

INDEPENDENT REVIEW




Project Title:	Burnley Pendle Growth Corridor Improvement Scheme	Scheme Promoter:	Lancashire County Council
Document Reviewed:	Strategic Outline Business Case	Permission Sought:	Full Approval
Date of Submission:	26/10/2015	Date of Review:	23/11/2015
LEP Accountability Framework:	In line with LEP's Accountability Framework, a proportionate approach to the development of the Transport Business Case has been applied. Given scheme costs are less than £5m an Outline/Full Business Case will not be required, instead the scheme only requires a Strategic Outline Business Case to seek Full Approval.		
Scheme Description:	The Burnley / Pendle Growth Corridor Improvements Scheme will enable additional capacity on the highway network and reduce congestion in support of economic growth across the corridor through highway improvements at eighteen junctions, the extension of the car park at Burnley Manchester Road and the upgrading of passenger facilities at Rose Grove station.		

SUMMARY SHEET

Overall Score:	2	1	Requirements fully met - No issues of note with the submission, project to progress as scheduled.
Overall Comments:	<p>This review represents Atkins' independent scrutiny of the Strategic Outline Business Case (SOBC) for the Burnley Pendle Growth Corridor Improvement 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.</p> <p>Atkins has been in dialogue with the scheme promoter and their transport consultants, Jacobs, since mid-March 2015, including face-to-face meetings on 23rd March and 27th August 2015. A full interim assurance review was completed on 26th August, requiring significant updates to the business case (and supporting documents) and culminating in the final submission document received on 26th October 2015.</p> <p>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. The LEP published the business case on its website on 2nd November 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.</p>	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 Burnley/ Pendle Growth Corridor Improvement scheme is predicted to provide very high value for money with a benefit cost ratio of 6.8 and potentially generate £12.5m of Gross Value Added (GVA) benefits per annum, unlocking 723 net additional jobs and 200 net additional dwellings.	4	Requirements not met - Critical issues exist with the submission. Project to be suspended whilst issues are resolved.

Case	Status	Atkins Comments
Strategic Case	2	<p>The strategic case presented is robust, providing a clear requirement for the scheme with good opportunities to be gained from delivery, and close alignment with policy including the Lancashire Strategic Economic Plan, Lancashire Local Transport Plan, and the East Lancashire Highways and Transport Masterplan. The SOBC is supported by the BPGC strategy Problem Identification and Option Development, Appraisal & Strategy Reports which make a strong case for the need for investment.</p> <p>The Monitoring & Evaluation plan considers the core benefits expected from the scheme, and how these are to be used in determining the success of the scheme - the Benefits Realisation Plan. Monitoring and evaluation of Lancashire LEP schemes is guided by the requirements set out in the "Growth Deal Monitoring and Evaluation Framework" (May 2015) which defines the 'Top 3 Metrics' and 'Core Metrics' to be used at a programme level. These are supplemented by a prioritised set of project specific metrics that are considered to have measurable change towards achieving the strategic objectives/ desired outcomes of the scheme.</p> <p>The key deliver constraints attributable to the scheme are highlighted with a high level risk register prepared for the scheme as a whole and detailed risk registers for each scheme package. The scheme promoters have demonstrated support from the main stakeholder groups affected by the scheme. And whilst there is little information on the views from the business community and wider public specific to the BPGC scheme, the programme is included within the SEP and the LEP has endorsed this as a project going forward as part of the Growth Deal initiative. The businesses communities are represented within this governance structure and as such the views of the business community have been considered. The scheme will promote economic growth in East Lancashire which is a key principle within the Growth Deal. Letters of support from Burnley Borough Council and Pendle Borough Council remain outstanding.</p>
Economic Case	1	<p>The BPGC scheme is predicted to provide very high value for money with a benefit cost ratio of 6.8 and to generate a potential £12.5m GVA uplift per annum, unlocking 723 net additional jobs and 200 net additional dwellings. In order to establish the robustness of the appraisal, significant additional information has been supplied since the full interim assurance review. This review is satisfied that these conditions have been met, resulting in a reduced BCR from 8.0 to 6.8. Whilst there is wide variability in the BCR for individual packages, the exclusion of the 'best performing' Accrington Town Centre and M65 J12 packages returns an overall BCR of 3.0 for the remainder which still represents high VfM. When considered in isolation Burnley Town Centre package represents low VfM due to Westgate / Queens Lancashire Way junction yielding monetised disbenefits (the package represents very high VfM otherwise). A strong case is put forward demonstrating the strategic need for this scheme from a network management, highway safety, bus routeing and pedestrian & cyclist perspective which have not been monetised.</p> <p>Economic assumptions reflect current WebTAG guidance and parameters. The SOBC was submitted prior to DfT's latest research project which provides up-to-date values of time (VOT), prior to implementing the new values in WebTAG in Spring 2016. Since the majority of benefits attributable to the scheme are associated with the peak hours, the reduced VOT values for non-work travel (excl. commuting) is unlikely to be significant, whilst the reduced VOT for business travel (for shorter journeys) is likely to be offset by the increased VOT for commuting, reflecting the blurred boundaries between work and personal (travel) time. Additional sensitivity testing is therefore not deemed necessary. Sensitivity testing has shown that under low traffic assumptions improvements to the most congested junctions in the do-nothing scenario, continue to represent high VfM. The appraisal period of junction improvements is limited to 15-yrs reflecting the design life of the signal infrastructure. This is a conservative estimate of benefit particularly at motorway junctions where significant junction realignment is proposed.</p> <p>In line with the LEP's Accountability Framework, the Senior Responsible Owner (SRO) has confirmed that the Appraisal Summary Table is true and accurate.</p>
Financial Case	2	<p>The total funding cover for the scheme is £11.57m, with £8.0m to be funded by the Lancashire Growth Deal and the remaining £3.57m (31%) local contribution to be funded by Lancashire County Council and the three district councils.</p> <p>The Cabinet Member for Highways and Transport has approved the Burnley/Pendle Growth deal (East Lancashire Highways and Transport Master plan Burnley / Pendle Growth Corridor Investment Programme – Ref: 4969 dated approved 18/07/2014), subject to the LEP securing Growth Deal and granting approval for LCC to undertake the work. Letters confirming the local contribution allocations have been received from LCC (Section 151 officer) and Hynburn (Chief Executive). Letters from Burnley and Pendle remain outstanding.</p> <p>The outturn scheme cost includes a contingency allowance of 15% which is considered to be acceptable. Suppliers of the specialist components and services required have been consulted at pre-tender stage to help build up the works cost estimate.</p> <p>In line with the LEP's Accountability Framework the LCC Section 151 officer has confirmed that any budget overspends will be covered by LCC's capital budget.</p>
Commercial Case	2	<p>Lancashire County Council has a track record of delivering similar projects. The procurement strategy is based on delivery by LCC's in-house operational services and specialist work procured either from existing competitively tendered framework contracts or by individual tender exercises. The traffic signalling supply and installation is an example of specialist work which is a significant element of the programme. A competitive tendering exercise was carried out recently and a new framework supplier has been engaged.</p> <p>The main commercial risks for the scheme will remain with the promoting authorities. The Project Board will have overall responsibility for governance and risk associated with the delivery of the scheme.</p> <p>It is understood that LCC has agreements in principle with each of the three district councils in respect of their local contributions into the overall package. A letter confirm such has been supplied by Hyndburn (Chief Executive). Letters from Burnley and Pendle remain outstanding. LCC's Section 151 officer has confirmed that any budget overspends will be covered by the LCC capital budget.</p> <p>Responsibilities with regard to risk are well defined both through the risk register and governance structure. Overall, there is a good case that the scheme is commercially viable.</p>

