

Lancashire Enterprise Partnership Limited

Private & Confidential: NO

Date: 16th June 2015

**Lancashire Growth Deal Transport Schemes Funding Approval Decision:
East Lancashire Strategic Cycle Network**
(Appendix 'A' refers)

Report Author: Chair of Transport for Lancashire

Executive Summary

The East Lancashire Strategic Cycle Network scheme is included in Lancashire's transport investment programme as a project due to commence works in 2015/16. In accordance with the Lancashire Enterprise Partnership's Assurance Framework, the scheme is subject to a single stage approvals process through the submission of a Strategic Outline Business Case.

Atkins has undertaken independent scrutiny of the Strategic Outline Business Case for the East Lancashire Strategic Cycle Network scheme. The consultants have recommended the project be granted Full Approval to enable it to progress to implementation. At its meeting on 5th June 2015, the Transport for Lancashire committee endorsed this recommendation.

Recommendation

The Board is invited to:

Approve the granting of Full Approval to the East Lancashire Strategic Cycle Network scheme and request the Growth Deal Management Board ensure the three actions advised by Atkins are discharged.

Background and Advice

**1. East Lancashire Strategic Cycle Network Scheme:
Full Approval Decision**

- 1.1 The East Lancashire Strategic Cycle Network scheme is included in the Lancashire Growth Deal transport investment programme as a project due to commence works in 2015/16. The scheme's funding profile includes a maximum £2.6m contribution in 2015/16 from the Local Growth Fund. In accordance with the Lancashire Enterprise Partnership's Assurance

Framework, the scheme is subject to a single stage approvals process through the submission of a Strategic Outline Business Case.

1.2 Lancashire County Council and Blackburn with Darwen Council have submitted a Strategic Outline Business Case for Full Approval. For individual schemes requiring a Local Growth Fund contribution of less than £5m or packages of small-scale measures requiring a Local Growth Fund contribution of up to £10m where no individual scheme has a capital cost greater than £5m, acceptance of a Strategic Outline Business Case indicates the Board's approval to proceed to implementation. This will enable the scheme promoter to commence works and draw down Growth Deal funds.

1.3 The scheme comprises the creation of four new cycle routes in East Lancashire:

- The Valley of Stone (Rossendale)
- The National Cycle Network Route 6 (Rossendale to Hyndburn)
- The Weavers' Wheel (Blackburn); and
- The Huncoat Greenway (Hyndburn).

The routes in Rossendale and Hyndburn focus on the adaption of disused railway lines into high quality cycleways around which future local networks can be developed. The Weavers' Wheel will provide a new cycle route that encircles Blackburn. In addition to their value as potential commuting routes, the new cycleways will also act as multiuser greenways, providing additional value for leisure, health and tourism.

2.4 The total cost of the submitted East Lancashire Strategic Cycle Network scheme is £5.85m spread over the four financial years 2015/16 to 2018/19, with a contribution of £2.6m sought from the Local Growth Fund in 2015/16. From a Growth Deal perspective, at over 55% the remaining £3.25m local contribution from Lancashire County Council and Blackburn with Darwen Council is significant. The economic case demonstrates that the project will deliver high value for money with a benefit to cost ratio of 2.79; it will also generate a potential £55,000 of wider economic benefits per annum. Health-related benefits are the largest contributor in the value for money assessment, given East Lancashire experiences poor levels of health relative to Lancashire and national averages.

2.5 Atkins, the consultants appointed on behalf of Transport for Lancashire to undertake independent scrutiny of business cases for schemes promoted by Lancashire County Council, reviewed the Strategic Outline Business Case for the East Lancashire Strategic Cycle Network and presented their findings to Transport for Lancashire at its meeting held on 13th April 2015. Whilst Atkins concluded that the submission demonstrated that the project had been developed to the expected standard in most areas and recommended it be granted Full Approval subject to meeting a number of minor conditions, Transport for Lancashire resolved that there was insufficient information contained in the report for them to support the recommendation at that stage and requested a revised submission be brought to the next meeting.

- 2.6 Atkins subsequently reassessed the Strategic Outline Business Case alongside supplementary documentation provided by the scheme promoters and presented their findings to Transport for Lancashire at its meeting on 5th June 2015. Atkins' revised report is attached as Appendix 'A'. The consultants are now satisfied that the project has been developed to the expected standard with all requirements substantially met, and have recommended the scheme be granted Full Approval. Transport for Lancashire has endorsed this recommendation.
- 2.7 Atkins has advised that the following actions need to be addressed in a timely manner to ensure the scheme is delivered to programme over the next four years as each has the potential to impact on the scope and delivery of the scheme:
- Progress all planning permissions and any compulsory purchase orders
 - Complete the detailed scheme design and cost estimates for all scheme sections; and
 - Carry out a quantified assessment of each risk element.

It is proposed that the Board request the Growth Deal Management Board ensure the above actions are discharged.

- 2.8 The East Lancashire Strategic Cycle Network complements and underpins a further £1.8m of revenue funding secured competitively from the Department for Transport's Local Sustainable Transport Fund (LSTF) for 2015/16. The fund's aim is to support investment in sustainable transport solutions that will bring environmental, health and economic benefits to communities across England. Revenue funding is expected to enhance the benefits of any sustainable transport related capital funding awarded via the Local Growth Fund. The 'Connecting East Lancashire' project will build on the experiences and strengths of previous LSTF programmes in Lancashire to raise awareness of the capital investment in the Strategic Cycle Network, in particular, its potential to link housing with employment, education and training opportunities and to public transport services, alongside developing the Network's recreation and tourism potential.