



## LEP – Sub Committee

### Transport for Lancashire Committee

**Private and Confidential: NO**

Date: Friday 10<sup>th</sup> June 2016

### **Department for Transport Large Local Major Transport Schemes: New Ribble Crossing Development Funding Bid**

(Appendix 'A' refers)

**Report Author: Dave Colbert, Specialist Advisor Transportation**  
[dave.colbert@lancashire.gov.uk](mailto:dave.colbert@lancashire.gov.uk)

#### **Executive Summary**

Budget 2016 announced the launch of a competitive process to access the £475m fund for large local major transport schemes. Funding is available for exceptionally large, potentially transformative local schemes that are too big to be taken forward within regular Growth Deal allocations. Given the selection criteria, it is considered that the New Ribble Crossing is the only scheme in the Lancashire Strategic Transport Prospectus within scope for a bid for development funding.

#### **Recommendation**

The Committee is asked to recommend that the Lancashire Enterprise Partnership Board agree the submission of a bid to the Department for Transport's Large Local Major Transport Schemes Fund for development funding to support the preparation of a fully worked up Outline Business Case for the New Ribble Crossing.

#### **Background and Advice**

Budget 2016 announced the launch of a competitive process to access the £475m fund for large local major transport schemes, part of the Government's £12bn Local Growth Fund. The aim of this fund is to provide funding for exceptionally large, potentially transformative local schemes that are too big to be taken forward within regular Growth Deal allocations and therefore genuinely unaffordable by other means. The £475m is profiled from 2016/17 to 2020/21 and back loaded, with £10m available in 2016/17 and £280m available in 2020/21.

Bids can be for scheme development costs, or, if an Outline Business Case is already complete, for funding to prepare and construct a scheme. The Department for Transport (DfT) recognises that some schemes may require funding beyond 2020/21 and will take that into account when funding decisions are made. DfT is



inviting bids from Local Enterprise Partnerships (LEPs), but bids will need to have the support and commitment of the proposed delivery body. Whilst there is no restriction on the number of bids per LEP area, LEPs need to consider carefully capacity to progress more than one scheme.

DfT has not set out rigid eligibility criteria but will sift out schemes according to whether they are genuinely 'otherwise unaffordable' by other means. In addition DfT will be strongly guided by the following factors:

- The size of the scheme relative to the size of the LEP, the minimum cost threshold for the largest LEPs, including Lancashire, being £75m. This is not an absolute, but there will be a presumption that funding for schemes below this level should be sought through regular Growth Deal rounds.
- The indivisibility of the scheme. Where a scheme could be taken forward over a longer time period through regular Growth deal rounds, the onus is on the applicant to make the case as to why this would be undesirable. DfT will not consider packages of individual schemes aggregated to meet the guideline threshold.
- The availability of other local funding, for example, the flexibility of single pots or additional funding secured through a devolution deal.
- The ability of a scheme to be progressed and prioritised through other Government funding. There is therefore a presumption against schemes on the national rail or strategic road networks. However, bids for schemes at the interface between national and local networks, for example, involving motorway junctions, are eligible. There is also a potential overlap with the second Road Investment Strategy (RIS2).

Once DfT is satisfied that a scheme meets the 'otherwise unaffordable' test, bids for development costs will be considered in accordance with the following criteria:

- **Strategic Case:** evidence to date and alignment with the strategic Economic Plan and wider LEP strategies;
- **Economic Case:** value for money evidence, including the likely scale of costs and benefits that could come from any available Strategic Outline Business Case;
- **Financial Case:** the size of any local contribution proposed. DfT is unlikely to fund bids that propose no local contribution. DfT will consider the robustness of costings for development work.
- **Management Case:** the timescale for producing an Outline Business Case, its robustness and realism.

DfT will also consider the existing level and breadth of support for a scheme, from key stakeholders including the public and businesses, and not just letters of support for the bid but evidence of previous support, campaigns etc.



