
- Converted to market prices: £5.114m

5.2.2 Total capital costs have been calculated at £5.114m in 2010 prices discounted to 2010.

5.3 Operating and Maintenance Costs

5.3.1 Operating and maintenance costs have been estimated by AECOM at £1.59m over 15 years including a 20% risk allowance uplift, in 2015 prices. This includes ongoing maintenance for the infrastructure of the scheme, and staff costs in order to operate the scheme and realise the benefits outlined above.

5.3.2 This equates to an annual cost of £115k in 2010 prices in market prices. Allowing for a further 1% p.a. increase in real terms per year this equates to £1.89m over the 15 year appraisal period or £1.18m in 2010 prices discounted to 2010.

5.4 Costs Summary

5.4.1 The Costs are summarised in Table 8 below.

COST TYPE	£000S IN 2010 PRICES DISCOUNTED TO 2010
Capital Costs	5,114
Operating Costs	1,175
TOTAL Costs	6,289

Table 8. Costs Summary

5.4.2 Total costs over the 15 year appraisal period are £6.17m in 2010 prices discounted to 2010.

6. OUTTURN ECONOMIC APPRAISAL

6.1 Introduction

6.1.1 The previous chapter set out the modelling approach used to reach the benefits estimates reported. A number of assumptions have been used, which has been necessary due to the limited evidence available at a local level. The figures reported in this section should be considered bearing in mind the assumptions necessary to inform the benefits calculations.

6.1.2 There is scope for identification of more specific risks to costs in order to increase certainty of costs and reduce the level of optimism bias applied. Section 6.4 contains more detail on improving the performance of the scheme.

6.2 Net Present Value, Benefit to Cost Ratio

6.2.1 A summary of the benefits and costs from the previous section is shown in Table 9.

	£000S (2010 PRICES DISCOUNTED TO 2010)
Car Park Access Benefits	438
Illuminations Benefits	3,076
Incidents and Accidents Benefits	3,317
Total Benefits	**6,831**
Capital Costs	5,114
Operating Costs	1,175

	£000S (2010 PRICES DISCOUNTED TO 2010)
Total Costs	**6,289**
Net Present Value	**541**
Benefit to Cost Ratio	**1.09**

Table 9. Transport Economic Appraisal Summary

6.2.2 The table shows that the total benefits exceed total costs. The NPV is £0.5m, and the BCR is 1.09.

6.3 Value for Money Statement

6.3.1 Taking into account the conventional transport economic benefits the scheme BCR of 1.09 indicates that the scheme currently represents low value for money.

6.3.2 However the potential for large GVA uplift benefits has been identified in section 4. Allowing for the economic impacts of a 0.2% uplift in visitor numbers and 0.5% in visitor spending would give a GVA uplift over the 15 year appraisal period of £8.13m. This would increase the PVB to £15.0m and the NPV to £8.7m. The resulting adjusted BCR is 2.38 indicating that the scheme is high value for money.

6.4 Improving Scheme Performance and Sensitivity Testing

6.4.1 The scheme appraisal suffers from relatively low transport benefits and relatively high costs. Low benefits are a product of the assumed benefits and the assumptions employed in the modelling of these impacts. High costs result primarily from the original scheme cost and the optimism bias level of 200% defined by TAG for IT-based schemes at this stage in their development which is applied to approximately 70% of costs.

6.4.2 Further transport benefits of the scheme could be explored, including any potential income from VMS (from other commercial advertising for example). The assumptions used for the modelled impacts could be examined to identify any areas where they may be considered pessimistic for the scheme. The illuminations and car parking impacts are somewhat time limited in only being truly effective for a limited period of the year. However, the main areas of benefit are the illuminations time savings and the incidents and accidents benefits, and it is likely that additional benefits would come in these areas if they are available.

6.4.3 As discussed in the costs section, the costs suffer from a 200% optimism bias imposed on all IT-based projects at this stage in development. The scheme scope and complexity, and hence risk, has already been reduced since the LPPF scheme and this has not been reflected in any reduction in optimism bias. At any further stage, further information on costs would create a clear case to reduce the levels of optimism bias applied to costs.

6.4.4 A set of sensitivity tests has been carried out to identify how much each assumption would

need to change to reach certain BCR thresholds. These tests have been carried out on the core transport economics BCR (not the adjusted BCR), and are reported in Table 10 below. The table shows the base assumptions or inputs in the "base" column and then shows what that particular input would need to change to (with all other inputs remaining constant) in order to reach the BCR threshold in the relevant column heading. For example the core incident delay per vehicle input is 15 minutes resulting in a BCR of 1.09. If only the incident per vehicle is modified to 26.8 minutes this would result in a BCR of 1.5.

INPUT / ASSUMPTION	BASE (BCR=1.09)	BCR=1.5	BCR=2.0
Cars diverting parking p.a.	12,265	85,213 (+595%)	173,325 (+1313%)
Illuminations time saving (minutes)	10	18.5 (+85%)	28.7 (+187%)
Incident delay per vehicle (minutes)	15	26.8 (+78%)	41.0 (+173%)
IT Costs Optimism Bias Level	200%	75% (-62%)	14% (-93%)*

* BCR is 2 with both IT and non-IT cost optimism bias at 14%

Table 10. Sensitivity Testing – Changes required to reach BCR thresholds

6.4.5 The sensitivity testing suggests that to reach the threshold of BCR=2.0, the number of cars diverting would need to be more than 14 times as large as we have estimated on the basis of the analysis of car park ticket sales.

6.4.6 The testing suggests that journey time savings along the promenade would need to be around 29 minutes per trip to reach the BCR threshold of 2.

6.4.7 It suggests that journey time savings would need to be around 41 minutes per car for incident detection in order to reach the BCR threshold.

6.4.8 The sensitivity testing also shows that the assumed level of optimism bias (200% for Information Technology projects) has a strong impact on the BCR. Reducing the optimism bias level for just IT costs to 75% results in a BCR of 1.5 while reducing both optimism bias levels (IT and non-IT) to 14% results in a BCR of 2.

6.4.9 The table shows that the smallest changes required are in the incidents and accidents impacts, the illuminations time savings, and optimism bias levels.

7. SUMMARY AND CONCLUSIONS

7.1 Introduction

7.1.1 This document has presented the outline rationale for, and assumptions underlying, the outline appraisal as well as presenting the outcome value for money statement. This section summarises the main findings on the performance of the scheme.

7.2 Performance of the Scheme

7.2.1 The scheme as judged to offer three main sources of transport economic benefit:

- Benefits arising from using VMS to direct cars directly to appropriate non-central area car parks when the Central area car parks are full or nearly full – both to the car occupants themselves and other drivers on the network;
- Benefits arising from using VMS and UTMC to reduce the very high journey times experienced on the Promenade during Illuminations times, particularly at weekends and school half term; and
- Benefits arising from using VMS and UTMC to mitigate the impact of traffic incidents on the network.

7.2.2 These benefits have been estimated using a combination of observed data and assumptions discussed in previous sections of this note, and streamed and monetised over a 15 year appraisal period. Costs, including capital and operating costs, have been calculated as described in section 5 of this note. Costs include optimism bias adjustment of 200% on IT-related elements of the scheme as prescribed by TAG. Summary outputs (in 2010 prices discounted to 2010) are:

- Total benefits: £6.8m
- Total costs : £6.3m
- Net Present Value: £0.5m
- Benefit to Cost Ratio: 1.09

7.2.3 In addition there are estimated GVA uplift benefits of £8.1m resulting from an assumed 0.2% uplift in visitor numbers and a 0.5% uplift in visitor spending. Including these in the Benefits/NPV/BCR calculations gives adjusted figures of:

- Adjusted Total benefits: £15.0m
- Total costs : £6.3m
- Net Present Value: £8.7m
- Adjusted Benefit to Cost Ratio: 2.38

7.2.4 The outcome of the appraisal is that the scheme, as appraised including the adjustment for GVA, is judged as high value for money.

APPROVAL					
Version	**Name**		**Position**	**Date**	**Modifications**
1	Author	Nick Smith		07/04/2015	
	Checked by	John Allan		07/04/2015	
	Approved by			DD/MM/YY	
2	Author	Nick Smith		11/04/2015	
	Checked by	John Allan		11/04/2015	
	Approved by	John Allan		11/04/2015	
3	Author	Nick Smith		22/04/2015	Response to comments from BBC and added Summary and Conclusions
	Checked by	John Allan		22/04/2015	
	Approved by			DD/MM/YY	
4	Author	Nick Smith		29/04/2015	Response to review and further comments from BBC
	Checked by	John Allan		29/04/2015	
	Approved by			DD/MM/YY	
5	Author	Nick Smith		21/07/2015	Updated to reflect revised scheme definition, revised costs, and include GVA section
	Checked by			21/07/2015	
	Approved by			DD/MM/YY	
6	Author	Nick Smith		24/08/2015	Updated to reflect further modifications to costs provided by BBC/AECOM
	Checked by			DD/MM/YY	
	Approved by			DD/MM/YY	

BLACKPOOL BUSINESS LEADERSHIP GROUP

c/o New Blackpool Enterprise Centre,
Lytham Road,
Blackpool FY4 1EW
26 August 2015

Jeremy Walker,
Transport Policy Manager
Blackpool Council,
Municipal Buildings, 4th Floor
Blackpool
FY1 INF

Dear Jeremy

Re : Blackpool Integrated Traffic Management Scheme

I am writing to you in my capacity as Chair of the Blackpool Business Leadership Group, a private sector-led organisation comprising more than 150 business and industry leaders from across Blackpool. The Group works closely with Blackpool Council in order to help catalyse the regeneration that the town requires in order to be a sustainable tourism economy, create jobs, attract inward investment and reduce levels of deprivation.

Much progress has been made, with the refurbished promenade and seafront; improvements to the historic Tower and Winter Gardens facilities; the first phase of the Central Business District development; repairs to the vital Yeadon Way access road; the programmed renewal of bridges throughout the borough; new town centre focused bus facilities; and moves to build on the revitalised tramway by extending it to Blackpool North railway station. It is vitally important that this regeneration work continues to gather momentum, particularly as the first fruits of this investment are starting to show.

A modern integrated traffic management system, with car parking guidance and variable message signage, will manage all traffic in the resort core more efficiently and effectively.

This letter expresses full support for the council's bid to secure much needed resources to introduce this system, which will reduce congestion and encourage investment and employment opportunities.

In conclusion, as BBLG Chair I hereby reiterate my support for the scheme and look forward to you receiving a positive outcome.

Yours sincerely,

Martin Long,
Chair, Blackpool Business Leadership Group

Dear Jeremy Walker,

Blackpool Pleasure Beach gives its wholehearted support to this proposal, to better guide visitors to all resort car parks using a car parking guidance information system. This and the proposed VMS will enhance the visitor experience for all our customers.

We consider the scheme to be an innovation that will help create growth in the local economy, by making the resort's attractions more accessible and better connected.

We look forward to working with Blackpool Council as the scheme is further developed and implemented

Yours Sincerely,

Mike Brown

Blackpool Pleasure Beach England FY4 1EZ Tel +44(0)1253 341033 Fax +44(0)1253 401098
Email enquiries@bpbltd.com blackpoolpleasurebeach.com

Houndshill
Shopping Centre Blackpool

25th August 2015

Jeremy Walker
Transport Policy Manager
Blackpool Council
PO Box 17
FY1 1LZ

Dear Jeremy

Blackpool Integrated Traffic Management

Blackpool Council has consulted us on proposals to better guide customers in and out of the town centre car parks. The Houndshill Shopping Centre has a large multi-storey car park, which would readily fit into the scheme, the increase in footfall that this system would bring into the centre would make it more appealing for new businesses to open in the town. This in turn will help address the issue with town centre voids, declining streetscapes and raise Blackpool's economy creating a prosperous resort.

We are fully supportive of the proposals to introduce a car parking guidance system, better connecting the resort access roads and the town centre. We see such a scheme to have many benefits for the local economy, giving motorists vital information to make their journeys more trouble free.

The system will make a significant contribution to developing Houndshill, making it regionally competitive. This will help make Blackpool a shopping 'destination' once more and promote possible future expansion, with the crucial job creation that will bring.

We hope that the scheme can secure 'growth funding' through the Lancashire Enterprise Partnership this autumn and be implemented thereafter, as soon as possible.

I trust that this letter is sufficient for your submission, but if you need anything further please do not hesitate in contacting me.

Yours sincerely

Miss Deborah Lancelott
Centre Manager

17 Victoria Street | Blackpool | Lancashire | FY1 4H
T: 01253 624 722 F: 01253 628 587 E: info@houndshillshoppingcentre.co.uk
www.houndshillshoppingcentre.co.uk

Blackpool Council

Date: 25th August 2015

Cllr Jennifer Mein
Chair of Transport for Lancashire Committee
Lancashire County Council
PO Box 78
Preston
PR1 8XJ

Our Ref: ST/JW/LS

Direct Line: 01253 478505
Email: steve.thompson@blackpool.gov.uk

Dear Councillor Mein

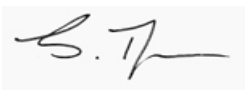
Blackpool Integrated Traffic Management

As Section 151 Officer for Blackpool Council, I declare that the scheme cost estimates quoted in the Strategic Outline Business Case submission for this scheme are accurate to the best of my knowledge and that Blackpool Council has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution.

Blackpool Council will commit the financial resources necessary to maintain and manage the scheme for the duration of its life, estimated to be a period of 15 years from installation. These costs are estimated to be approximately £100,000 per annum, which is considered realistic given that Blackpool Council will use existing staff, facilities and resources to operate the scheme. Specific parking development and maintenance budgets will be earmarked for this purpose.

Blackpool Council will cover any cost increases or cost overruns on all capital and revenue cost elements of this scheme.