Management Case	1	<p>The submission gives a good account of its governance and assurance requirements. The roles and responsibilities set out are clear. The Project Board currently includes representation from Burnley and Pendle. Going forward the Project Board would benefit by having representation from Hyndburn. In terms of Highways England, LCC has undertaken to engage with HE and invite them to meetings as required, as only a modest amount of the work involves interface issues at M65 Jns 7 & 8. In addition, although the M65 is a county motorway from M65 Jn 11-14, LCC has agreed to share any proposals for these junction with HE. The project programme is up-to-date and includes key milestones in terms of design and construction for each scheme package. A preliminary schedule references project dependencies but is need of being updated.</p> <p>Recognising that improvement works is likely to result in some disruption to local businesses and residents, the Council has developed a communications strategy to inform local businesses, residents, and other stakeholders on the timings of proposed works and progress, and importantly to remind them of the project benefits to ensure they do not lose sight of the positive end goal. The communications plan will broadly follow the timetable of the delivery of the scheme, with specific action plans developed at each stage (planning through to construction), enabling key audiences to be engaged with in a timely and effective manner. Key communication contacts are identified.</p> <p>A Benefits Realisation, Monitoring & Evaluation Plan has been prepared in accordance with appropriate DfT guidance, and in line with the LEP's Accountability Framework. The scheme sponsor, Lancashire County Council, will be responsible for the cost of the monitoring and evaluation plan. LCC has accounted for resourcing the M&E Plan within future spending allocation. The LEP published the business case on its website on 2nd November 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.</p>
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Sign-Off			
Reviewer's Signature:		Date:	23/11/2015

INDEPENDENT REVIEW



Project Title:	Burnley Pendle Growth Corridor Improvement Scheme		
Permission Sought:	Full Approval	Date of Review:	23/11/2015

