



## **LEP – Sub Committee**

### **LEP - Transport for Lancashire Committee**

**Private and Confidential: No**

Monday, 20 November 2017

### **Darwen East Development Corridor Funding Application**

Appendix 'A' refers

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#### **Executive Summary**

The Darwen East Development Corridor scheme comprises a series of junction improvements together with a short length of new road on the eastern side of the town that will unlock land to enable the future development of new housing and improve access to local employment opportunities identified within Blackburn with Darwen Council's adopted Local Plan. In accordance with the Lancashire Enterprise Partnership's Assurance Framework, Blackburn with Darwen Council has submitted a Strategic Outline Business Case for funding approval.

Transport for Lancashire's Terms of Reference, part of the LEP's Assurance Framework, state that the LEP will not fund scheme development and preparation costs nor any post scheme monitoring and evaluation. Given the Darwen East Development Corridor is predominantly about unlocking development sites and therefore promoting economic growth, the Committee will be requested to consider waiving this requirement of the Assurance Framework for the scheme in question, pending a review of the Terms of Reference to ensure consistency of approach across the whole Growth Deal programme.

The consultants Jacobs have undertaken an independent assessment of the Strategic Outline Business Case on behalf of the LEP. Jacobs are satisfied that the project has been developed to the expected standard and recommend that funding approval be granted.

#### **Recommendations**

1. Pending the forthcoming review of Transport for Lancashire's Terms of Reference, to waive the requirement of the Assurance Framework that the LEP will not fund scheme development and preparation costs given the scheme's clearly defined economic growth objectives; and



2. Consider the attached Strategic Outline Business Case report prepared by Jacobs and recommend the Lancashire Enterprise Partnership Board grant the scheme £2.5m Growth Deal funding at its next meeting on 30<sup>th</sup> January 2018.

## **Background and Advice**

The Darwen East Development Corridor scheme comprises a series of junction improvements together with a short length of new road on the eastern side of the town that will unlock land to enable the future development of new housing and improve access to local employment opportunities identified within Blackburn with Darwen Council's adopted Local Plan. The scheme will also provide improved access to the M65 for residents in South East Darwen. In accordance with the Lancashire Enterprise Partnership's Assurance Framework, Blackburn with Darwen Council has submitted a Strategic Outline Business Case for funding approval.

The consultants Jacobs have undertaken an independent assessment of the Strategic Outline Business Case on behalf of the LEP. Jacobs are satisfied that the project has been developed to the expected standard and recommend that funding approval be granted. The project is predicted to deliver very high value for money with a benefit to cost ratio of 7.85 and has the potential to generate a further £0.55m of wider economic benefits per annum, arising from the development of employment sites that the scheme will unlock. Jacobs' report is attached as Appendix 'A'.

The total cost for the scheme is £3.32m comprising a £2.5m contribution from the Local Growth Fund through the Lancashire Growth Deal and a £0.82m local contribution from Blackburn with Darwen Council. The local contribution amounts to just under 25% of the total cost; however, the majority of this contribution covers design and supervision costs, leaving £0.128m towards construction costs, approximately 5%. Blackburn with Darwen Council expect construction to take place between February 2018 and March 2019.

Transport for Lancashire's Terms of Reference, part of the LEP's Assurance Framework, state that the LEP will not fund scheme development and preparation costs nor any post scheme monitoring and evaluation. This is inconsistent with the other two themes of the Growth Deal programme covering skills and economic projects where scheme preparation costs are permissible as part of the local contribution.

Given the Darwen East Development Corridor is predominantly about unlocking development sites and therefore promoting economic growth, the Committee is requested to consider waiving this requirement of the Assurance Framework for the scheme in question, pending a review of the Terms of Reference to ensure consistency of approach across the whole Growth Deal programme. A paper will be presented to the next Transport for Lancashire Committee meeting on 10<sup>th</sup> January 2018 for consideration.