Yours sincerely



Steve Thompson
Director of Resources

Director of Resources
Blackpool Council
PO Box 4
Talbot Road
Blackpool
FY1 1NA

Contact
T: (01253) 478505
F: (01253) 477 003

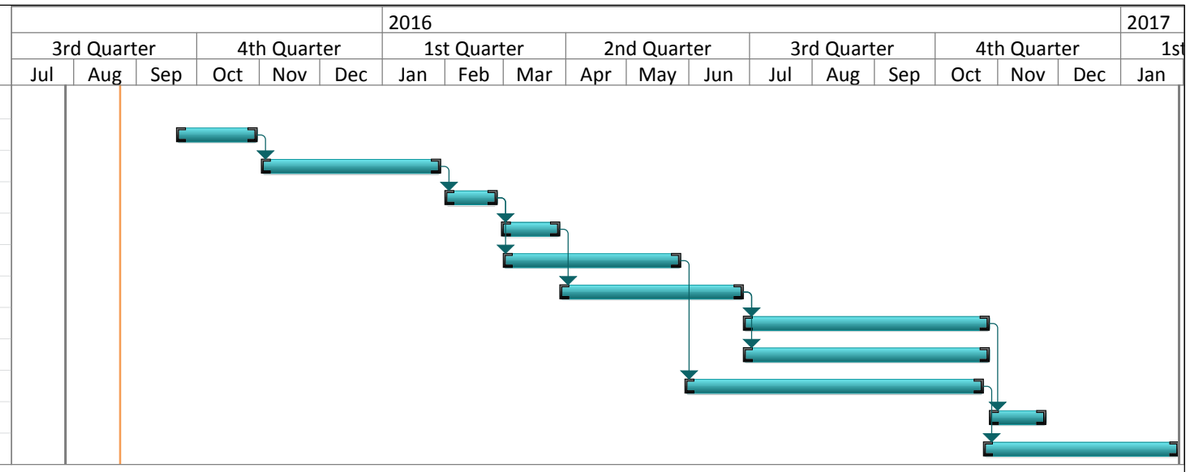
www.blackpool.gov.uk

Risk Register

(Ver 1) Reviewed: J. Walker Date: July 2015 Scheme: **Blackpool Integrated Traffic Management**

	Likelihood (L,M,H)	Consequence: Time impact (L,M,H)	Consequence: cost impact (L,M,H)	Comments on risk rating	Owner	Risk expiry date	Actions to be taken to avoid or reduce the risk	Residual risk after action (RAG)
Risks to the cost of the work								
Unforeseen costs	**M**	**M**	**M**	Some assumptions have been made and further work is needed at the detailed design stage. Regular review of project enables fast reaction to this risk.	BC	Detailed design stage	Built in contingency. Project team to closely monitor unforeseen costs and report at earliest opportunity to enable action to be taken.	
Cost of equipment increases	**M**	**L**	**H**	A number of pieces of specialist equipment are required to deliver the scheme. Costs have been identified based upon the information currently known. However, there is a small risk that the cost of equipment rises significantly beyond the limits that have been allowed.	BC	Detailed design stage	Early confirmation of equipment costs upon funding approval will assist this risk to be minimised.	
Risks to delivery of the work								
Delays to the scheme leading to non-delivery within the funding limitations	**L**	**H**	**H**	Appropriate timescales have been included within the delivery programme and show completion well within the allocated timescale. However, delays to elements on the critical path will result in an extended programme within 2015/16.	BC	Project end	Corporate support for the scheme should assist in decisions to be made within the timescales and appropriate levels of resource to be committed to the delivery to achieve success.	
Delays to delivery resulting in work taking place during business sensitive periods	**H**	**M**	**L**	Blackpool's unique seasonality results in very short periods when work can take place on traffic sensitive routes without adversely affecting tourism based business.	BC	Project end	Corporate support for the scheme should assist in decisions to be made within the timescales and appropriate levels of resource to be committed to the delivery to achieve success.	
Other key resort developments influencing project delivery	**M**	**H**	**M**	Blackpool exists in a volatile commercial development environment and there is a risk that a developer may approach the authority after funding approval with proposals that directly affect the routes involved. This may affect the delivery timescales but also scheme design elements.	BC	Construction stage	Organisations and departments involved in developer negotiations have been briefed and understand the objectives of the project.	
Authority staff unable to meet programme demands	**M**	**H**	**H**	Lack of resource available would delay programme, incur additional costs and result in poor project management.	BC	Project end	Close management and monitoring of programme and regular team meetings to identify resourcing issues early.	
Key authority project staff leaving	**M**	**M**	**L**	Loss of project experience would result in reduced productivity until resource replaced and retraining done.	BC	Project end	Dedicated project team, with responsibilities shared across team to reduce dependence on one member of staff.	
Inclement weather during construction	**H**	**L**	**L**	Inclement weather is very likely over the life of the project. Provisionally, the construction phase of the project does not take place during winter months.	BC	Project end	The Blackpool delivery team are adept at managing construction operations during all weathers. Discussions with contractors and interrogation of assumptions made by contractors will minimise these risks.	
Risks to parties outside of the project								
Loss of trade to businesses affected by the works and the proposals	**M**	**L**	**H**	There is a risk that businesses are affected during the construction stage of the scheme, but also once the scheme is in operation.	BC	Construction stage and post scheme	Minimise impact through considerate programming and traffic management methods. Equipment resilience will be addressed with suppliers.	

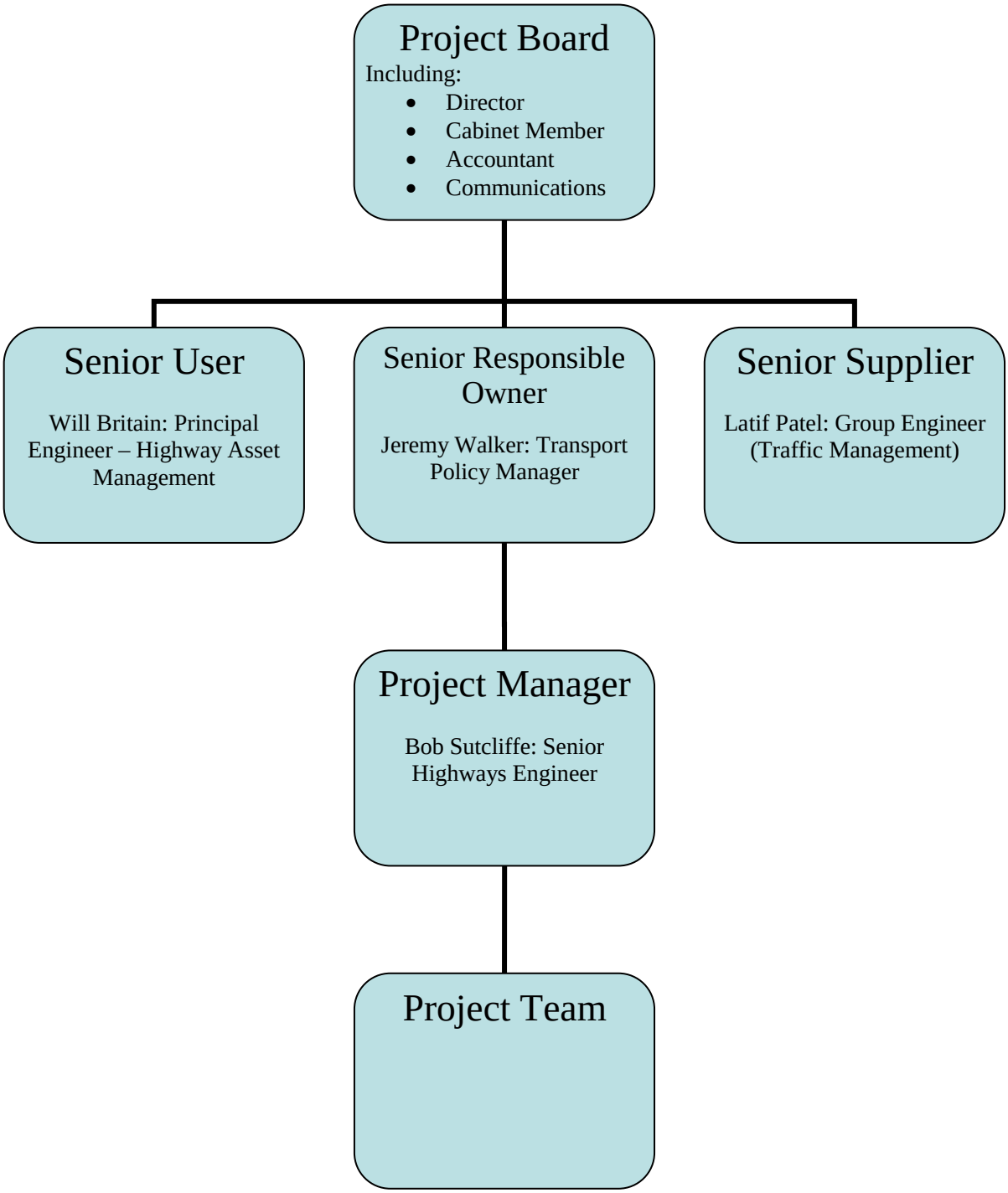
ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors
1		**Blackpool Integrated Traffic Management**				
2		Detailed Design	30 days	Mon 21/09/15	Fri 30/10/15	
3		Procurement	65 days	Mon 02/11/15	Fri 29/01/16	2
4		Contractor Selection	20 days	Mon 01/02/16	Fri 26/02/16	3
5		Site Surveys & Investigations	21 days	Mon 29/02/16	Mon 28/03/16	4
6		Contractor Mobilisation	64 days	Tue 01/03/16	Fri 27/05/16	4
7		Manufacturing & Purchasing	65 days	Tue 29/03/16	Mon 27/06/16	5
8		CCTV & Signage Installation	88 days	Tue 28/06/16	Thu 27/10/16	7
9		Power Supplies	88 days	Tue 28/06/16	Thu 27/10/16	7
10		IT Management System Installation	106 days	Mon 30/05/16	Mon 24/10/16	6
11		Commissioning	20 days	Fri 28/10/16	Thu 24/11/16	8
12		Staff Training & Operational Requirements	69 days	Tue 25/10/16	Mon 30/01/17	10



Project: PGI-VMS Programme
Date: Mon 24/08/15

Manual Task

Blackpool Integrated Traffic Management
Project Management Organogram



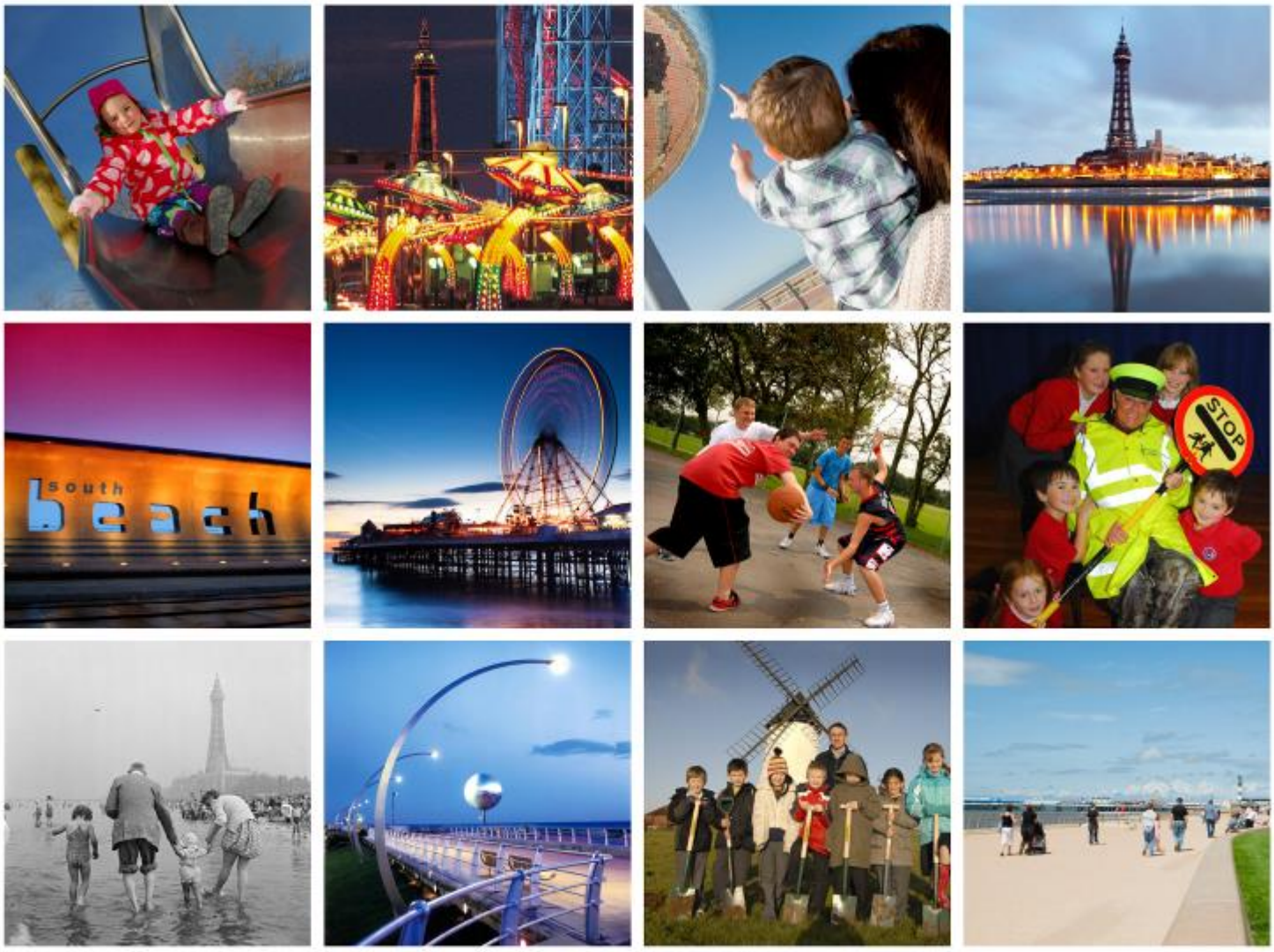
Communication Plan

Project title: Blackpool Integrated Traffic Management

Author: Jeremy Walker

Date: 27th August 2015

Blackpool Council



Contents

Blackpool Integrated Traffic Management Communication Plan

Background

It is proposed to install 16 fully functional variable message signs, 19 parking guidance information signs with variable elements, a car park monitoring system, CCTV and 24 static parking signs. Being able to disseminate information to drivers would help with traffic and event management, and help direct drivers to the most appropriate destination. The scheme would help direct drivers to available spaces and along appropriate routes making the network more efficient. This would benefit the local economy, with reduced congestion, increased dwell times, greater economic activity and job creation.

Aim

To better manage traffic and grow the local economy.

Objectives

- Manage levels of congestion in the town centre and resort core
- Reduce levels of pollution
- Grow the visitor economy (more visitors and jobs)
- Manage visitor traffic more efficiently and effectively
- Maximise the use of public transport
- Improve the efficiency and effectiveness of Blackpool's car and coach parks

Target audience

All drivers in Blackpool, particularly visitors, and those accessing the resort core and town centre by car and coach.

Key messages

The parking guidance information and variable message signage (VMS) will provide 'real time' information to drivers on key approach roads to the resort core and town centre. This signage will direct drivers to the most appropriate car and coach parks. When these fill up during peak periods, motorists will be directed to alternative car and coach parks, reducing 'search time' and increasing 'dwell time'. This will have economic benefits for Blackpool.

For incidents and events, the VMS will provide up to date information to drivers on the key access routes. Quick responses are envisaged using the most up to date technology.

The road network will be used more efficiently, particularly the Promenade, reducing congestion and pollution.

Strategy and approach

The proposed scheme will be presented to the Highways Consultative Forum and the Blackpool Business Leadership Group to ensure interested stakeholders are fully aware and consulted with.

During the roll-out stage a variety of channels will be used to information local residents, visitors and businesses.

Targets

- Reduce the distance travelled by motorists arriving in the resort
- Increase visitor numbers, spend and job creation
- Greater use of the tram during Illuminations evenings

Time scales and budget

A £2.1m project, to be delivered in 2016

Evaluation

The success of the communication will be measured through:

- Feedback from motorists
- The views of council staff operating the scheme
- Business surveys to help evaluate the economic growth credentials of the scheme
- Social media interaction
- Website hits

Tactics

This is a table of actions through communications channels targeted at specific audiences featuring key messages from the campaign.