STRATEGIC CASE

Overall Score	2	1	Requirements fully met - No issues of note with the submission.
Atkins Comments:	<p>The strategic case presented is robust, providing a clear requirement for the scheme with good opportunities to be gained from delivery, and close alignment with policy including the Lancashire Strategic Economic Plan, Lancashire Local Transport Plan, and the East Lancashire Highways and Transport Masterplan. The SOBC is supported by the BPGC strategy Problem Identification and Option Development, Appraisal & Strategy Reports which make a strong case for the need for investment.</p> <p>The Monitoring & Evaluation plan considers the core benefits expected from the scheme, and how these are to be used in determining the success of the scheme - the Benefits Realisation Plan. Monitoring and evaluation of Lancashire LEP schemes is guided by the requirements set out in the "Growth Deal Monitoring and Evaluation Framework" (May 2015) which defines the 'Top 3 Metrics' and 'Core Metrics' to be used at a programme level. These are supplemented by a prioritised set of project specific metrics that are considered to have measurable change towards achieving the strategic objectives/ desired outcomes of the scheme.</p> <p>The key deliver constraints attributable to the scheme are highlighted with a high level risk register prepared for the scheme as a whole and detailed risk registers for each scheme package. The scheme promoters have demonstrated support from the main stakeholder groups affected by the scheme. And whilst there is little information on the views from the business community and wider public specific to the BPGC scheme, the programme is included within the SEP and the LEP has endorsed this as a project going forward as part of the Growth Deal initiative. The businesses communities are represented within this governance structure and as such the views of the business community have been considered. The scheme will promote economic growth in East Lancashire which is a key principle within the Growth Deal. Letters of support from Burnley Borough Council and Pendle Borough Council remain outstanding.</p>	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.

Item	Status	Comments
1.1 Strategic Context	Requirements Fully Met	<p>The SOBC supported by the "Burley / Pendle Growth Corridor Strategy Stage 1: Data Collection & Problem Identification Report" and "Burley / Pendle Growth Corridor Strategy Stage 2: Option Development, Appraisal and Strategy Report" makes a strong case for the need for investment. East Lancashire is an area that has seen significant economic decline over a sustained period of time. Burnley is one of two key economic drivers in East Lancashire and one of Lancashire County Council's three key priority growth locations. There is a strong perception locally that East Lancashire is poorly connected, with both road and rail networks hindering the efficient movement of people and goods, and that this relative isolation is having a negative impact on economic development and impeding regeneration.</p> <p>The Burnley Pendle Growth Corridor (BPGC) Strategy was identified as the priority component of the East Lancashire Connectivity Study (ELCS). The BPGC comprises a number of existing and future strategic employment sites. Many of these sites lie in close proximity to the M65 and/or require effective access to and from it. Congestion on the highway network during peak periods is likely to increase as these major developments take effect and travel demand increases across all modes.</p> <p>The focus of the BPGC strategy is to support economic growth through the identification of localised interventions focused on reducing current and projected congestion, improving journey time reliability and widening sustainable travel opportunities. The strategy is shown to align with localised policy including the Lancashire Strategic Economic Plan, Lancashire Local Transport Plan, and the East Lancashire Highways and Transport Masterplan by helping to achieve both their immediate goals and contribute to longer-term aims.</p>

