



LEP – Sub Committee

Transport for Lancashire Committee

Private and Confidential: NO

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Blackpool Tramway Extension Conditional Approval Application (Appendix 'A' refers)

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Executive Summary

The Blackpool Tramway Extension scheme will provide a new link from the current tramway on the Promenade adjacent to the North Pier along Talbot Road to Blackpool North station. Blackpool Council has submitted an Outline Business Case to the Lancashire Enterprise Partnership for Conditional Approval. The consultants Jacobs have undertaken an independent assessment of the Outline Business Case on behalf of the LEP. Jacobs are satisfied that the project has been developed to the expected standard in most areas and recommend that Conditional Approval be granted to enable the scheme to progress to Full Business Case submission.

Recommendation

The Committee is asked to consider the attached Outline Business Case report prepared by Jacobs and recommend that the Lancashire Enterprise Partnership (LEP) Board grant the scheme Conditional Approval at its meeting to be held later on Tuesday 5th April 2016.

Background and Advice

The Blackpool Tramway Extension scheme will provide a new link from the current tramway on the Promenade adjacent to the North Pier along Talbot Road to Blackpool North station. Blackpool Council has submitted an Outline Business Case to the Lancashire Enterprise Partnership for Conditional Approval. The granting of Conditional Approval is intended to provide the expectation of funding necessary for the promoting authority to apply for any statutory powers that may be required to deliver a scheme, for example, Transport and Works Act powers, highways orders, planning consents and/or compulsory purchase orders.



Conditional Approval indicates the Lancashire Enterprise Partnership's acceptance of an Outline Business Case demonstrating high value for money. In accordance with its Assurance Framework, the LEP will only grant Conditional Approval on the basis that there will be no material changes to the scheme's scope, cost, design, expected benefits and value for money. The granting of Conditional Approval may be subject to a small and limited number of conditions.

The projected outturn capital cost of the Blackpool Tramway Extension scheme as set out in the Outline Business Case could rise from the £18.2m advised at Programme Entry to £24m; the agreed capital contribution from the Local Growth Fund through the Lancashire Growth Deal is £16.4m. Blackpool Council has confirmed that it will meet the balance, but has requested that the Lancashire Enterprise Partnership consider allocating any future Growth Deal underspend or additional funding to support the scheme, to the extent that it becomes necessary at Full Approval. The current local contribution amounts to just over 31% of the total projected scheme capital cost.

The principal reason for the capital cost increase is the inclusion of two additional trams, now considered necessary in order to operate the new services along the extension to Blackpool North whilst maintaining current peak capacity on the existing north-south tramway. Analysis undertaken as part of the Outline Business Case development has shown this would not be possible with the current fleet.

The consultants Jacobs have undertaken an independent assessment of the Outline Business Case on behalf of the LEP. Jacobs are satisfied that the project has been developed to the expected standard in most areas and recommend that Conditional Approval be granted to enable the scheme to progress to Full Business Case submission. The revised scheme is predicted to deliver high value for money with a benefit to cost ratio of 2.86; it also has the potential to generate between £400,000 and £700,000 of wider economic benefits per annum for the local economy.

Jacobs have advised that a number of conditions will need to be addressed as part of the Full Business Case submission, including confirmation of scheme funding arrangements once final costs are known.