Channel	Activity	Target audience	Lead	Cost	Timescales
Press releases	Promotion of the scheme	Local residents/ visitors	JBo	0	TBC
Your Blackpool	Promotion of the scheme	Local residents	JBo	0	TBC
Social media – Blackpool Council	Promotion of the scheme	Local residents	JBo	0	TBC
Social media – Visit Blackpool	Promotion of the scheme	Visitors	JBo	0	TBC
Web – Blackpool Council	Promotion of the scheme	Local residents	JBo	0	TBC
Web – Visit Blackpool	Promotion of the scheme	Visitors	JBo	0	TBC
Highways Consultative forum	Public engagement	Local stakeholders	JBl	0	TBC

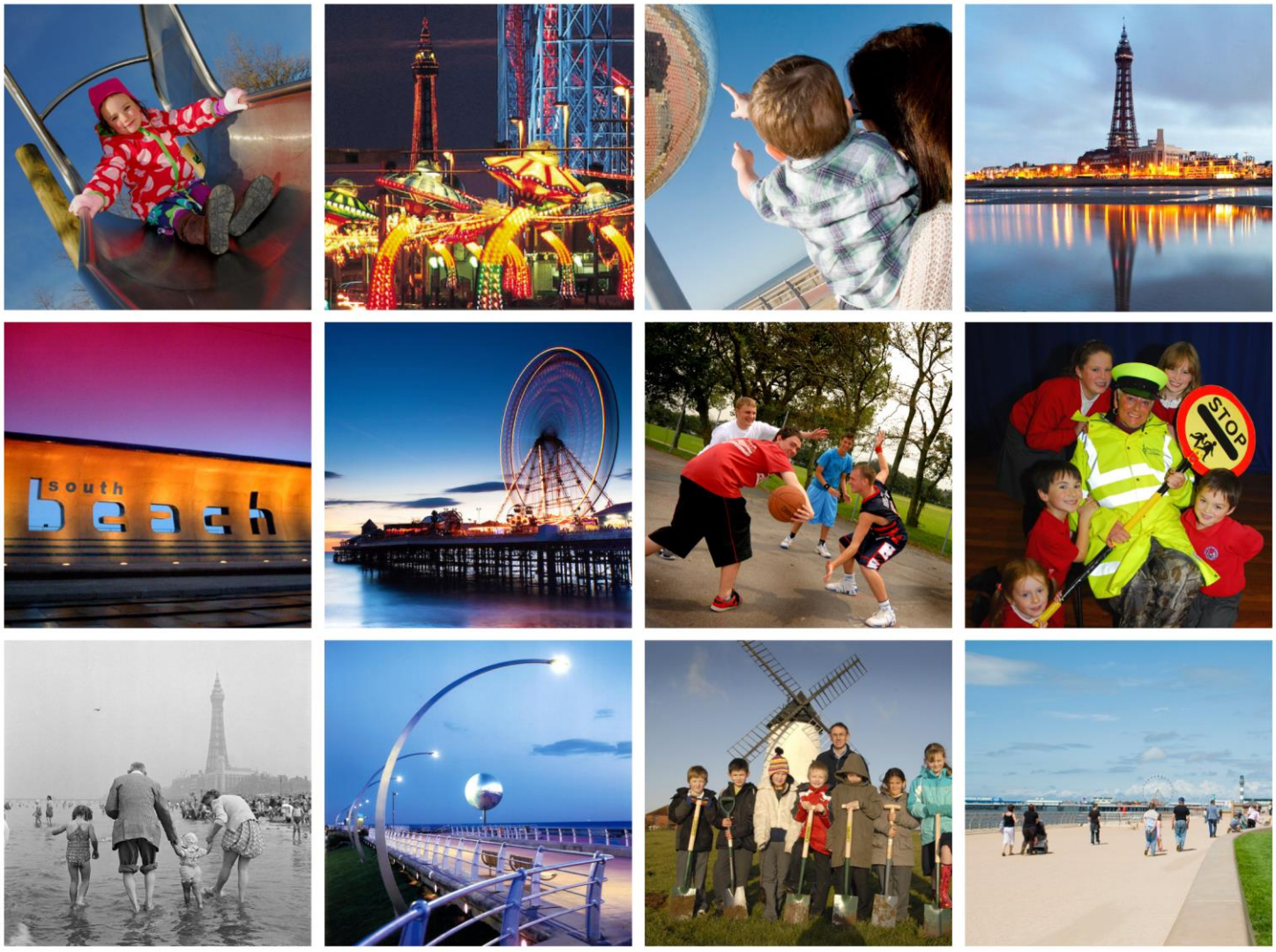
Key contacts

Name	Contact Details
Jeremy Walker	Transport Policy Manager, 01253 476172 jeremy.walker@blackpool.gov.uk
Jenny Bollington	Media Manager, 01253 477192 Jenny.bollington@blackpool.gov.uk

Blackpool Integrated Traffic Management Monitoring and Evaluation Plan

September 2015

Blackpool Council



Contents

Introduction

This Monitoring and Evaluation Plan for the Blackpool Integrated Traffic Management scheme shows a proportionate and targeted approach, which when implemented will demonstrate how the scheme has performed against its objectives.

The principal aims of monitoring and evaluation are to determine whether the scheme has been delivered as planned and whether it has delivered the expected benefits. Where the outcomes differ from expectation the evidence base will identify the reasons why and the lessons that can be learnt.

Monitoring of Process

The project will be managed in line with the principles of PRINCE2. This is achieved by having a clear project specific governance structure (SOBC Section 5.1) combined with a Risk Register (SOBC Appendix H) and Project Programme (SOBC Appendix I). These tools will enable the Project Manager and ultimately the Project Board to keep track of the project's progress. These documents will be updated regularly and reviewed at project team meetings. Where appropriate, any deviations from either the budget or delivery timescale will be identified and reported to the Project Board at their monthly meetings or immediately if urgent, in order that mitigation measures can be agreed upon and implemented.

Scheme Outputs and Outcomes

Progress against the outputs and outcomes will be highlighted in regular reports to the Project Board.

These are project outputs which will be easily measurable as the project progresses:

- Variable message signs
- Car park guidance information signs
- Static parking signs
- Car park monitoring systems
- CCTV

The project outcomes identified as being measurable are as follows:

- More efficient use of Blackpool's car parks
- Greater efficiencies on the local and strategic highway networks
- The number of day visits to the resort
- Spend in the resort
- Jobs supported
- Additional GVA

The scheme will be monitored in accordance with the Lancashire LEP's Growth Deal Monitoring and Evaluation Framework (May 2015):

Metric	Frequency
Average annual CO_2 emissions	Biannual
NO and particulate emissions	Biannual
Additional day visits over 5 years	Annual
Additional visitor spend over 5 years	Annual
Gross direct and indirect jobs supported over 5 years	Annual
Net additional GVA over 5 years	Annual

'Benchmark' data will be used where available. Further methodology for each of these metrics is as follows:

Average annual CO2 emissions

The local authority carbon tool will be used, based on the reduced distance travelled by drivers searching for a parking space.

NO and particulate emissions

Existing air quality monitoring in Blackpool Town Centre will be adapted/ extended as appropriate to provide the necessary coverage.

Additional day visits over 5 years

Visitor numbers will continue to be collated through Omnibus surveys, council data and updated Lancashire STEAM reports. Specific visitor questionnaires will be undertaken by a combination of internal council team and ambassadors on the street collecting primary data.

Additional visitor spend over 5 years

Figures will be provided through Omnibus surveys to update the council's data set.

Gross direct and indirect jobs supported

The council have benchmark figures and will use Office for National Statistics (ONS) figures for updates.

Net additional GVA over 5 years

The council also have benchmark figures and will also use ONS figures for the annual reporting.

In addition, Blackpool Council will report quarterly on the top three metrics:

- Expenditure
- Funding breakdown; and
- In-kind resources provided

Blackpool Council will collect and submit their monitoring data to the Lancashire LEP in accordance with a series of pre-agreed quarterly, biannual or annual timescales.

Impact Assessment Evaluation

This will involve a comparison of the scheme proposals included within the business case, detailed designs and outturn deliverables.

The evaluation of scheme impacts will form part of an 'outcome monitoring' assessment which will seek to evaluate whether the scheme has delivered its benefits and therefore its objectives. The Impact Assessment Evaluation will include and build upon the standard monitoring metrics, extending the standard monitoring by reviewing or producing:

- Scheme delivery and outputs
- Evidence that the scheme has been delivered to the quality standard expected and meets the requirements set out in the business case, including the needs of stakeholders and end users
- Evidence that the scheme has been delivered as intended and is on track to deliver the intended outputs and outcomes
- Defined outcome indicators
- A contribution analysis of how much has been contributed to these changes by the scheme

It is important in terms of the Impact Assessment Evaluation that the key scheme objectives are tested on a regular basis to provide the basis for fuller evaluation.

Monitoring and Evaluation Costs

Blackpool Council will fund all aspects of the monitoring and evaluation process, including data collection and reporting. This will be targeted to obtain the following data:

- Car park usage
- Traffic flows
- Visitors to the resort
- Financial, including GVA
- Employment statistics

It is estimated that costs associated with the monitoring and evaluation process will amount to £10k per annum.

Project Governance

Responsibility for the plan lies with the Project Board. The senior management representatives on the Project Board have the ultimate responsibility for sanctioning and approving the scope of material changes. Development of this Monitoring and Evaluation Plan will be undertaken by the project team, including quality assurance as follows:

- Checking progress against the agreed Project Programme
- Determining progress against agreed project outputs
- Reporting at key milestones to the Project Manager, who reports to the Project Board.

The Project Team will ensure the quality aspect of the Monitoring and Evaluation Plan is in line with the agreed brief and specification. The detail will be incorporated into the Risk Register and reviewed at regular intervals by the Project Manager and the Project Board.

.

Document Control

Document owner:	Jeremy Walker
Document number:	1
Document category:	First issue
Document location:	FY1 1LZ
Issued by:	Blackpool Council
Last edited:	24.09.15

Record of Amendments:

Date	Version	Amended by	Description of changes

Approved By:

Name	Title	Signature	Date

Lancashire
Enterprise Partnership

LEP – Sub Committee

Transport for Lancashire Committee

Date: 1st October 2015

Transport for the North and Lancashire Strategic Transport Prospectus Update (Appendix 'A' refers)

Report Author: Dave Colbert, Specialist Advisor Transportation, Lancashire County Council

Executive Summary

Since the last Transport for Lancashire committee on 5th June, the Transport for the North agenda has developed significantly. The Government has 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. TfN has agreed to extend its membership to include representatives from northern sub-regional partnerships not currently represented, and has established a number of workstreams to support the development of the Northern Transport Strategy, several of which are relevant to Lancashire. The Lancashire Strategic Transport Prospectus has been further revised to take account of the GVA / productivity implications of the interventions contained therein and to ensure that Lancashire is best placed to influence the ongoing development of the Northern Transport Strategy.

Recommendation

The Committee is invited to note the contents of this report and endorse the updated Transport for the North and Lancashire Strategic Transport Prospectus attached at Appendix 'A' to this report for approval by the LEP Board on 6th October 2015.

1. Background

1.1 Since the last Transport for Lancashire committee on 5th June, 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[1], published on 20th March 2015, will be available by Budget 2016.

1.2 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. TfN has now acknowledged that it does not yet reflect the full and inclusive governance arrangements in support of its purpose to act as a genuine representative body for the whole of the North of England. The TfN Partnership Board has therefore 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.

1.3 Transport for the North has established a number of workstreams to support the development of the Northern Transport Strategy, several of which are relevant to Lancashire, in particular, that focusing on local strategic connectivity where there is a clear pan-northern benefit to the overall TfN strategy and programme and which TfN has now extended to include local strategic connectivity outwith the core city regions. A scoping event was held in Leeds on 23rd June at which the Lancashire Strategic Transport Prospectus and Lancashire's joint approach to integrated transport planning through the suite of five highways and transport masterplans were presented. The local strategic connectivity workstream will have synergy with others including those covering strategic roads and rail.

1.4 The Lancashire Strategic Transport Prospectus has now been further revised to take account of the GVA / productivity implications of the interventions contained therein. The current version, attached as 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.

[1] 'The Northern Powerhouse: One Agenda, One Economy, One North – A Report on the Northern Transport Strategy' HM Government and Transport for the North, March 2015

Lancashire as part of an Interconnected and Productive Northern Powerhouse

The Lancashire Strategic Transport Prospectus

Foreword

Lancashire's economic strengths, and more importantly its economic potential over the next two decades, is arguably one of the least understood dimensions of the emerging Northern Powerhouse vision.

With an economy of over £25 billion, Lancashire is home to over 40,000 businesses. We are the UK's leading region for aerospace manufacture, and related industries, and have rapidly growing clusters across energy, advanced manufacturing, chemicals and automotive sectors.

We also have a strong visitor economy, boast three world- class universities, and are surrounded by some of the country's most outstanding rural and coastal beauty.

But Lancashire also faces a huge challenge – how do we not only maintain the considerable competitive advantages and unique assets we already have but, in addition, how do we grasp the opportunity offered by initiatives like the Northern Powerhouse?

The answer from my point of view is simple – the integration of key strategic investments, clearly aligned to complementary economic strategies, and the robust physical connectivity to join all of these together in order that our residents and businesses, and those we need to attract in order to grow, can take full advantage of all we have to offer.

Further, this connectivity needs to reach beyond the borders of Lancashire itself - improving local transport networks is a key priority of the Lancashire Enterprise Partnership and partners – but it is our connection with the rest of the North, the rest of the United Kingdom, and the rest of the world which will largely determine the pace and level of our success going forward.

In Northern Powerhouse terms this means capitalising on Lancashire's strategic importance geographically. We are the only area which borders two of the biggest city-regions Manchester and Liverpool, which will drive much of the North's economic renaissance, and we also count North and West Yorkshire, and Cumbria, as our immediate neighbours.

Therefore to maximise our role at the heart of what we call 'Northern Powerhouse West', we must work with partners to deliver the rail, road and other transport infrastructure needed to ensure that people, goods and services get where they need to be to stimulate growth and prosperity for all. With

this in mind I am looking forward to providing political representation for Lancashire and Cumbria on Transport for the North's new Partnership Board.

Many of Lancashire's requirements and aspirations in this regard are already being assessed, planned and costed, and you will find details of a wide range of transport and infrastructure projects already underway or anticipated in this Prospectus.

Building on our Strategic Economic Plan, which aims to create an additional 50,000 jobs over the next ten years, this prospectus reflects the importance of the county's nationally recognised City Deal and conveys the ambitious Growth Plan we have in place and the potential offered by our Enterprise Zones.

The Lancashire Enterprise Partnership has made strong progress in recent years and established a growth programme of national significance. However, given our underlying performance of recent decades we cannot afford to be complacent. Our Prospectus, and the delivery of its key priorities, is central to our purpose of re-establishing Lancashire as a national economic driver. The analysis set out in our Prospectus demonstrates that our programme will deliver 15,000 net new jobs, increase productivity by £185M per annum and contribute an additional £685M GVA a year to the Northern Powerhouse economy.

The prospectus identifies our long-term strategic transport requirements, the opportunities and constraints on growth over the next twenty years, and also the more immediate interventions needed to stimulate Lancashire's latent potential.

So even though this Prosepectus is fundamentally about Lancashire's evidenced case-making to support more and better physical connectivity, both across the county itself and further afield to improve our access and economic influence over the Northern Powerhouse as a whole, it is also about the importance of the developing connectivity solutions which generate maximum benefit for our local communities and economies

These interlinked factors are also at the heart of the government's vision for a more connected and more productive North, and it is one which Lancashire wholeheartedly embraces.
Jennifer Mein Chair of Transport for Lancashire
Lancashire Enterprise Partnership

1. Introduction

Lancashire is a dynamic economic region within the North West and the wider North of England. It has a unique offer to make and role to play in the Northern Powerhouse.

Lancashire's leading international and national position in relation to aerospace, advanced engineering and manufacturing, energy, higher education institution excellence and visitor economy make it a pivotal part of the long term economic growth of the North.

Lancashire has close links to both the Manchester and Liverpool city regions. In both cases it provides many high skilled workers in key growth sectors, and this has increased as transport improvements have enabled many people to live in the most attractive parts of Lancashire and commute to work. As important, many growth sectors are linked to supply chain and business networks which extend across LEP boundaries to larger functional economic geographies. Strengthening these business inter-actions and accelerating agglomeration benefits is an economic imperative for Lancashire and the Northern Powerhouse.