1.2 Challenge or Opportunity to be addressed	Requirements Fully Met	The challenges and opportunities to be addressed by the scheme are clearly set out in along with the anticipated impact of not progressing the scheme. The evidence base is presented in the in the <i>"Burnley / Pendle Growth Corridor Strategy Stage 1 Data Collection and Problem Identification Report"</i> (Jacobs, June 2014).
1.3 Strategic Objectives	Requirements Substantially Met	<p>Through identification of the problems & issues across the study area and stakeholder engagement, the study identified the following six strategic objectives:</p> <ol style="list-style-type: none"> 1. Improve the operation of the M65 motorway junctions and ensure journey time reliability on the M65 mainline is maintained; 2. Improve highway safety issues within the study area; 3. Reduce congestion on the local road network; 4. Improve access to existing developments (including town centres) and proposed development sites; 5. Improve the effectiveness of public transport facilities within the study area; and 6. Improve walking and cycling facilities within the study area. <p>The identified objectives are more accurately characterised as desired outcomes with the overarching aim of the scheme supporting sustainable economic growth. In this context it may be better to set objectives in the following manner: support existing economic activities through more sustainable connectivity between East Lancashire and the wider LEP area; and increase employment and generate economic growth by improving access to existing and future strategic employment sites to/from the M65 motorway</p> <p>As road safety does not appear to be key driver as part of the BPCG strategy, objective 2 above would seem to better qualified as a guiding principle, in the same way one may wish to assess the suitability of potential interventions in supporting a reduction in carbon emissions from transport or improving local air quality.</p>
1.4 Achieving Success	Requirements Fully Met	<p>A Benefits Realisation, Monitoring & Evaluation Plan for the scheme is included as Appendix C.</p> <p>The monitoring and evaluation (M&E) plan considers the core benefits expected from the scheme, and how these are to be used in determining the success of the scheme - the Benefits Realisation Plan (BRP). Monitoring and evaluation of Lancashire LEP schemes is guided by the requirements set out in the <i>"Growth Deal Monitoring and Evaluation Framework"</i> (May 2015) which defines the 'Top 3 Metrics' and 'Core Metrics' to be used at a programme level. These are supplemented by a prioritised set of project specific metrics that are considered to have measurable change towards achieving the strategic objectives/desired outcomes of the scheme.</p>
1.5 Delivery Constraints	Requirements Fully Met	Appendix D details a full risk register for each scheme package, while a high level risk register is provided in Appendix E , and the key delivery constraints are summarised in Section 1.5.
1.6 Stakeholders	Requirements Substantially Met	<p>The scheme promoters have demonstrated support from the main stakeholder groups affected by the scheme and with their input carried out a thorough strategic assessment of alternative options. And whilst there is little information on the views from the business community and wider public specific to the BPGC scheme, the programme is included within the Strategic Economic Plan and the LEP has endorsed this as a project going forward as part of the Growth Deal initiative. The businesses communities are represented within this governance structure and as such the views of the business community have been considered. The scheme will promote economic growth in East Lancashire which is a key principle within the Growth Deal.</p> <p>Letters of support from Burnley Borough Council and Pendle Borough Council remain outstanding.</p>
1.7 Strategic Assessment of Alternative Options	Requirements Fully Met	<p>The <i>"Burnley / Pendle Growth Corridor Strategy, Stage 2: Option Development, Appraisal and Strategy Report"</i> (Jacobs, June 2014) describes how long list of options was informed by a stakeholder workshop and the findings of the <i>"Stage 1: Data Collection & Problem Identification Report"</i>. In line with best practice contained within <i>"Transport Analysis Guidance, Transport Appraisal Process"</i> (DfT, January 2014) a broad range of potential options across different modes of transport were identified.</p> <p>The Stage 2 report clearly sets out how options were appraised against study specific objectives, the underlying principles set out within the DfT's Transport Appraisal Process guidance and Early Assessment and Sifting Tool (EAST), and in a manner consistent with the Council's Scheme Prioritisation System (SPS).</p> <p>The SOBC considers further the strategic impact of the preferred corridor improvement scheme against do-nothing and do-minimum scenarios, and at an individual scheme level provides an assessment of alternative engineering solutions.</p>

INDEPENDENT REVIEW



Project Title:	Burnley Pendle Growth Corridor Improvement Scheme		
Permission Sought:	Full Approval	Date of Review:	23/11/2015

ECONOMIC CASE

Overall Score	1	1	Requirements fully met - No issues of note with the submission.
Atkins Comments:	<p>The BPGC scheme is predicted to provide very high value for money with a benefit cost ratio of 6.8 and to generate a potential £12.5m GVA uplift per annum, unlocking 723 net additional jobs and 200 net additional dwellings. In order to establish the robustness of the appraisal, significant additional information has been supplied since the full interim assurance review. This review is satisfied that these conditions have been met, resulting in a reduced BCR from 8.0 to 6.8. Whilst there is wide variability in the BCR for individual packages, the exclusion of the 'best performing' Accrington Town Centre and M65 J12 packages returns an overall BCR of 3.0 for the remainder which still represents high VfM. When considered in isolation Burnley Town Centre package represents low VfM due to Westgate / Queens Lancashire Way junction yielding monetised disbenefits (the package represents very high VfM otherwise). A strong case is put forward demonstrating the strategic need for this scheme from a network management, highway safety, bus routeing and pedestrian & cyclist perspective which have not been monetised.</p> <p>Economic assumptions reflect current WebTAG guidance and parameters. The SOBC was submitted prior to DfT's latest research project which provides up-to-date values of time (VOT), prior to implementing the new values in WebTAG in Spring 2016. Since the majority of benefits attributable to the scheme are associated with the peak hours, the reduced VOT values for non-work travel (excl. commuting) is unlikely to be significant, whilst the reduced VOT for business travel (for shorter journeys) is likely to be offset by the increased VOT for commuting, reflecting the blurred boundaries between work and personal (travel) time. Additional sensitivity testing is therefore not deemed necessary. Sensitivity testing has shown that under low traffic assumptions improvements to the most congested junctions in the do-nothing scenario, continue to represent high VfM. The appraisal period of junction improvements is limited to 15-yrs reflecting the design life of the signal infrastructure. This is a conservative estimate of benefit particularly at motorway junctions where significant junction realignment is proposed.</p> <p>In line with the LEP's Accountability Framework, the Senior Responsible Owner (SRO) has confirmed that the Appraisal Summary Table is true and accurate.</p>	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.

Item	Status	Comments
2.1 Value for Money	Requirements Fully Met	<p>The BPGC scheme is predicted to provide very high value for money with a benefit cost ratio of 6.8. In order to establish the robustness of the appraisal, significant additional information has been supplied since the full interim assurance review to confirm:</p> <ul style="list-style-type: none"> • an acceptable level of validation of the base junction models; • the credibility of benefits attributable at certain junction locations; • that benefits have been appropriately interpolated between opening and design year, and extrapolated over the appraisal period; • the demand responses to significant increases in congestion at certain junctions in the DN scenario have been appropriately accounted for; • the modelling assumptions adopted when introducing MOVA traffic signal control do not overstate the benefits under congested conditions; • the annualised benefits reflect the impacts of the scheme across all time periods; and • the cost-benefit analysis is inclusive of all scheme costs for which funding is being sought. <p>This review is satisfied that these conditions have been met, resulting in a reduced BCR from 8.0 to 6.8. Whilst there is wide variability in the BCR for individual packages, the exclusion of the 'best performing' Accrington Town Centre and M65 J12 packages returns an overall BCR of 3.0 for the remainder which still represents high VfM. When considered in isolation Burnley Town Centre package represents low VfM due to Westgate / Queens Lancashire Way junction yielding monetised disbenefits (the package represents very high VfM otherwise). A strong case is put forward demonstrating the strategic need for this scheme from a network management, highway safety, bus routeing and pedestrian & cyclist perspective which have not been monetised.</p> <p>The BPGC scheme has the potential to generate £12.5m of Gross Value Added (GVA) benefits per annum based on a total of 723 net additional jobs and 200 net additional dwellings being unlocked by the corridor improvement schemes.</p>

<p>2.2 Economic Assumptions</p>	<p>Requirements Fully Met</p>	<p>Economic assumptions reflect current WebTAG guidance and parameters. The SOBC was submitted prior to DfT's latest research project which provides up-to-date, robust and reliable values of time (VOT) for use in transport appraisal and business cases. DfT's intend to carry out stakeholder consultation prior to implementing the new values in WebTAG in Spring 2016. Since the majority of benefits attributable to the scheme are associated with the peak hours, the reduced VOT values for non-work travel (excl. commuting) is unlikely to be significant, whilst the reduced VOT for business travel (for shorter journeys) is likely to be offset by the increased VOT for commuting, reflecting the blurred boundaries between work and personal (travel) time. Additional sensitivity testing is therefore not deemed necessary.</p> <p>Price base year and discount rates have all been accurately applied. The appraisal period of junction improvements has been limited to 15-yrs reflecting the design life of the signal infrastructure. This may be considered to be a conservative estimate of benefit particularly at motorway junctions where significant junction realignment is proposed. Traffic Growth has been estimated using Road Traffic Forecast 2015 values for North West other Urban Roads.</p> <p>The appraisal period of station facilities improvements is 60 years. Rail patronage growth has been assumed to be 27% by 2023 and 67% by 2043, however patronage growth has been capped after 20 years, based on PDFH and WebTAG guidance. The allowance for risk/ cost contingency and level of optimism bias applied (dependent on the stage of individual scheme development) is deemed appropriate.</p> <p>The BPCG strategy cites a number of existing and future strategic employment sites in close proximity to the M65 and/or requiring effective access to and from it. These include Burnley Bridge Business Park, Weaver's Triangle, Aerospace Supply Park, Pendle Gateway and other developments such as the UCLan Knowledge Zone in Burnley town centre. This introduces the potential for development dependency within the forecasts. Further to the full interim assurance review it is confirmed that to ensure that the analysis remained suitably conservative for individual junction assessments, no site specific developments have been included within the benefit calculations.</p> <p>The GVA analysis is based on estimate by Ekosgen in April 2014 of circa 4,700 net additional jobs, 15% of which are deemed to be attributable to transport improvements as the mechanism for unlocking development. The number of net additional dwellings was estimated by the LCC development controls team.</p>
<p>2.3 Sensitivity and Risk Profile</p>	<p>Requirements Fully Met</p>	<p>The SOBC acknowledges that the <i>"assessed scheme benefits are sensitive to change if the forecast increase in traffic growth and delay is not accurate"</i> and that <i>"traffic volumes could change if the economic growth of Burnley either exceeds or does not reach the predicted forecasts based on TEMPRO"</i>.</p> <p>Further to the full interim assurance review, and in order to provide a proportionate approach to sensitivity testing, a low growth scenario was produced for a selected number of junctions, reflecting the most congested junctions (six junctions in total) in the base and future years in the do-nothing scenario. The outcome of this sensitivity test sees the combined BCR for these junctions fall from 10.1 to 3.9 which while significant still represents high VfM.</p>
<p>2.4 Value for Money Statement</p>	<p>Requirements Fully Met</p>	<p>Based on the listed economic assumptions, the scheme provides very high VfM, with the majority of the transport benefits resulting from a reduction in junction delay.</p> <p>There are additional GVA benefits of circa £187m over the 15 year assessment period that have not been included in the benefit cost ratio (as per guidance) that show additional wider benefits from the scheme.</p> <p>The analysis has been proportionate based on the type and value of scheme. There are likely to be wider additional benefits such as regeneration impacts, accidents and reduced severance that have not been quantified yet bolster the case for the scheme to be delivered.</p>
<p>2.5 Appraisal Summary Table</p>	<p>Requirements Fully Met</p>	<p>The AST is completed as required.</p> <p>In line with the LEP's Accountability Framework, the Senior Responsible Owner (SRO), Phil Barrett, for the BPGC scheme has confirmed that the AST is true and accurate.</p>