As elsewhere within the Northern Powerhouse, connectivity is fundamental to maximising growth potential. Those transformational and supporting transport interventions that underpin strategic economic growth in Lancashire and the wider North need to be prioritised and delivered as part of an integrated approach.

The purpose of this strategic transport prospectus is to:

- Set out the importance of the Northern Powerhouse to the competiveness of UK, and the role and contribution of the Lancashire economy;
- Articulate Lancashire's economic growth priorities with a focus on those that play a critical role within the Northern Powerhouse;
- Demonstrate the rationale for developing a multi-modal transport network to support Lancashire's economic growth and that of the Northern Powerhouse;
- Confirm Lancashire's track record and ability to deliver;
- Present the national and local strategic transport priorities for Lancashire and their economic benefits to the Northern Powerhouse; and
- To set out the timescales for delivery.

This Prospectus also seeks to identity the economic impact of transport investments, including employment growth from new employment land. In addition, consideration is given to the housing impact resulting from residential land, in line with the Chancellor's recent statement on the contribution of housing to productivity and economic growth.

2. Lancashire's Unique Place in the Northern Powerhouse Jigsaw

Valued at over £25 billion, Lancashire has one of the largest economies in the North of England and is home to over 40,000 businesses employing in excess of 670,000 people, and has a population of 1.4 million.

Rebalancing the economy by transforming growth across the North of England and establishing a Northern Powerhouse is a core part of the Government's economic strategy. In June 2014, the Chancellor of the Exchequer set out his vision for a 'Northern Powerhouse', a collection of northern cities sufficiently close to each other that, when combined economically would be able to challenge the world and in so doing, contribute to rebalancing the UK's economy The Northern Powerhouse is a £315bn economy (2013) with two economic centres of gravity: Manchester, leading a powerful economy which makes up Northern Powerhouse West, and Leeds, dominating an extended geography covering Northern Powerhouse East. A major objective of the Northern Powerhouse is to strengthen east west linkages through improved transport connectivity, including rail and road improvements, helping to integrate two powerful super regions into a single functional economy, creating new levels of agglomeration benefits.

Northern Powerhouse			
West	**GVA (£bn)**	**East**	**GVA (£bn)**
Cumbria	9.7	North East	33.9
Lancashire	25.5	Tees Valley	11.4
Greater Manchester	56.3	Leeds City Region	60.2
Cheshire and Warrington	23.2	York/N York/E Riding	21.6
Liverpool City Region	27.0	Sheffield City Region	30.6
		Humber	16.3
Northern Powerhouse	**West £141.7**		**East £174.0**
Source: Regional Accounts			

Independent economic analysis[1] has highlighted the presence of business and industrial clusters in growth sectors across and within key locations in Lancashire. These sectors have the potential to deliver a scale of growth that will have a transformative impact on the local economy and contribute significantly to the northern and national economy.

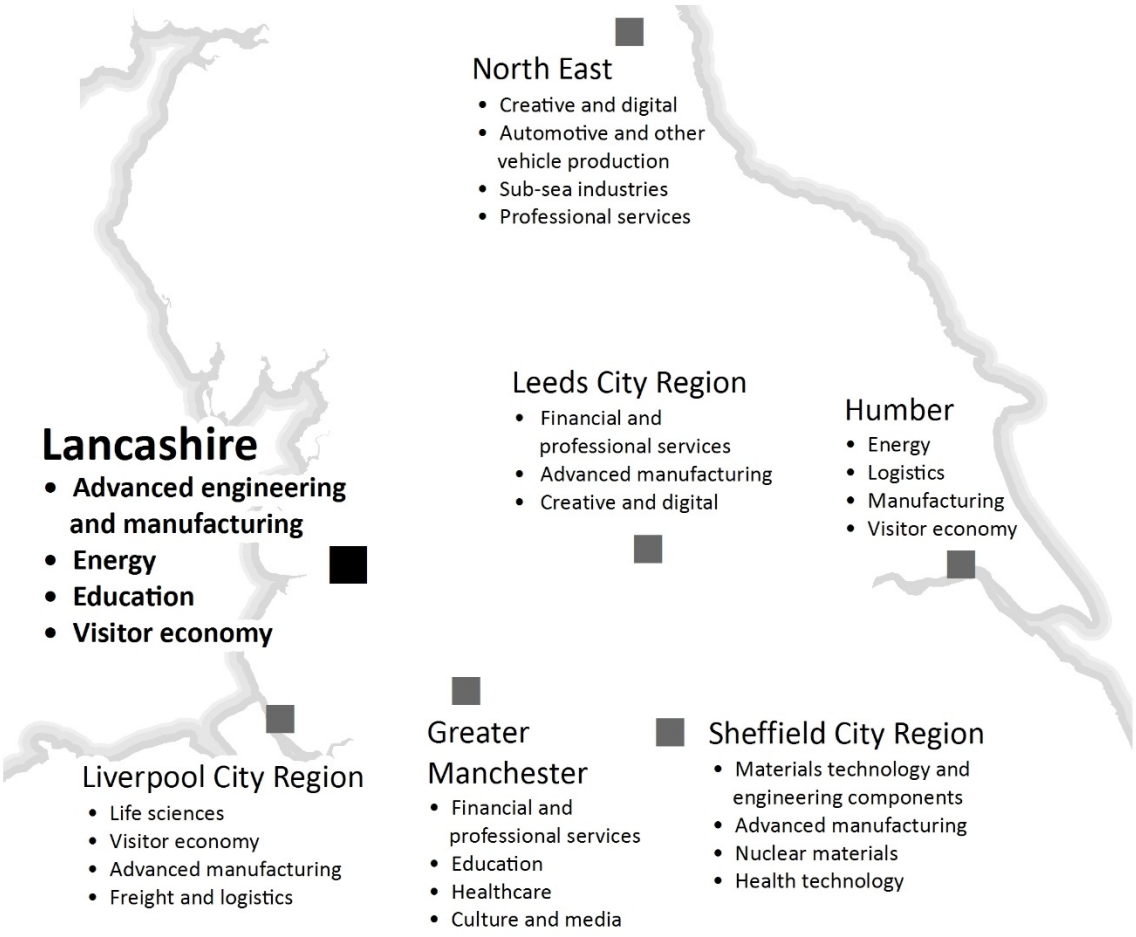
- Advanced Manufacturing: Aerospace and Automotive;
- Energy;
- Higher Education;
- The Visitor Economy;
- Professional and Business Services; and
- Logistics.

In each of these areas Lancashire has key physical, locational and research assets; business strengths with world class companies and development plans to increase innovation, quality, productivity and growth.

[1] *Strategic Commercial Development Advice,* Colliers, 2014. This advises that defining what a cluster constitutes is not an exact science but there are indictors which can give an idea as to whether a cluster is present; these include the geography of where companies are based and their proximity to one another, the number of companies based in a certain geographic area and the size and levels of employment of companies.

It is fundamental to the Northern Powerhouse that key growth sectors reach their full potential. This means targeting innovation, skills and supply chain solutions to maintain and grow investment. It means matching skills to the business growth areas of the future, providing new models of business support and economic regeneration and better connecting people to jobs, education and training and to other opportunities.

Growth Sectors identified in Strategic Economic Plans



Source: Transport for the North (modified)

Advanced Engineering and Manufacturing: Aerospace and Automotive

Lancashire is central to a regional cluster of **aerospace** capability recognised as the fourth largest in the world. One of three key clusters of aerospace capability in the UK, it is the only one in the North of England, contributing £850m to the national economy. As a result, Lancashire is a powerful force in the whole supply chain of this industry. The county hosts the single largest concentration of aerospace production in the UK, employing over 20,000 people. Major employers include BAE Systems, Rolls Royce and Safran-Aircelle. These internationally renowned companies have attracted, and support, strong supply chains in design, testing, manufacturing and repair and maintenance. Lancashire's Enterprise Zone focuses on these sector strengths to provide world-class development opportunities. BAE Systems' Lancashire sites are contributing in the region of £6 billion in value to the F35 programme, which is the UK's single largest trade contract.

The **automotive** sector has an important base in Lancashire, with a workforce of over 3,500. Key companies include PACCAR (Leyland Trucks), Piolax, Sanko-Gosei, Erlson, Futaba-Tenneco and TRW Automotive. The supply chain is significant, with the majority of business activity focussed on the

supply of high value parts to the UK and European Original Equipment Manufacturers (OEMs), a key Lancashire capability that the UK as a whole is seeking to grow. Exploiting a legacy of testing facilities, Lancashire hosts a significant cluster of innovative design and development companies, including Torotrak, Clean Air Power and Scorpion Automotive.

Energy

Over 37,000 people in Lancashire work in the power generation sector. The sector enjoys strong support from Lancaster University and the University of Central Lancashire, both of whom are internationally recognised centres of excellence in energy and environmental studies. National companies operating in the sector include Springfield Fuels, EDF, AMECPLC, SITA, Assystem and Westinghouse-Toshiba. Westinghouse facilities in Lancashire have nuclear reactor and fuel processing contracted programmes valued in the hundreds of millions of pounds.

The two nuclear power stations at Heysham represent one of the largest concentrations of power generation in the UK. Decommissioning is anticipated to commence at Heysham 1 in 2019, with Heysham 2 following soon after. The close proximity of Lancashire to a number of Nuclear Decommissioning Authority sites makes it an ideal central location from which to serve the industry. Also, the Springfields Fuels site has the capability and capacity to manufacture fuel for all designs of worldwide nuclear reactors.

The specific strengths of Lancashire's nuclear sector, if appropriately combined with key assets and opportunities in Cumbria, Manchester, Cheshire and Sheffield, creates the prospect of establishing a coherent industrial and skills strategy for the nuclear sector across the North of England. Given these cross boundary issues and in line with the emerging national nuclear strategy; the Lancashire Enterprise Partnership is seeking the development of such an approach under the overarching direction of the Nuclear Advanced Manufacturing Research Centre (NAMRC), which is based in Sheffield.

The Port of Heysham, owned and operated by Peel Ports, which in addition to its Ro-Ro ferry operations is an important UK offshore supply base providing logistics support to one of the largest offshore gas fields in UK waters. The Port is well placed to exploit the market opportunities presented by significant offshore wind operations and maintenance facilities. Peel is exploring new commercial investment opportunities following completion of the Heysham to M6 Link Road.

Lancashire has potentially one of the largest reserves of shale gas in Europe. The Lancashire Enterprise Partnership believes that, subject to regulatory confirmations, the shale gas sector can play an important economic role in contributing to economic growth in Lancashire.

Higher Education

Lancashire hosts a significant concentration of Higher Education Institution excellence, including one of the largest concentrations of university assets in the north comprising Lancaster University, the University of Central Lancashire (UCLan) based in Preston and Edge Hill University in Ormskirk. Lancaster is also home to the largest campus of the University of Cumbria.

Lancaster University is a world renowned institution, consistently ranking amongst the top ten UK universities for research and teaching, and is ranked first for physics research. The university has over 11,000 students and its international profile supports the establishment of industrial links with key international markets. Recent investments include the development of a £100m health innovation campus.

UCLan is the 5th largest university in the country in terms of its undergraduate in-take and was the first modern UK University to be ranked in the prestigious QS world rankings. UCLan has ambitious expansion and re-development plans set out in a new masterplan which will strengthen Preston as a university town. UCLan is developing new high-technology facilities of national significance, including the LEP-backed £50m Engineering Innovation Centre in Preston, part of a wider £200m estate redevelopment.

Edge Hill University in West Lancashire is the UK University of the Year 2014/15 with proposals to develop a new £8M BEST Centre (Business Enterprise Technology & Science Centre) state of the art

knowledge exchange facility. The National Student Survey (2014) places Edge Hill top in the North West for Overall Student Satisfaction.

The Visitor Economy

In 2013, Lancashire's visitor economy employed approximately 50,500 people, equating to 8% of all employment in the county, with an estimated economic impact £3.5bn[2]. Just over half of this was generated in Blackpool, Fylde and Wyre.

The coastal offer includes the large resort of Blackpool together with smaller resorts such as Lytham St Annes and Morecambe. These locations provide the focus of the traditional tourism offer and include the main destinations that many visitors from outside the area associate with Lancashire. Together they cater for day visits, short breaks and longer holidays.

The historic towns offer includes Lancaster, Preston and Clitheroe, offering architectural and historical interest for visitors based on both the general environment and individual attractions such as Lancaster and Clitheroe Castles and Preston Dock. Historic attractions elsewhere in the county include Hoghton Tower and Browsholme Hall. The main markets for the historic towns and cities are day visitors and short breaks.

The outdoor offer is very strong across the county, including the Forest of Bowland Area of Outstanding Natural Beauty, Pendle Hill and the Lancashire coastline which cater for a range of outdoor activities. Day visitors and short breaks are the main markets.

Professional and Business Services

In 2014, there were 10,200 businesses (business units) in the FPS sector across Lancashire, employing 82,000 people and accounting for around 13% of total employment GVA of £5.6 billion (around 22% of Lancashire's total GVA). A hierarchy of areas with relatively large concentrations of FPS employment is evident:

- The Skelmersdale, Burnley and Lancaster clusters each contain more than 3,000 FPS jobs;
- The rural Fylde and Blackburn clusters each contain more than 7,000 FPS jobs;
- The largest FPS cluster(s) in Lancashire, accounting for more than 12,000 FPS jobs in total, covers the urban core of Preston and the northern edge of South Ribble.

The FPS sector in Lancashire includes branches of some of the UK's leading businesses in the industry. In addition to branches of the major high street banks, there is also the Co-operative Bank Business Customer Services section, which is located in Skelmersdale. Lancashire also provides headquarter locations for Chorley Building Society and The Marsden Building Society. Other key employers include Guardian Financial Services, Burnley Savings and Loans and Key Retirement Solutions.

Businesses in Lancashire also benefit from proximity to Manchester and Liverpool, both regional centres for the FPS sector and home to businesses offering specialised services to larger regional/national businesses and organisations. Manchester in particular is now one of the leading FPS hubs outside of London, with major HQ functions for several banks including the Co-operative, BNY Mellon, RBS, Barclays and Williams and Glyn (the latter is expected to become operational from 2016), as well as large accountancy and legal sub-sectors etc. The FPS sector as a whole accounts for 190,000 jobs in Manchester.[3] Liverpool's FPS offer has particular strengths in insurance, wealth management and legal services. For parts of East Lancashire, links across to the sizeable FPS sector in Leeds are also important.

Logistics

[2] http://mediafiles.thedms.co.uk/Publication/LM/cms/pdf/STEAM%20OVERVIEW~%20Eng-Wal-NI.pdf
[3] AGMA, GMCA, 'Stronger Together, Greater Manchester Strategy', 2013

Lancashire is located close to the major cities of Manchester and Liverpool and midway between the English Midlands and Scotland. Its road and rail links between the north and south are important, and Preston is an important hub for the West Coast Main Line. New trends in logistics, notably e-commence, along with the opening of Liverpool SuperPort and the doubling of container traffic are now opening up new opportunities in distribution and logistics.

Preston and South Ribble are benefiting from a major road investment programme which will support a 20 year employment land supply and open up attractive new distribution and logistics locations. This investment complements other new investment in East Lancashire, taking advantage of major sites located along the M65.

Skelmersdale in West Lancashire is closely linked to the Merseyside economy and is able to offer major sites for logistics and distribution companies keen to take advantage of the opportunities being generated by the opening of Liverpool SuperPort. Research commissioned by Peel Ports and the Liverpool City Region has highlighted the need to increase large market attractive sites to take advantage of Atlantic Gateway opportunities.