INDEPENDENT REVIEW



Project Title:	Burnley Pendle Growth Corridor Improvement Scheme		
Permission Sought:	Full Approval	Date of Review:	23/11/2015

FINANCIAL CASE

Overall Score	2	1 Requirements fully met - No issues of note with the submission.
Atkins Comments:		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.
<p>The total funding cover for the scheme is £11.57m, with £8.0m to be funded by the Lancashire Growth Deal and the remaining £3.57m (31%) local contribution to be funded by Lancashire County Council and the three district councils.</p> <p>The Cabinet Member for Highways and Transport has approved the Burnley/Pendle Growth deal (East Lancashire Highways and Transport Master plan Burnley / Pendle Growth Corridor Investment Programme – Ref: 4969 dated approved 18/07/2014), subject to the LEP securing Growth Deal and granting approval for LCC to undertake the work. Letters confirming the local contribution allocations have been received from LCC (Section 151 officer) and Hynburn (Chief Executive). Letters from Burnley and Pendle remain outstanding.</p> <p>The outturn scheme cost includes a contingency allowance of 15% which is considered to be acceptable. Suppliers of the specialist components and services required have been consulted at pre-tender stage to help build up the works cost estimate.</p> <p>In line with the LEP’s Accountability Framework the LCC Section 151 officer has confirmed that any budget overspends will be covered by LCC’s capital budget.</p>		

Item	Status	Comments
3.1 Affordability Assessment	Requirements Substantially Met	<p>The total funding cover for the BPGC scheme is £11.57m, reduced from £13.3m, at the time of the interim assurance review, due to the removal of Peter Road (scheme P) and the reduction in scope of M65 Junction 13 (scheme A).</p> <p>The BPGC scheme is to be funded with £8.0m from the Lancashire Growth Deal and the remaining £3.57m (31%) local contribution from Lancashire County Council's Capital Programme (£2.25m) and the three district councils; Burnley (£722k), Pendle (£345k) and Hyndburn (£250k).</p> <p>The Cabinet Member for Highways and Transport has approved the Burnley/Pendle Growth deal (East Lancashire Highways and Transport Master plan Burnley / Pendle Growth Corridor Investment Programme – Ref: 4969 dated approved 18/07/2014), subject to the LEP securing Growth Deal and granting approval for LCC to undertake the work.</p> <p>Letters confirming the local contribution allocations have been received from LCC (Section 151 officer) and Hynburn (Chief Executive). Letters from Burnley and Pendle remain outstanding.</p>
3.2 Financial Costs	Requirements Fully Met	No comment.
3.3 Financial Cost Allocation	Requirements Fully Met	No comment.

<p>3.4 Financial Risk</p>	<p>Requirements Fully Met</p>	<p>Although no independent cost verification has been undertaken, LCC is confident that their track record of delivering similar scheme validates their costings, using for example Broughton Roundabout in Preston which was costed at £2.8m and delivered through LCC operations on time and within budget.</p> <p>A detailed risk register is provided in Appendix D with the following key financial risks identified:</p> <ul style="list-style-type: none"> • Transfer or access to land, although this only affects 3 of the schemes; • Impact of national/international Incident. <p>The outturn scheme cost includes a contingency allowance of 15% which is considered to be acceptable.</p> <p>In line with the LEP's Accountability Framework the LCC Section 151 officer has confirmed that any budget overspends will be covered by LCC's capital budget.</p>
<p>3.5 Financial Risk Management</p>	<p>Requirements Substantially Met</p>	<p>Risks associated with this scheme have been estimated at £780k. This is based on an initial analysis of project risks as set out in the Risk Register based on scheme specific contributory factors related to cost and programme risk. Suppliers of the specialist components and services required have been consulted at pre-tender stage to help build up the works cost estimate.</p> <p>A shortfall in funding is not expected but will be identified and addressed at the end of the tender stage if any shortfall exists. Since the full interim assurance review the BPGC scheme has seen a removal of the Peter Road scheme (scheme P) and the reduction in scope of M65 Junction 13 (scheme A) without adversely impacting on the value for money of the overall package of schemes.</p> <p>The preliminary schedule included as Appendix K is out-of-date and should be updated, for example, M65 J13 is reported to have a current cost estimate of £2.5m (necessitating the potential removal of improvements to M65 J8) whereas the current reduced scope of works is estimated to cost £1.5m.</p>
<p>3.6 Financial Accountability</p>	<p>Requirements Fully Met</p>	<p>Lancashire County Council will be responsible for the financial management of the project. A project board has been established to oversee the project and ensure diligent financial management is put in place.</p>

INDEPENDENT REVIEW



Project Title:	Burnley Pendle Growth Corridor Improvement Scheme		
Permission Sought:	Full Approval	Date of Review:	23/11/2015
COMMERCIAL CASE			

Overall Score	2		1	Requirements fully met - No issues of note with the submission.	
Atkins Comments:	<p>Lancashire County Council has a track record of delivering similar projects. The procurement strategy is based on delivery by LCC's in-house operational services and specialist work procured either from existing competitively tendered framework contracts or by individual tender exercises. The traffic signalling supply and installation is an example of specialist work which is a significant element of the programme. A competitive tendering exercise was carried out recently and a new framework supplier has been engaged.</p>			2	Requirements substantially met - Minor issues exist with the submission.
	<p>The main commercial risks for the scheme will remain with the promoting authorities. The Project Board will have overall responsibility for governance and risk associated with the delivery of the scheme.</p>				
	<p>It is understood that LCC has agreements in principle with each of the three district councils in respect of their local contributions into the overall package. A letter confirm such has been supplied by Hyndburn (Chief Executive). Letters from Burnley and Pendle remain outstanding. LCC's Section 151 officer has confirmed that any budget overspends will be covered by the LCC capital budget.</p>			3	Requirements partially met - Medium issues exist with the submission.
	<p>Responsibilities with regard to risk are well defined both through the risk register and governance structure. Overall, there is a good case that the scheme is commercially viable.</p>			4	Requirements not met - Critical issues exist with the submission.

Item	Status	Comments
4.1 Commercial Viability	Requirements Fully Met	There is a clear case presented for the viability of this scheme, and reference is made to existing practical experience encountered on other projects by Lancashire County Council.
4.2 Procurement Strategy	Requirements Fully Met	The procurement strategy is based on existing framework contracts and will be delivered by LCC's in-house operational services, with a proven track record of delivery similar schemes to time and budget. Importantly, any specialist work will be procured either from existing competitively tendered framework contracts or by individual tender exercises. The traffic signalling supply and installation is an example of specialist work which is a significant element of the programme. A competitive tendering exercise was carried out recently and a new framework supplier has been engaged.

<p>4.3 Identification of Risk</p>	<p>Requirements Substantially Met</p>	<p>The main commercial risks for the scheme will remain with the promoting authorities.</p> <p>There is an overall, high level Risk Register for the project (Appendix E) and each individual scheme within the project has its own detailed risk register (Appendix D). Identified risks will be fully costed and allowed for in scheme estimates.</p> <p>It is understood that LCC has agreements in principle with each of the three district councils in respect of their local contributions into the overall package. A letter confirm such has been supplied by Hyndburn (Chief Executive). Letters from Burnley and Pendle remain outstanding. LCC's Section 151 officer has confirmed that any budget overspends will be covered by the LCC capital budget.</p>
<p>4.4 Risk Allocation</p>	<p>Requirements Substantially Met</p>	<p>Responsibilities with regard to risk are well defined both through the risk register and governance structure, where:</p> <ul style="list-style-type: none"> • The Project Board has overall responsibility risk associated with the delivery of the scheme and will meet on a quarterly basis. The Project Board currently includes representation from two of the three districts, namely, Burnley and Pendle. Going forward the Project Board would benefit by having representation from Hyndburn. In terms of Highways England, LCC has undertaken to engage with HE and invite them to meetings as required, as only a modest amount of the work involves interface issues at M65 junctions 7 & 8. • 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 the Risk Register and undertaking actions to mitigate the risks that do not require escalation to the Project Executive.
<p>4.5 Contract Management</p>	<p>Requirements Fully Met</p>	<p>As most of the works will be delivered through the County Council's in-house operations teams there will be no formal contractual arrangements in place except for the provision and installation of traffic signals through the existing traffic signal maintenance contract.</p>

INDEPENDENT REVIEW



Project Title:	Burnley Pendle Growth Corridor Improvement Scheme		
Permission Sought:	Full Approval	Date of Review:	23/11/2015

MANAGEMENT CASE

Overall Score	1	1 Requirements fully met - No issues of note with the submission.
Atkins Comments:	<p>The submission gives a good account of its governance and assurance requirements. The roles and responsibilities set out are clear. The Project Board currently includes representation from Burnley and Pendle. Going forward the Project Board would benefit by having representation from Hyndburn. In terms of Highways England, LCC has undertaken to engage with HE and invite them to meetings as required, as only a modest amount of the work involves interface issues at M65 Jns 7 & 8. In addition, although the M65 is a county motorway from M65 Jn 11-14, LCC has agreed to share any proposals for these junction with HE. The project programme is up-to-date and includes key milestones in terms of design and construction for each scheme package. A preliminary schedule references project dependencies but is need of being updated.</p> <p>Recognising that improvement works is likely to result in some disruption to local businesses and residents, the Council has developed a communications strategy to inform local businesses, residents, and other stakeholders on the timings of proposed works and progress, and importantly to remind them of the project benefits to ensure they do not lose sight of the positive end goal. The communications plan will broadly follow the timetable of the delivery of the scheme, with specific action plans developed at each stage (planning through to construction), enabling key audiences to be engaged with in a timely and effective manner. Key communication contacts are identified.</p> <p>A Benefits Realisation, Monitoring & Evaluation Plan has been prepared in accordance with appropriate DfT guidance, and in line with the LEP's Accountability Framework. The scheme sponsor, Lancashire County Council, will be responsible for the cost of the monitoring and evaluation plan. LCC has accounted for resourcing the M&E Plan within future spending allocation. The LEP published the business case on its website on 2nd November 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.</p>	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.