3. Transport and Connectivity to Drive The Northern Powerhouse

Transport is key to achieving the vision for the Northern Powerhouse, however the transport network in the North is simply not fit for purpose and certainly not good enough to enable cities to pool their strengths. The Chancellor therefore identified the need for an ambitious plan to make the cities and towns across the North much better connected to create the equivalent of travelling around a single global city.

The Northern Transport Strategy

In March 2015, HM Government and Transport for the North published a report on the Northern Transport Strategy, *"The Northern Powerhouse: One Agenda, One Economy, One North*." The report sets out how transport is fundamental to achieving the shared vision of transforming growth in the North of England, rebalancing the country's economy and establishing the North as a global economic powerhouse. This will require the development of a world class transport system to better link up the individual cities and towns across the North to allow them to function as a single economy.

The Northern Transport Strategy builds on the analysis and conclusions of HS2 Ltd[4], the One North Proposition for an Interconnected North[5] and the Transport for the North Partnership Board, all of which reaffirm the strategic case for the Phase 2 extension of HS2 to both Manchester and Leeds. It seeks to address not just the issue of capacity in the North but the greater problem of connectivity. The proposition is therefore to integrate HS2 into a wider strategic transport network across the North to fundamentally transform connectivity and in so doing, spread the economic benefits of HS2 as widely as possible. The final Northern Transport Strategy will set out plans for rail, highways, freight and logistics, integrated and smart travel, airports and local connectivity that together will provide an interconnected North.

The Partnership Board has agreed to extend its membership to include additional representatives from northern sub-regional partnerships to enable the Board to function as a genuine representative body for the whole of the North of England. County Councillor Jennifer Mein, Leader of Lancashire County Council and Chair of Transport for Lancashire will provide political representation on the Partnership Board for both Lancashire and Cumbria.

Transport, Productivity and Housing

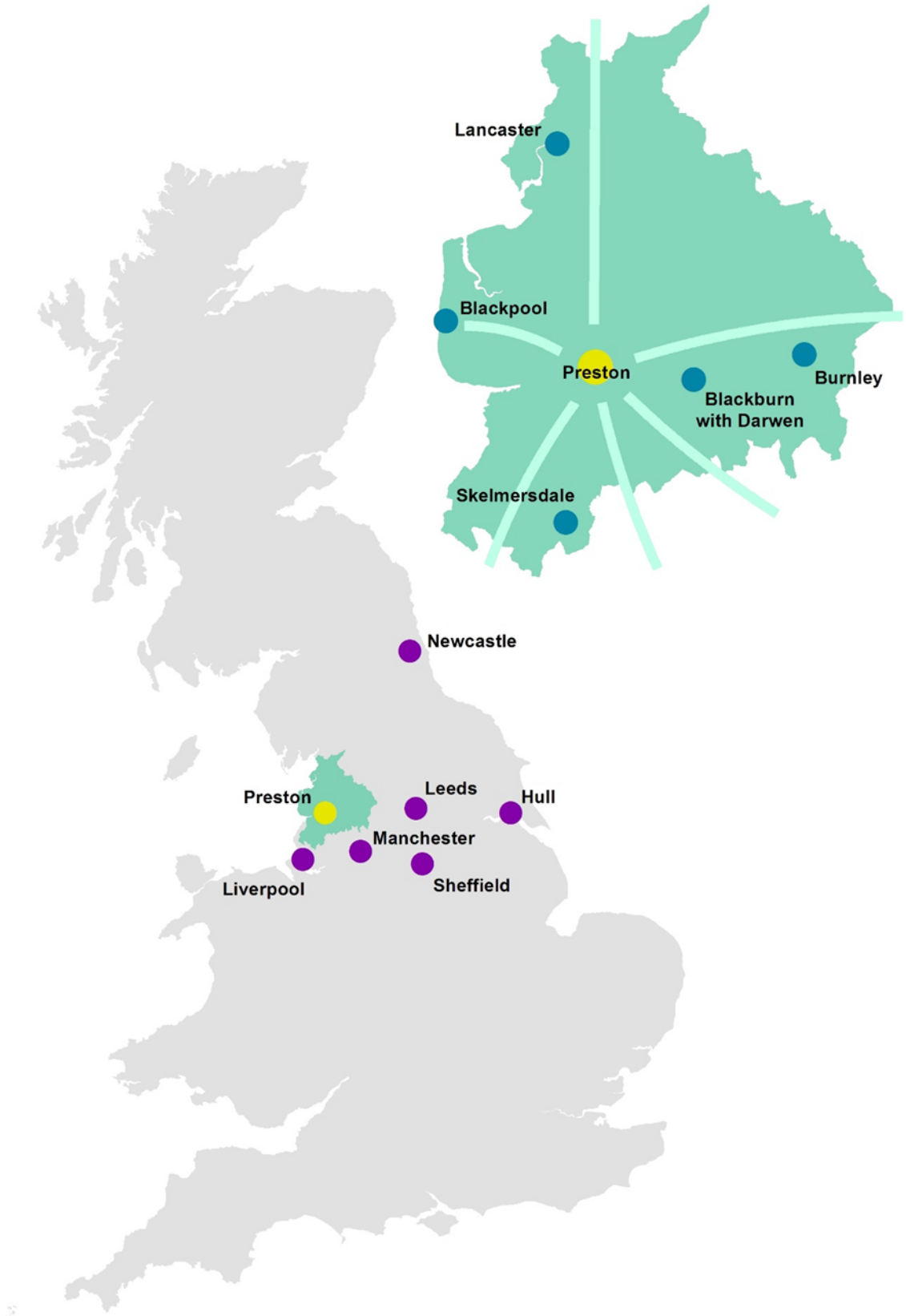
Fixing the Foundations: Creating a More Prosperous Nation was published in July 2015 and sets out the Chancellor's plans for improving UK productivity. The rationale for rebalancing the economy is clearly set out where it states that "*our economy cannot grow as it should while it is so skewed towards London and the south east.*" The plan also acknowledges the importance of housing to prosperity *"the UK has been incapable of building enough homes to keep up with growing demand. This harms productivity and restricts labour market flexibility"* and "*an effective land and housing market promotes productivity by enabling the economy to adapt to change, helping firms to locate where they can be most efficient and create jobs, and enabling people to live and own homes close to here they work*."

Lancashire needs to accelerate new housing to accommodate a growing and skilled workforce. In order to meet sustainability ambitions, developing new housing near to major employment centres or close to sustainable forms of transport will be critical. There is, therefore, a close link between transport investment and new residential development.

[4] HS2 Plus, A report by Sir David Higgins, Chair of HS2, March 2014

[5] One North – A Proposition for an Interconnected North, (Greater Manchester, Merseyside, South Yorkshire, West Yorkshire and Tyne & Wear) July 2014

Lancashire: Integral to the Northern Powerhouse



Lancashire's Integrated Investments – Infrastructure, Housing, Jobs and Skills

Lancashire has benefitted in recent years from key transport and infrastructure investment of national significance such as the West Coast Main Line Route Modernisation programme completed in December 2008. However, apart from the completion of the Heysham to M6 Link Road due to open in summer 2016 and the Pennine Reach public transport scheme in East Lancashire currently being implemented, there has been little investment in critical strategic infrastructure to improve connectivity and support economic growth, development and regeneration. It is estimated that failure to deliver the transport infrastructure needed to support sustained business success accounts for one quarter of Lancashire's current economic performance gap with the rest of the UK[6].

The Lancashire Enterprise Partnership (LEP) was quick to recognise the importance of transport to the Lancashire economy and the integration of infrastructure investment with business growth and skills requirements is a key feature of the Lancashire approach to maximising the benefits of transport investments.

Indeed, the LEP's nationally recognised City Deal for Central Lancashire, worth over £430m, is centred on a new and enhanced road improvement programme that will develop Preston, its Advanced Manufacturing Enterprise Zone (Samlesbury and Warton) and £200M redevelopment of University of Central Lancashire into one of the fastest growing and commercially dynamic locations in the UK over the next decade.

Lancashire has developed a suite of five Highways and Transport Masterplans covering the entire LEP footprint. These masterplans have ensured that for the first time strategic transport investment across all modes has been aligned with economic development and spatial planning priorities including housing.

The establishment of *Transport for Lancashire*[7] as a dedicated committee of the Lancashire Enterprise Partnership demonstrates the resolve of Lancashire's three local transport authorities (Lancashire County Council, Blackburn with Darwen Council and Blackpool Council) to work constructively and decisively with the private sector to deliver binding priorities.

TfL, is a dedicated committee of the LEP with responsibilities including:

- Monitoring progress and advising the LEP Board on scheme delivery
- Advising the LEP Board on scheme approvals and investment decision making
- Advising the LEP Board on long-term rail planning and franchise specification and provide a co-ordinating role between constituent local authorities; and
- Advising the LEP Board on long-term Strategic Road Network planning and provide a co-ordinating role between constituent local authorities.

Through the City Deal, the LEP secured a 10-yr local major transport programme, accelerated to a 6-yr delivery programme through the LEP's 2014 Growth Deal for Lancashire. This current transport investment programme comprises:

[6] Lancashire Strategic Economic Plan: A Growth Deal for the 'Arc of Prosperity', Lancashire Enterprise Partnership, March 2014

[7] Transport for Lancashire advises the Lancashire Enterprise Partnership Board with regard to progress and delivery of all schemes within the Lancashire Growth Deal, including making recommendations to the Board on funding approvals.

Scheme	Total Cost	Status
Centenary Way Viaduct Maintenance, Burnley	£1.82m	Under construction
Blackpool Integrated Traffic Management	£2.42m	Funding approval October 2015
Blackpool Bridges Maintenance	£4.23m	Under construction
Blackburn Town Centre Improvements	£0.23m	Funding approval April 2016
Preston City Centre Improvements	£7.00m	Funding approval October 2015
M55 to St Annes Link Road	£15.00m	To be advised
Blackburn to Manchester Rail Corridor	£13.80m	Completed
Burnley – Pendle Growth Corridor	£12.00m	Funding approval December 2015
East Lancashire Strategic Cycle Network	£5.89m	Under construction
Preston Western Distributor	£92.00m	Funding approval December 2017
Broughton Bypass	£24.30m	Funding approval October 2015
Blackpool Town Centre Green Corridors	£7.34m	Funding approval April 2016
Blackpool Tramway Extension	£18.20m	Funding approval April 2017
Darwen East Distributor	£3.00m	Funding approval February 2017

4. Lancashire's Focus on the Future

Having spent many years dealing with the after effects of major industrial decline and dramatic employment losses, Lancashire has set ambitious plans to move to a modern, competitive economy, based on new products and services, trends in living and leisure, innovation and creativity, in a world of both international opportunities and competition.

The Lancashire LEP has embarked on a twenty to thirty year journey to transform the Lancashire economy, building on its many assets, to focus the new economy on sectors and services where market demand is growing and long term prospects are positive. Lancashire's new economy is based on a world class and competitive manufacturing sector, new opportunities for higher value added service sectors, and the natural and heritage assets that underpin a strong leisure and visitor economy.

The 21st Century Lancashire economy will be a key part of the Northern Powerhouse, characterised by a business base focussed on taking advantage of markets and innovation. The major sectors will include advanced engineering, energy and environment, professional, financial and business services, creative, digital, media and ICT, logistics, and high quality tourism and leisure.

These sectors will be the principal source of wealth generation in the new Lancashire economy, whilst other sectors, such as retail, health, education and transport will provide the services that support strong local economies and communities.

New Economy, New Lancashire

As the new economy of the 21st century increases the emphasis on a well-qualified and skilled workforce, Lancashire's higher and further education centres are attracting more students, both locally, from elsewhere in the UK and internationally. Lancashire's new economy will be characterised by businesses which invest in human capital, with close working relationships between businesses, schools, training providers, colleges and universities.

The Lancashire economy, as for many other parts of the UK, needs to attract new skilled labour to support its economic and employment growth plans. New housing will be a key element in delivering economic growth in Lancashire over the next twenty years. Lancashire will provide more housing in popular neighbourhoods and towns, while at the same time, delivering major new housing developments in locations close to the strategic road and rail networks to ensure the scale of new housing needed to support economic growth is delivered.

The new Lancashire will be reflected in the major economic centres including Preston, Blackburn, Blackpool and Lancaster, with improved connectivity within Lancashire and to the other major economic centres of Liverpool and Manchester, and to the east Leeds and York.

Investment in the rail network is leading to better connectivity with Manchester, with a marked improvement in services from Blackburn and Burnley, as well as an increase in services from Preston and Blackpool. These and other investments will strengthen Lancashire's links to both the Greater Manchester and Merseyside economies.

New investment in the road network in and around Preston will improve access to the City, strengthening Lancashire's role as the central location between Greater Manchester and Merseyside to the south and Cumbria and Scotland to the north.

From a Ten to a Twenty Year Vision

Lancashire's Strategic Economic Plan (SEP) [8] and Growth Deal aim to re-establish Lancashire as an economic powerhouse and a national centre of excellence in advanced manufacturing and engineering by maximising its clear competitive strengths and capabilities in the aerospace, automotive, energy and Higher Education research related sectors. This will be achieved by focusing on an 'Arc of Prosperity'

[8] Lancashire Strategic Economic Plan: A Growth Deal for the Arc of Prosperity, Lancashire Enterprise Partnership, March 2014

that extends across Lancashire and incorporates key sector priorities of national and international significance, strategic sites, clusters of high value activity and internationally recognised centres of excellence in research and innovation.

The 'Arc' also incorporates key assets and other sectors including quality of life and housing growth offers, a significant tourism and visitor economy, health, digital and food manufacturing. Supporting this sector and asset development programme is a strategic approach to skills development and business support. The Lancashire LEP has set out its plans for the first stage of the transformation of the Lancashire economy, whilst recognising that the Northern Powerhouse vision, with its connection to services such as High Speed 2, which will begin operating from 2026, are linked to a 20-30 year transformation and growth programme.

Lancashire's SEP is based on an additional 50,000 jobs over the next ten years (2015-205) through a more competitive manufacturing sector, higher value added service sectors, and a growing visitor and leisure economy, based on the strength of the company base, the skills of the workforce and a great quality of life at an affordable cost. This initial phase will be linked to an outward facing economy making a significant and recognised contribution to a resurgent North of England economy, with civic and business leaders making the case for new investment to further increase Lancashire's economic contribution to the national economy.

The second phase of growth needs to continue with the employment growth trajectory but to focus overall economic growth on productivity improvements which drive additional GVA. The low levels of GVA/capita, in sharp contrast to the south-east, emphasise the importance of addressing productivity as well as employment growth in long -term strategies.