Item	Status	Comments
5.1 Governance	Requirements Substantially Met	<p>The governance and assurance arrangements for the project are well defined with the management of the project is split up into three tiers consisting of the Growth Deal Programme Management, the Project Board and the Project Delivery Team. The structure is based on established and operating governance arrangements for schemes currently being delivered by LCC.</p> <p>The Project Board currently includes representation from two of the three districts, namely, Burnley and Pendle. Going forward the Project Board would benefit by having representation from Hyndburn. In terms of Highways England, LCC has undertaken to engage with HE and invite them to meetings as required, as only a modest amount of the work involves interface issues at M65 junctions 7 & 8. In addition, although the M65 is a county motorway from junction 11 to 14, LCC has agreed to share any proposals for these junction with HE.</p>
5.2 Go/No-Go and Decision Milestones	Requirements Fully Met	The key go/ no-go decision milestone is related to this independent scrutiny, and the submission for full approval for funding.
5.3 Project Programme	Requirements Substantially Met	<p>An high level indicative programme for the delivery of the package of schemes (aligned to projected expenditure profile) is appended to the SOBC with key milestones provided for detailed design and construction.</p> <p>A preliminary schedule references project dependencies but is need of being updated. For example, M65 J13 is reported to have a current cost estimate of £2.5m necessitating the potential removal of improvements to M65 J8, whereas the current reduced scope of works is estimated to cost £1.5m.</p>

5.4 Assurance and Approvals Plan	Requirements Fully Met	<p>The document references the alignment with the Lancashire Enterprise Partnership's Assurance Framework, and this independent review of the business case forms a part of the assurance process.</p> <p>The LEP published the business case on its website on 2nd November 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.</p>
5.5 Communications and Stakeholder Management	Requirements Fully Met	<p>The Project Board includes the two key stakeholders in Burnley Borough Council and Pendle Borough Council. Highways England has also been consulted on the scheme.</p> <p>Recognising that improvement works to the various junctions is likely to result in some disruption to local businesses and residents due to delays and re-routeing, the Council has developed a communications strategy to inform local businesses, residents, and other stakeholders on the timings of proposed works and progress, and importantly to remind them of the project benefits to ensure they do not lose sight of the positive end goal. Key communication contacts are identified.</p> <p>The communications plan will broadly follow the timetable of the delivery of the scheme, with specific action plans developed at each stage (planning through to construction), enabling key audiences to be engaged with in a timely and effective manner.</p>
5.6 Programme/ Project Reporting	Requirements Fully Met	<p>Clear programme and project reporting processes are in place for the scheme. The Project Executive will report to the Project Board according to a defined and regular programme of meetings. During these meetings, key highlights, risks, programme and the financial position of the project will be discussed. The Project Executive will be supported by the Project Manager at these meetings as appropriate. Any corrective actions or decisions will be agreed by the Project Board and cascaded to Team Leaders via the Project Manager.</p> <p>A schedule of future meeting dates as well as historic meeting minutes is included as supporting evidence.</p>
5.7 Risk Management Strategy	Requirements Fully Met	<p>A risk register allocating responsibility of risks for each scheme package and the project as a whole has been provided in Appendices D and E respectively. 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 Assurance Framework.</p>
5.8 Monitoring and Evaluation	Requirements Fully Met	<p>A Benefits Realisation, Monitoring & Evaluation Plan is contained at Appendix C, which has been prepared in accordance with appropriate DfT guidance, and in line with the LEP's Accountability Framework.</p> <p>The results of the monitoring and evaluation exercise will be published on the LEP's website with development and air quality information being supplied by the district councils as detailed in their letters of support. Movement information will be automatically collected through LCC's UTMC systems which will be installed as part of the traffic signal operations with revenue costs absorbed within LCC existing budgets.</p> <p>The scheme sponsor, Lancashire County Council, will be responsible for the cost of the monitoring and evaluation plan. LCC has accounted for resourcing the Monitoring and Evaluation Plan within future spending allocation.</p>
5.9 Project Management	Requirements Fully Met	<p>The project will be managed in PRINCE 2 which is deemed appropriate for a scheme of this type.</p>