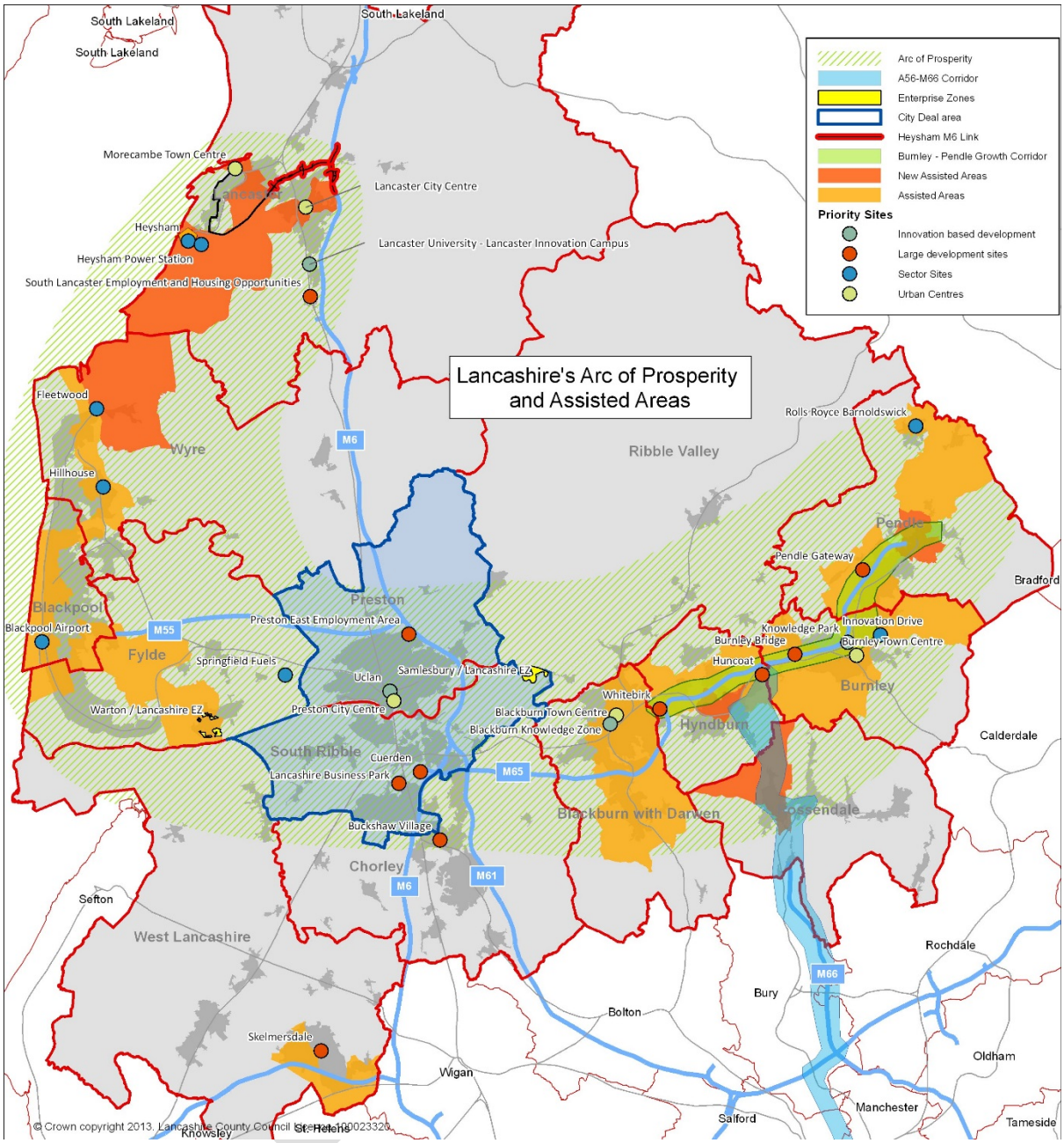
Northern Powerhouse West GVA/capita England = 100	
West	**2013**
Cumbria	83.0
Lancashire	74.3
Greater Manchester	88.6
Cheshire and Warrington	108.9
Liverpool City Region	76.3
Source: Regional Accounts	

Lancashire's economic strengths and growth priorities are a significant part of, and critical to, the shaping and building of the Northern Powerhouse. The Northern Transport Strategy must reflect Lancashire's contribution in order to deliver a powerful, balanced and sustainable Northern Powerhouse.

For Lancashire to maximise its economic potential, it needs to fully exploit its key innovation assets, growth sectors, skills, and transport infrastructure. Lancashire is a county of contrasts with a rich quality of life that distinguishes it from neighbouring city regions and makes it an attractive place in which to live, work and invest, with world-class businesses and access to a highly skilled workforce, strongly performing schools, colleges and higher education establishments, strategic transport networks and effective broadband connectivity.

Lancashire's economic ambitions are based on more jobs and better jobs and these are reflected in its priorities for transport investment. Capitalising on the strategic location of the county, strengthening links to Greater Manchester and Merseyside, and developing Lancashire's key employment locations are central to accelerating productivity and economic growth over the next twenty years.

Lancashire's Arc Of Prosperity



5. Delivering Growth Through Transport Investment

The SEP identifies transport connectivity as fundamental to delivering economic growth and potential across Lancashire. However, despite sustained growth in the last decade particularly in identifiable economic 'hotspots' such as the cities of Preston and Lancaster, Lancashire's average performance still consistently lags behind that of the UK and neighbouring city regions. For example, between 2007 and 2011 Lancashire's economy grew by 4.4% compared to 6.5% nationally and 4.9% regionally, meaning Lancashire's GVA per capita was 77% of the UK average. Today the economic performance of Lancashire is more than 20% below the national average in terms of GVA per resident.[9]

Understanding Lancashire's Complex Economic Landscape

Central and East Lancashire account for over 60% of Lancashire GVA and employment base and both have strong connections to the Greater Manchester economy. Blackpool, Fylde and Wyre is a powerful sub-regional economy with strong connections to Central Lancashire. West Lancashire has strong connections with the Liverpool City Region, and to the north, Lancaster has strong connections to both Central Lancashire and Cumbria.

Central and East Lancashire include the two major centres of Preston and Blackburn and accommodate a large part of Lancashire's advanced manufacturing base. New investments in public realm and roads, along with UCLan's masterplan, are transforming the Preston city centre, whilst recent town centre developments, including a new Cathedral Quarter and railway station, are providing a new platform for growth in Blackburn.

Central Lancashire, with Lancashire's principal city Preston at its heart, is a transport hub of national significance, providing most of the county's connections to the West Coast Main Line, the M6 and, in the future, to HS2. The Preston, South Ribble and Lancashire City Deal builds on the strong economic performance of the area over the last ten years and will see Central Lancashire transformed, creating 20,000 net new private sector jobs and delivering over 17,000 new homes, underpinned by significant investment in new and improved transport infrastructure. Whilst Lancashire's growth sectors will account for many of these jobs, in particular, at the Enterprise Zone sites at Samlesbury and Warton, Preston's business and financial sector will also expand, with the University of Central Lancashire reconfiguring to place itself at the heart of the city. It will be vital to existing and new business, whether based in Central Lancashire or further afield, that accessing Lancashire is straightforward and not compromised by problems on the rail and strategic road networks elsewhere across the North.

East Lancashire, centred on Blackburn and Burnley, has a growing portfolio of higher value industries with aerospace, advanced manufacturing, advanced flexible materials, digital and creative industries all featuring strongly in the area's economy, making its improved economic prospects key to both the success of the Lancashire Enterprise Zone and the Northern Powerhouse. With easy access to high quality rural areas including the Forest of Bowland Area of Outstanding Natural Beauty, East Lancashire also has the potential to become a sought after place of residence for commuters. However, the quality of many local rail services and infrastructure leaves much to be desired, hence there is a significant identified requirement for greatly enhanced rail connectivity, with higher speeds, greater frequency and better rolling stock quality to enable East Lancashire to contribute to Lancashire's growth and that of neighbouring city regions such as Manchester and Leeds. East Lancashire's motorway gateways are pivotal in supporting our ambitions, for Lancashire as a whole and for its role in the wider economy of the North.

Lancashire's west and coastal areas include an outstanding environment and some of the most attractive areas to live in the north of England. There is a diverse range of major centres including Blackpool, Lancaster and Skelmersdale, with strong manufacturing and business and professional service centres.

[9] Economic Forecasts for Lancashire, Oxford Economics, 2013

Blackpool and the Fylde Coast the economic renewal of Blackpool is key to the growth plans for the Fylde Coast. The wider area containing towns and rural communities popular with commuters, with the advanced engineering and manufacturing sector providing highly paid jobs that underpin local economies. With the nationally significant resort of Blackpool central to the area and a visitor economy that is revitalising supported by recent investment, leisure and tourism are important components of the Lancashire economy. The LEP has worked with Government and local partners on its proposal to establish Blackpool Airport as Lancashire's second Enterprise Zone to establish another focal growth point.

Lancaster is home to one of the country's top teaching and research institutes: Lancaster University is in the top 1% of global universities. The emphasis on research makes Lancaster a key hub for innovation, and with major expansion proposed at and around the University connectivity for business and academia is of particular importance. The district is also home to the major port of Heysham, a key facility for Irish Sea Ro-Ro traffic between the UK mainland and Ireland and the Isle of Man. Completion of the £130m Heysham to M6 Link Road in the summer of 2016 will significantly improve the port's access to the M6, but for the port to reach its full potential, the Strategic Road Network across the North must be effective. The district makes an important contribution to the visitor economy and is the seat of the Duchy of Lancaster and a prominent gateway to the Lake District and beyond.

West Lancashire is home to a number of international and nationally recognised companies and Edge Hill University. Located between the major growth areas of Manchester, Liverpool and Central Lancashire, the area already provides an attractive location for logistics and distribution companies. Skelmersdale is particularly well-placed to build on its locational strength and take advantage of the opportunities presented by the development of the Liverpool SuperPort concept, a key priority for the Liverpool City Region Strategic Economic Plan. The Atlantic Gateway initiative, a collection of assets including transport infrastructure that represents an opportunity for growth, lies just to the south.

6. Lancashire's Priorities

Lancashire's suite of five Highways and Transport Masterplans have identified the national and local strategic transport priorities to improve connectivity and support economic growth, development and regeneration. If fully implemented these schemes will deliver (the summary numbers)

The Northern Transport Strategy - Lancashire's National Strategic Priorities

The following national strategic priorities are integral to the long term transport strategy for the North and will ensure that Lancashire, as one of the North's most significant sub-national economies, continues to prosper and support the vision and objectives of the Northern Powerhouse.

Lancashire plays an important role in the UK's national transport infrastructure with key rail and road connections across the North and to Scotland, the Midlands and the South. It is closely linked to the Greater Manchester economy, which continues to be the key economic driver for the Northern Powerhouse and strategic hub for east west connectivity across the North.

Lancashire's National Strategic Priorities	
Strategic Objective	**Investment Priorities**
Increase productivity and growth in the Northern Powerhouse West economy through strengthening north-south road and rail infrastructure	HS2 and the West Coast Main Line Preston Railway Station M6 Motorway
Increase productivity and growth in the Northern Powerhouse West economy through strengthening connectivity between Lancashire and Greater Manchester	The Preston to Manchester Rail Corridor M61 Motorway

HS2 and the West Coast Main Line / Preston Railway Station

Preston lies approximately mid-way between Glasgow and London on the West Coast Main Line, and also has regular direct services to Manchester, Manchester Airport, Birmingham, Edinburgh, Leeds and Liverpool, as well as providing connections into these services from Blackpool, Blackburn and East Lancashire, Lancaster and the Lake District. The railway station is a critical asset for the city and for Lancashire as well as serving as a gateway for communities further afield, particularly for connectivity to the West Coast Main Line. With over 4.5 million passenger users annually and a further 1.3 million interchanges, Preston is the busiest station in the North West outwith Manchester and Liverpool city centres and one of the busiest in the North.

As a key economic centre in its own right and identified by Government as such, it is vital that Preston has direct and frequent access to HS2 and any potential HS3 in fit for purpose surroundings. The existing station track layout comprises six operational through platforms and two bay platforms; none of the through platforms will be capable of accommodating HS2 trains. Furthermore, the station fabric has seen little investment in recent years, resulting in a poor passenger experience and preventing the station from contributing towards the wider commercial development of the city centre. The station must therefore be transformed into a modern, 21st Century facility, one that is fully HS2 compatible to maximise the inherent advantages of Preston's location on the national rail network and through which passengers can pass in comfortable surroundings. Such a transformation will have secondary benefits, enhancing the station's presence within the city centre and its relationship to existing and proposed development, including the £200m UCLan campus redevelopment and the leisure-led transformation of City Centre North, home to Preston's other major transport hub, the bus station.

The significance of Preston Station as a driver of economic growth is recognised by stakeholders both within and outside Lancashire. As such, the station's development is of fundamental importance to the economic growth aspirations across Lancashire, and in so doing, particularly once HS2 becomes operational, will reinforce Preston's role as the North West's major rail hub north of Manchester. Establishing an HS2 Growth Strategy as recommended by the HS2 Growth Taskforce[10] for Preston will be an important element to achieving this. In addition, Network Rail has requested the City and County Councils prepare a long term vision for the station to inform its strategic review of West Coast Main Line capacity north of Crewe. The County Council has commissioned Mott Macdonald to prepare an outline masterplan for Preston station as the first stage towards an HS2 Growth Strategy.

[10] High Speed 2: Get Ready, A report to the Government by the HS2 Growth Taskforce, March 2014

From a Lancashire perspective, whilst the recommendation from Sir David Higgins[11] to accelerate delivery of an HS2 Hub at Crewe in 2027 rather than 2033 as originally planned is welcomed, it is essential that a connection from HS2 to the West Coast Main Line further north is retained. The recommendation to review this connection in light of concerns raised through consultation is noted, as is Sir David's assertion that such a link will be necessary sooner rather than later as part of the wider consideration of how to improve services to Scotland. Lancashire also wishes to see this link considered in conjunction with the proposed wider examination of east-west connectivity across the North including HS3, the proposed new Trans-Pennine rail connection linking Manchester with Leeds and Sheffield.

Work carried out for High Speed 2 provided estimates of the benefits of HS2 to sub-regional economies, with those sub-regions with poorer connectivity to London benefiting more. In total, the HS2 Y network to Manchester and Leeds is expected to generate £15bn of productivity benefits. Estimates for northern city region stations are:

High Speed 2 Regional Economic Impact		
	Productivity Gains	Commentary
Greater Manchester	£0.6bn - £1.7bn	Equivalent to between a 0.8% and 1.7% increase in total local economic output in 2037.
West Yorkshire	£1.0bn	Equivalent to a 1.6% increase in total local economic output in 2037.
South Yorkshire	£0.5bn-£0.9bn	Equivalent to between a 1.9% and 3.2% increase in total local economic output in 2037.
Source: High Speed 2 Regional Economic Impact, KPMG 2013		

Over half of the £15bn impact of HS2 will be outside of the HS2 station sub-regions. Lancashire will benefit from new rail infrastructure and service improvements, and a provisional estimate of productivity gain would be of a similar scale to South Yorkshire at circa 2%, equivalent to £600m in 2037 at today's prices.

Some 40% of the productivity benefits are likely to be captured in the Preston/South Ribble economy, which currently has some 162,000 jobs and a total GVA of £5.3bn. It is likely that up to half of the productivity gains will be a result of increased productivity in existing jobs, with the other half creating new, additional jobs. This would suggest a local employment impact of some 3,000 additional jobs.

Work carried out by Jacobs has indicated significant journey time benefits valued at £10m per annum and 75,000 net additional visitors, which will add some £3.3m to the Preston economy each year.

Preston Station Regeneration Benefits

There are two elements to the economic regeneration benefits of Preston Station. These are:

- Station and other 'Near to Station' developments; and
- Preston New Business District.

Station and other 'Near to Station' developments will provide new retail, leisure and hotel opportunities, which will add to the city centre offer. In addition, there is the potential for office development linked to the transformed station, the concourse of which would be elevated to street level as part of re-development plans. A number of specific sites have been identified, with planned development evenly balanced between retail and leisure/commercial space.

Preston New Business District is a new opportunity to develop the area immediately to the north of the station and bounded by Ringway. This scale of development is the Preston equivalent of, and similar to, plans for the Piccadilly area in Manchester and the Leeds South Bank.

The New Business District would provide Preston with the high quality public realm, mixed use and large floor plate offer currently missing from the city centre (and from Lancashire). The area will provide a new quantum of high quality space, acting as the premium business investment location in Lancashire. It will extend the footprint of the city centre to the north of the station, and elevate the Preston economy to a new level.

[11] Rebalancing Britain; From HS2 towards a national transport strategy, October 2014

The scale of floors pace would have a considerable impact on the city centre economy and further accelerate employment growth. It would in effect act as a further boost as the City Deal's economic momentum comes to an end. Whilst there would be retail/hotel and leisure development relevant to the visitor economy, the major impact would be the new, high quality office space and the impact on professional, financial and business services, together with ICT, digital and creative industries' companies.

Preston Station: Regeneration Impact

	Retail/ Hotels/Leisure			Office		
	Space m^2	Jobs FTE	GVA £m	Space m^2	Jobs FTE	GVA £m
PNBD	10,000	250	£8m	129,366	5,174	£222m
S&ONTS	38,809	970	£31m	36,147	1,456	£63m

Source: Mott McDonald and BE Group

The total economic impact would be considerable, a total of 7,850 FTE jobs (equivalent to over 10,000 full and part time jobs) and £324m in GVA over the coming decades.

Housing

Housing to support economic growth is now an important objective for Lancashire. In simple terms, new housing is required to attract the skilled workforce necessary to support the growth of the priority sectors. Additional employment generates in-migration and new housing needs to accompany and not lag behind employment growth.

Preston's redeveloped station will increase local employment and generate demand for sites near to the station. It will also increase demand in a wider area for people keen to live close to where they work or near to the station for those commuting to other major employment centres.

Utilising the Housing Zone designation from Government in 2015 some 32 sites will be influenced by the development of the new station, of which over 14 have the capacity to provide 1,000 homes/apartments within one mile of the station.

The new housing developments will allow Preston to modernise its housing offer and to provide city living apartments for younger people, and new urban neighbourhoods for professionals and their families.

The Preston Station/HS2 proposal will provide Preston and Lancashire with a twenty year growth scenario, with the City Deal driven employment growth of 20,000 additional jobs by 2025 overlapping with an additional 10,000 jobs from the regeneration opportunities provided by the transformed station over the period from 2022 to 2032, and an additional 3,000 additional jobs (and productivity improvements) by 2037 from HS2 operations.

The housing impact from the City Deal and Preston Station transformation would meet the local demand from the scale of employment benefits outlined in the three phases of growth, with the circa 4,000 new homes in Preston from the station re-development providing local housing for a significant proportion of the 10,000 additional jobs in the city centre and new business district.

The additional economic impact would transform Preston into one of the fastest growing cities in the North of England, with a higher education, leisure and retail and business services economy to compete with the UK's leading cities.

The M6 Motorway

The M6 is an integral part of the UK's main north-south transport spine between London, the West Midlands and Scotland, which also includes the West Coast Main Line. From a Lancashire perspective, it is particularly important for the movement of freight, for example, to and from the Port of Heysham, and for logistics and distribution companies located in Central Lancashire and Skelmersdale. South of Preston, deterioration in the operational effectiveness of the route is resulting in increased average journey times and a worsening of journey time reliability. Lancashire therefore welcomes the commitment in the Road Investment Strategy[12] to upgrade much of the M6 south of Junction 26 (the M58 west of Wigan) to Smart Motorway by 2019/20.

Even with full delivery of the schemes set out in the Central Lancashire Highways and Transport Masterplan, evidence suggests that the M6 Preston Bypass will be under pressure by 2026, particularly during peak periods between Junctions 30 and 32 with the M61 and M55 respectively. This length of the M6 already has four lanes in each direction, so 'Smart Motorway' technology as a potential solution will need assessing. Possible scheme elements could include access controls at junctions and variable speed limits. For consistency, Lancashire proposes that the 'smart spine' linking the North West and London referred to in the Road Investment Strategy be extended from Junction 26 as far north as Junction 32.

The Preston, South Ribble and Lancashire City Deal has set out ambitious plans for new commercial and residential development. One of the legacies of City Deal investment is a long term land supply to support the economic ambition set out in the Strategic Economic Plan. Many of the key long term opportunities are close of the M6 and there is a risk that constraints at key junctions or capacity will constrain new development.

The City Deal Infrastructure Delivery Plan 2015/18 highlights six development areas. These are set out below, along with the key junctions on the Strategic Road Network which impact of each area.

Preston and South Ribble Development Areas	
Zone	**Key Junctions**
Preston City Centre	M6 Junctions 29 & 31; M55 Junction 1
North East Preston	M6 Junction 31a
North West Preston	M55 Junction 1
Penwortham and Lostock Hall	M6 Junction 29
Bamber Bridge	M6 Junction 29
Leyland and Cuerden	M6 Junctions 28 and 29

It will be important that potential capacity constraints on the M6 in particular are anticipated in advance of increasing demand for new sites and employment locations, including in the medium term, ie post 2020 and post 2025.

The City Deal provides the capacity for over 1m^2 of commercial space, with two thirds delivered by 2014. . The scale of employment is considerable, circa 20,000 jobs, and City Deal infrastructure should allow most development to come forward.

From 2025, there is the potential for further employment growth in Preston and South Ribble, with an additional 20,000 jobs. This growth will continue the momentum established by the City Deal, with a number of major locations providing for new and additional employment land and commercial development. This second phase of growth is likely to present further challenges for the Strategic Road Network and the M6 in particular.

The economic and employment plans of both the City Deal and the Strategic Economic Plan envisage high levels of growth over the next ten and twenty years. With an ageing workforce, Lancashire requires to support a consistent level of in-migration to provide a workforce to support these growth plans. This requires a higher level of housing completions over a sustained period, compared to the (low) development levels of the past five years.

The Preston to Manchester Rail Corridor

The rail corridor linking Preston with Manchester city centre and Manchester Airport is not only of strategic importance to much of Lancashire but also to Cumbria and Scotland. Stations in central Manchester provide connections for onward travel to and from a range of other key destinations across the North, including Leeds[13] and Sheffield. The transport strategy for the North therefore needs to reflect this. In addition, recent economic and employment growth in Lancashire has been strongest in this corridor, with parts of Central Lancashire in particular seeing strong employment growth. It is also the corridor with the greatest opportunity to grow the business travel market in Lancashire and in tandem to help reduce congestion on the parallel M61.

---

[12] Road Investment Strategy, Department for Transport, December 2014

[13] It is currently almost as quick to travel from Preston to Leeds by changing trains in Manchester as it is to use the direct service via Burnley and Bradford.

The Northern Hub, due for completion in 2018, will address capacity and network constraints on the rail network in and around Manchester and, when considered alongside completion of electrification between Manchester / Liverpool and Preston / Blackpool North by December 2016, will deliver a significant improvement in terms of connectivity and capacity in the key corridors linking parts of Lancashire with Manchester and Liverpool city centres and Manchester Airport.

Modern electric trains have already been introduced on Trans-Pennine Express services between Scotland and Manchester Airport, which currently travel via Wigan North Western. However, although there are on average four trains per hour between Preston and Manchester (three serving Piccadilly and one Victoria) throughout the working day there is significant overcrowding, particularly on services linking Scotland / Cumbria / Blackpool North with Manchester Piccadilly and Manchester Airport. In January 2015, the Government announced more diesel powered carriages for selected services in the corridor, but these are of a much lower quality than the rolling stock currently operating Trans-Pennine Express services between Blackpool North and Manchester Airport.

Travel times for the journey between Preston and Central Manchester currently range from 40 minutes by the fastest trains to 56 minutes by the slowest; electrification will see the line speed raised up to 100 mph in places and the quickest journey times reduced to nearer 30 minutes as a consequence. However, it will be essential to ensure that the advantages electrification will deliver in terms of improved quality of service are not eroded through failure to provide sufficient capacity both in terms of length of train and service frequency.

Increased capacity in the Preston to Manchester Rail Corridor will contribute to the economic growth plans of Preston/South Ribble and Chorley, allowing employers access to a much larger pool of labour and also enabling residents to access employment markets in Greater Manchester, including Manchester city centre and Salford Quays. It will have a direct implication for housing development, and for new housing within travelling distance of stations in the corridor. In simple terms, each new commuter generates an additional housing demand, either directly as they move into Lancashire while commuting out to work, or indirectly as they leave a local job to commute, which then leads to in-migration demand as their post/job is filled.

The Greater Manchester Economic Forecasting model indicates that employment in Greater Manchester will increase by 100,000 additional jobs over a ten year period. The forecasts also indicate that there will be a change in the composition of the workforce, requiring it to be more highly educated and better qualified. This is particularly true for the city centre economy. These employment and skills forecasts will result in the conurbation drawing its labour force from a wider economic geography, hence increased train capacity will have an important role to play in ensuring that growth in the workforce is accompanied by increased commuting using sustainable modes of transport.

The current levels of commuting from the three Central Lancashire local authorities into Greater Manchester are set out below, and are likely to increase as new housing development and better rail services provide a high quality lifestyle offer in Central Lancashire. While commuting levels are significant, the limitations of services at local stations tends to restrict the scale of rail commuting.

Out-Commuting			
Residence	Work in Greater Manchester 2011[1]	Commuting By Rail[2]	Passenger Growth[3]
Preston	2,180	271	8%
South Ribble	2,567	244	8%
Chorley	7,162	577	8%
In Commuting From GM	Working In		
Preston	3,841	349	8%
South Ribble	3,068	33	8%
Chorley	4,576	99	8%

[1] 2011 Census data

[3] Estimate of increase in working commuters traveling by train, post capacity increase.

The additional working out-commuters as a result of GM employment growth and improved services would generate a housing requirement (after allowing for existing commuters switching to rail), adding to housing demand in South Ribble and Preston, allocations of which are based on providing sufficient housing to support planned employment growth, including the 20,000 City Deal jobs. Providing additional capacity in the Preston to Manchester Rail Corridor will increase the pool of labour available to support economic and employment growth in Central Lancashire, including the City Deal growth plans of 20,000 additional jobs by 2025 and subsequent employment growth arising from the Preston Station/HS2 development.

The skills evidence base has highlighted the challenge for Lancashire in providing the skilled workforce necessary for the growth plans of many of the priority sectors (including advanced manufacturing, construction and professional and business services). Given the very limited new housing development in recent years and the pace of new housing completions, in-commuting will be required to support the economic and employment growth set out in the Strategic Economic Plan.

Each additional commuter adds value to the local economy, and in the priority growth sectors in-commuting from Greater Manchester will be essential to economic growth in Lancashire. Additional capacity in the Rail Corridor is likely to increase in-commuting and result in an important GVA contribution. In the medium term, increased in-commuting is likely to increase demand for housing as people tire of travelling or prioritise reduced travel times and the opportunity to live closer to employment. This additional demand factor is, however, likely to be implicitly considered within the housing plans sets out in the City Deal and local development plans.

M61 Motorway

The M61 links the M6 at Preston with the M60 Manchester Outer Ring Road and the Trans-Pennine M62. Although existing traffic flows are generally within the capacity of the road, the M61 Corridor is heavily used by commuters, and significant congestion with long queues of standing traffic occurs during the morning peak period on the southbound approach to the M60 at Junction 15 as traffic attempts to access Manchester City Centre via the A580 and other destinations via the M60.

Lancashire therefore has a strategic interest in the operational effectiveness of the M60 as this provides access to and from Manchester Airport via the M56 and Yorkshire and eastern England via the M62. Consequently, the Manchester North West Quadrant Study announced in the Department for Transport's Road Investment Strategy is of particular interest to Lancashire.

East – West Connectivity

There is growing interest in the east-west transport corridor linking Central Lancashire with North Yorkshire and the Leeds City Region focused on the M65 and A59 and parallel rail routes. Several long-standing aspirations for improved connectivity by both road and rail currently exist and a number of schemes have been considered in the past. The corridor is not covered by any of the Department for Transport led studies announced in the Road Investment Strategy in December 2014. Discussions are in hand with the Department for Transport and neighbouring transport authorities to identify whether there is sufficient justification to undertake a strategic connectivity study in the corridor.

Road links in this corridor tend to follow historic routes dictated by topography rather than travel demand; most are poorly aligned and unsuitable for carrying large volumes of traffic, particularly heavy goods vehicles. Main line rail links are likewise constrained by topography, with resulting low line speeds having a significant impact on journey times. Both are of a much lower quality than those further south that link Liverpool and Manchester with Leeds, Sheffield and the Humber ports. Consequently, there is a strong perception locally that the transport network hinders the efficient movement of people and goods, and that this poor connectivity is having a negative impact on economic development and regeneration, in East Lancashire in particular.

Lancashire's Local Strategic Priorities - Connecting Lancashire to City Region Networks

The Northern Transport Strategy is not just about travel between cities, it also includes the development of city region rail networks that provide the additional capacity required to sustain economic growth. These networks will interconnect with HS2, new intercity services across the North and metro/tram systems, supported by much expanded park and ride facilities.

Strengthening links to the major city regions will require electrification, new rolling stock (a matter of urgency for the North in terms of quality and sufficiency), higher service frequencies, new services and the removal of network pinch points. Development of European style cross city region networks centred on hub stations, such as Preston, is a key aspiration.

Connecting Lancashire to City Region Networks	
Strategic Objective	**Investment Priorities**
Increase productivity and growth in the Northern Powerhouse West economy through strengthening connections to the major City Region economies.	East Lancashire *to Manchester City Region, Leeds City Region and Central Lancashire* Skelmersdale *to Liverpool City Region and Manchester City Region* West Lancashire *to Liverpool City Region and Central Lancashire*

East Lancashire

In East Lancashire, a number of improvements to the rail network have either been delivered or are programmed, including the recently completed upgrade to Burnley Manchester Road station and the introduction of a new direct train service between Blackburn, Accrington, Rose Grove, Burnley and Manchester Victoria via Todmorden and Rochdale in May 2015. Network Rail has recently completed a scheme to improve the reliability and frequency of rail services on the route between Clitheroe, Blackburn and Manchester Victoria, funded through the Lancashire Enterprise Partnership's transport investment programme. The scheme will facilitate provision of an all-day, half hourly service between Blackburn and Manchester to be delivered through the new Northern franchise. Currently, a firm date for the commencement of the additional off-peak services has not been finalised, but it will be no later than December 2017 utilising rolling stock made available through the North West electrification programme.

Whilst the above developments will bring about some improvement to the rail network in East Lancashire, they will not address the fundamental issue of whether or how the rail network can contribute towards a transformational change in East Lancashire's economic fortunes. The East Lancashire Rail Connectivity Study has examined this issue in depth, in particular, the importance of enhanced connectivity between East Lancashire and the growth centres of Preston and Central Lancashire, Manchester including Manchester Airport, and Leeds.

The Connectivity Study identified a number of deficiencies with the current network, including:

- Slow journey times, especially on the 'Copy Pit' line between Burnley and Todmorden used by the train service between East Lancashire and Leeds and from May 2015, the new service between East Lancashire and Manchester Victoria via Rochdale;
- Poor reliability due to long, single-track sections, for example, between Burnley and Colne;
- Capacity constraints, with longer trains required to meet growing demand, in particular, on commuter services between Clitheroe and Manchester;
- Low service frequencies;
- Poor quality rolling stock; and

- A lack of facilities at many of the smaller stations, which will need to meet as a minimum the Station Quality Standards set out by Rail North.

All of the above make rail a less attractive mode of travel; consequently, use of the rail network in East Lancashire is relatively low compared to neighbouring areas, including between East Lancashire and neighbouring city regions.

The Connectivity Study concluded that significant investment will be necessary in order to improve both the performance and attractiveness of East Lancashire's rail network, and that without such investment, the perception of East Lancashire as a poorly connected area is likely to grow. Failure to improve or replace existing rolling stock is likely to lead to further deterioration in the quality of the trains, potentially impacting on journey quality, capacity and performance.

The Connectivity Study adopted a Conditional Outputs approach in accordance with standard rail industry practice, recognising that to deliver transformational change to East Lancashire's rail network will require as a minimum the support of Network Rail, Rail North and the relevant Train Operating Companies. Whilst the realisation of each output will be subject to the identification of an affordable and value for money solution, the study concluded that electrification of the routes between Preston and Leeds / Colne and Clitheroe / Blackburn and Bolton together with associated rolling stock improvements would make the most significant contribution[14]. Inclusion of the full 'Calder Valley', which includes the route between Preston and Burnley, and the Bolton to Clitheroe route as Tier One schemes in the report of the North of England Electrification Task Force[15] with a recommendation for implementation in Control Period 6 (2019 to 2024) is therefore a most welcome development.

Skelmersdale

Whilst Skelmersdale enjoys excellent strategic connectivity to the Strategic Road Network via the M58, access to both Liverpool and Manchester is limited; it is one of the largest towns in the country without a town centre railway station. The nearest railway station, Upholland, is not easily accessible without a car and only served by an hourly train service to Kirkby and Wigan, and bus services are slow and journeys indirect.

The West Lancashire Highways and Transport Masterplan, adopted by Lancashire County Council in October 2014, is proposing the wholesale reconfiguration of Skelmersdale's transport networks to meet both current and future needs, not just for local residents and businesses but for West Lancashire as a whole. At its heart is a new rail link and town centre railway station, fully integrated with the bus network and easily accessible on foot or by cycle, and with sufficient car parking provision to function as a 'Parkway' station for the wider West Lancashire area. A new railway station could act as a direct stimulus in terms of employment and housing development, allowing the town to benefit from its proximity to these two major employment centres. Skelmersdale would be served by a new spur from the existing Wigan Wallgate to Kirkby line into the town centre, enabling through services to operate to both Liverpool (via Kirkby) and Manchester (via Wigan), providing direct access to growth opportunities in both city centres and potentially at Manchester Airport and the Airport City Enterprise Zone. The new station and interchange is also intended to act as a catalyst for the wider redevelopment and growth of the town centre.

Lancashire County Council and its partners Merseytravel and West Lancashire Borough Council commissioned Network Rail to undertake a GRIP Stages 1-2 (Guide to Rail Investment Process - output definition / feasibility) study to develop the proposal set out in the masterplan, including indicative costs. The County Council separately commissioned Jacobs UK limited to undertake an assessment of the likely value for money and wider economic benefits of the proposal commensurate with a Strategic Outline Business Case and the Assurance Framework of the Lancashire Enterprise Partnership.

Work undertaken to date has demonstrated that it is technically feasible to construct a heavy rail link into Skelmersdale town centre in the corridor identified in the West Lancashire Highways and Transport

[14] East Lancashire Rail Connectivity Study Stage 3: Conditional Output Statement, Jacobs UK Ltd for Lancashire County Council, April 2015

[15] Northern Sparks, Report of the North of England Electrification Task Force, March 2015

Masterplan, and that the project could deliver value for money[16]. It is therefore a viable proposal. The next stage in the project development process is GRIP Stage 3 (option selection) the main output being determination of a single option and securing stakeholder approval. The Skelmersdale Rail Link features in the LEP's Strategic Economic Plan and the Liverpool City Region Long Term Rail Strategy published in August 2014.

West Lancashire

Merseyrail currently operates a fast and frequent service between Liverpool and Ormskirk using electric trains. However, onward travel to Preston requires a change of train to a diesel-operated service that is infrequent and run to an irregular timetable. Rolling stock quality is also poor. Electrification of the Ormskirk to Preston route with appropriate infrastructure enhancements would resolve the majority of issues, significantly improving connectivity between Preston, West Lancashire and the Liverpool city region. In addition, there is the potential to provide better interchange between Liverpool-Ormskirk-Preston and Manchester-Wigan-Southport services at Burscough. Both are aspirations in the Liverpool City Region Long Term Rail Strategy published in August 2014.

[16] Skelmersdale Rail Link Business Case Study Final Report, Jacobs UK Ltd for Lancashire County Council, January 2015

Lancashire's Local Strategic Priorities - Supporting Economic Growth, Development and Regeneration

An important element of transport investment in Lancashire is strengthening the connections between and within the five sub-areas, including linking the west of the county with Central Lancashire/Preston through to Greater Manchester.

Each of the sub-areas makes an important contribution to the £25bn economy, and all have growth plans and potential which will contribute in aggregate to the economic contribution of Lancashire to the Northern Powerhouse.

Supporting Economic Growth, Development and Regeneration		
Strategic Objective	**Sub Region**	**Investment Priority**
Increase productivity and growth in Lancashire sub regions through investing in transport infrastructure that increases employment and residential land supply, economic growth and the efficient movement of goods and people.	Central Lancashire	New Ribble Crossing
	East Lancashire	M65 East Lancashire Gateway M66 East Lancashire Gateway
	Blackpool and Fylde	Blackpool North Interchange South Fylde Line A585 Corridor
	Lancaster	Lancaster South Morecambe

Central Lancashire

New Ribble Crossing

The Central Lancashire Highways and Transport Masterplan included a longer term (post 2026) proposal to construct a new crossing of the River Ribble to link together the Preston Western Distributor and the South Ribble Western Distributor via a completed Penwortham Bypass to provide a continuous dual carriageway route between Cuerden and the M55 to the west of Preston. Delivery of these schemes has been accelerated through the Preston, South Ribble and Lancashire City Deal; therefore, the County Council and partners have begun to investigate whether a new crossing could progress more quickly and how such a project might be funded.

East Lancashire

M65 East Lancashire Gateway

The M65 plays an essential role in the economy of East Lancashire, connecting people and businesses internally as well as providing the primary means of access to Central Lancashire and the M6, particularly for freight. Unlike most motorways, the M65 is not three lanes throughout its length, with reduced capacity on some sections, particularly between the M61 and Junction 6 at Whitebirk. Traffic has grown consistently by around 4% per annum since the motorway's completion in 1997, and evidence now suggests that the current level of demand at peak times is causing congestion, with some junctions at or near capacity.

The predominantly two lane section between the M61 and Whitebirk is increasingly likely to become a bottleneck, reducing the ability of the M65 to function as a major gateway to East Lancashire. Through the East Lancashire Connectivity Study, Lancashire County Council and partners are investigating whether and when additional capacity on the M65 between the M61 and Whitebirk might become necessary and how it might be provided. This work is expected to conclude by the end of 2015.

M66 East Lancashire Gateway

As part of the East Lancashire Connectivity Study, Lancashire County Council and partners are undertaking a study to examine the importance of enhanced connectivity in the M66 corridor to Rossendale and the rest of East Lancashire and to identify how best to achieve this enhanced connectivity if there is demonstrable evidence that investment will deliver significant wider economic benefits for East Lancashire and Rossendale in particular.

The study scope includes the Strategic Road Network and relevant routes into Manchester city centre, the 'Metrolink' line between Bury and Manchester Victoria and the national rail network between Rochdale and Manchester Victoria. The study is also considering what form a commuter rail link between Rawtenstall and Manchester could take, as there are a number of potential solutions to rail provision in the corridor.

Given the concern locally that congestion in the M66 corridor is now acting as a constraint on economic growth and social opportunities, the study is also assessing the wider economic, social and distributional benefits and Gross Value Added uplift of any potential transport investment. The study is expected to conclude in autumn 2015.

Blackpool and Fylde

Blackpool North Interchange

Blackpool's new central business district development (Talbot Gateway) is located adjacent to Blackpool North station, the new offices opening up opportunities for commuting by rail. Blackpool North is also the key gateway to the resort for longer distance travellers, but for such a major arrival point, the actual experience on offer is not good.

The Tramway is to be extended from the Promenade to the station, significantly improving public transport connectivity for both residents and visitors. Seamless interchange between the rail network and the tram system will be achieved, providing rail-borne access between the railway station with its newly electrified trains and the Fylde Coast's tourist attractions and hotels. It is therefore essential that a high quality, multi-modal transport interchange be established at this vital location in support of wider interventions set out in the Lancashire Growth Plan for the renewal of Blackpool.

South Fylde Line

The Fylde Coast Highways and Transport Masterplan identifies the South Fylde Line (Blackpool South to Kirkham and Preston via Lytham St Annes) as a key weakness in the Fylde Coast public transport network. The potential of the line could increase significantly if possible connections with the Blackpool Tramway are considered. Lancashire County Council is a partner in the European SINTROPHER (Sustainable Integrated Tram-based Transport Options for Peripheral European Regions) project. The Council secured funding to investigate the best way of enhancing the role of the South Fylde Line in providing a southern gateway to Blackpool and to establish what the most viable and cost-effective way of linking the South Fylde Line and the Blackpool Tramway might be and what benefits such a link might deliver. The study reported in September 2015. It considered a number of options for developing the route and for encouraging economic growth in the South Fylde and regeneration, particularly in parts of south Blackpool. Two potential high value for money interventions have been identified and the County Council is now considering how these could be taken forward.

A585 Corridor

The A585 between the M55 and Fleetwood is currently part of the Strategic Road Network and therefore managed and maintained by Highways England. Its strategic role as part of an inter-regional route between Great Britain and Northern Ireland ceased with the withdrawal of the Ro-Ro ferry service from the Port of Fleetwood to Larne in December 2010. The A585 nevertheless remains a key route within the Fylde Coast highway network and is vital to the regeneration of Fleetwood and the success of the Hillhouse International Business Park at Thornton.

As part of its Pinch Point Programme, in 2014/15 Highways England completed significant improvements at the A585/A586 'Windy Harbour' junction near Singleton and the A585 junctions with Bourne Way and West Drive between Thornton and Cleveleys at a combined cost of £3.1m. Congestion nevertheless remains an issue at a number of other locations, in particular, the Five Lane Ends traffic signals at Little Singleton, which is arguably the worst remaining bottleneck on the on the route and a difficult location at which to make a significant improvement. The Department for Transport's Roads Investment Strategy includes a commitment to deliver a new, off-line bypass of Little Singleton to reduce the impact of traffic on the local community and remove the bottleneck.

The A585 needs to operate as effectively as possible along its entire length. The County Council will therefore work with Highways England to identify a programme of cost effective, viable improvements to remove any remaining pinch-points on the route, in particular, along the unimproved length between the M55 and the Windy Harbour junction.

Lancaster

Lancaster South

The area immediately to the south of Lancaster has been identified as one capable of delivering significant development, critical to meeting the future housing and employment growth needs of Lancaster and which will deliver wider economic benefits to Lancashire and beyond. It lies adjacent to Lancaster University and includes planned major housing sites at Bailrigg and Whinney Carr as well as the site of the proposed Health Innovation Park, an agreed priority in the Lancashire Growth Deal. Jointly these sites are capable of delivering up to 2,000 houses, circa 40,000m^2 of business and innovation space accommodating over 4,000 high-value jobs and circa 5,000m^2 of retail and leisure space.

Releasing the development potential of south Lancaster, including the Health Innovation Park, is severely constrained by the existing highway network, with the main access route (the A6) already operating close to capacity. A comprehensive transport solution is therefore required, including strategic and local highway improvements. This could include a reconfiguration of M6 Junction 33 to support both the Lancaster South developments and implementation of a City Centre Movement Strategy post completion of the Heysham to M6 Link Road. Key objectives for the Movement Strategy are to secure an attractive, healthy and safe local environment that contributes to the economic and social wellbeing of the city, its residents and visitors, and to reduce the environmental and social impacts of traffic to the benefit of pedestrians and cyclists and make city centre attractions more identifiable.

Morecambe

Electrification of the short length of route between the West Coast Main Line north of Lancaster and Morecambe could significantly enhance the town's connectivity thereby allowing the resort to benefit from the ongoing electrification programme across the North West. Work to be undertaken shortly will establish whether there is a business case for such an enhancement.

7. Lancashire's Economic Contribution Through Transport Delivery

Work has been undertaken independently to identify the Gross Value Added (GVA) uplift these local and strategic priorities will deliver.

This has been calculated from the change in travel time and costs (generalised costs) associated with each of the priorities. These changes have been used, along with jobs, population and demand data to forecast the likely agglomeration and productivity benefits of each of the priorities.

Importantly, the GVA analysis presented in the appendices is only related to the direct impacts of the priorities on delivering recognised Wider Economic Impacts (specifically productivity and agglomeration benefits), as recognised by guidance at a national and pan-northern level. The values obtained are therefore directly related to the transport benefits and improvements associated with each priority.

All values are presented as annual values, which it is important to iterate, and the monetary benefits have also been converted to a number of net, additional jobs, for consistent and comparative assessment.

As the results are presented in net (and not gross) terms, the values presented also account for relevant Green Book factors (deadweight, leakage, substitution etc). This ensures that they are suitably additive to both the Lancashire and pan-northern economy.

These productivity and agglomeration benefits are in addition to a highly significant and often transformational level of unlocked development, housing and jobs for each priority.

Lancashire's National Strategic Priorities

SCHEME	Total Productivity Change (£ 2015 prices)	Net Job Creation	Net GVA – per annum – total scheme – North /uk
Preston HS2 Interchange	33.9M	3112	232.3M
Preston to Manchester Electrification	16.6M	646	122.5M
M61 Motorway	37.7M	2549	54.2M
M6 Motorway	16.9M	891	26.2M
East West Corridor	11.6	610	13.7M
TOTAL	116.7M	7808	448.9M

Lancashire's Local Strategic Priorities - Connecting Lancashire to City Region Networks

SCHEME	Total Productivity Change (£ 2015 prices)	Net Job Creation	Net GVA – per annum – total scheme – North /uk
West Lancashire Electrification	12M	1136	50.7M
East Lancashire Electrification	3.1M	1185	72.2M
Skelmersdale	3.1M	500	9.1+M awaiting further information
TOTAL	18.2M	2821	132+M

Lancashire's Local Strategic Priorities - Supporting Economic Growth, Development and Regeneration

SCHEME	Total Productivity Change (£ 2015 prices)	Net Job Creation	Net GVA – per annum – total scheme – North /uk
M65 J2-6	10.4M	545	15.4M
A585 Corridor	2.6M	137	3M
Ribble Link	31.6M	1663	37.4M
Morecambe Electrification	0.63M	289	22M
South Fylde Line	5.9M	694	13.2M
Lancaster South	Awaiting information	1032	12.2M
TOTAL	51.13+M	4360	103.2M

8. BROAD TIMESCALES FOR DELIVERY

By 2019

- Preston, South Ribble and Lancashire City Deal Highway Improvements*
- Preston to Manchester Rail Corridor Improvements to provide additional capacity and better quality rolling stock
- Blackburn to Bolton Rail Corridor Improvements to provide additional capacity*
- Blackpool Tramway Extension North Pier to Blackpool North Station*
- Blackpool North Interchange (Talbot Gateway)

By 2024

- Preston Railway Station / HS2 Interchange
- New Ribble Crossing
- East Lancashire Rail Network Transformation, including electrification and better quality rolling stock
- M65/M66 East Lancashire Gateway Improvements
- Skelmersdale Rail Link and Town Centre Transport Interchange
- A585 Corridor Improvements, including a bypass of Little Singleton*
- Lancaster South Supporting Infrastructure
- Lancaster to Morecambe Rail Electrification

By 2029

- 'Smart Motorway' technology extended northwards along the M6 to Junction 32
- Ormskirk to Preston Rail Electrification
- South Fylde Line Enhancements

*Funding commitment