Large Local Major Scheme funding is not subject to the requirements of the LEP Assurance Framework as all necessary scrutiny will be undertaken by the DfT. Not every scheme that is successful in securing development funding will necessarily receive funding for construction, nor will a scheme need to get development funding in order to bid for construction funding, for example, if the Outline Business Case is produced without DfT funding.

The bulk of the funding is available from 2017/18 onwards; only schemes at an advanced stage of business case development and that could make rapid progress during 2016/17 towards producing a complete Outline Business Case were eligible to bid for funding in 2016/17. The deadline for bids for funding from 2017/18 is concurrent with Growth Deal 3 submissions, ie 21<sup>st</sup> July 2016.

Alongside the Budget, the DfT issued a note setting out the aims and process for preparing the second Road Investment Strategy (RIS2). Some local schemes may be in scope, where it can be clearly demonstrated that the local scheme in question would be of benefit to the Strategic Road Network. Bidders are asked to identify in their application whether their scheme could be within the scope of RIS2 and why, although decisions on entry to RIS2 will be separate and one will not necessarily affect the other.

With one exception, the priorities set out in the Lancashire Strategic Transport Prospectus are considered to be outwith the scope of the Large Local Major Transport Schemes fund. The majority are either schemes on the national rail network or the Strategic Road Network. The New Ribble Crossing is that exception, and it is proposed that the Lancashire Local Enterprise Partnership submit a bid for development funding from 2017/18 to produce a fully worked up Outline Business Case for the scheme. A feasibility study is currently underway, due for completion by April 2017.

The New Ribble Crossing is considered to meet all of the factors that the DfT will take into account when selecting schemes:

- It will cost considerably in excess of £75m to construct;
- It is not divisible;
- There are no alternative local funding routes available for a scheme of this magnitude, the possible exception being the Road Investment Strategy;
- Subject to inclusion in the Road Investment Strategy, the scheme could not access any other Government funding.

Work is underway to produce a robust cost estimate and delivery timescale for the development of an Outline Business Case. The Preston, South Ribble and Lancashire City Deal Infrastructure Delivery Plan 2015/18 includes £2m for the feasibility study and work to take the project forward through consultation to concept design approval. Some of this funding, potentially up to £1m, could be available as a local contribution.



## Appendix A: New Ribble Crossing

Construction of a new crossing of the River Ribble to the west of Preston will link together the Preston Western Distributor and the South Ribble Western Distributor roads via a completed Penwortham Bypass, thereby providing a continuous dual carriageway route for local traffic between the M6/M65 at Cuerden and the M55 near Bartle to the west of Preston.

The Preston, South Ribble and Lancashire City Deal is underpinned by significant new investment in the local transport network with a number of schemes either already delivered or under construction, and others in preparation. The Central Lancashire Highways and Transport Masterplan sets out a comprehensive, integrated transport strategy for the area specifically aimed at supporting economic growth. Integral to both Masterplan and City Deal is the creation of a distributor road to the west of the Preston urban area that will link together many of the strategic development sites to be delivered through the Central Lancashire Local Plan by 2026, including strategic housing locations in North West Preston and at Penwortham/Farington in South Ribble.

The City Deal has enabled construction of the Preston Western Distributor and South Ribble Western Distributor schemes to be accelerated. Whilst delivery of the City Deal is not predicated on a new crossing of the River Ribble, the scheme has the potential to support significant further development in Central Lancashire and its environs beyond the current Local Plan period to 2026. Lancashire County Council and partners have therefore begun to investigate whether a new Ribble Crossing could progress more quickly and how such a project might be funded. A feasibility study is currently underway, due for completion by April 2017. This will include the rationale for selecting a bridge option over a tunnel. Lower cost options such as a single carriageway scheme will also be assessed. The bridge option will include segregated provision for pedestrians and cyclists. Due to the nature and scale of the potential crossing, phased options are not considered appropriate.

From a highways perspective, a new river crossing will provide substantial relief to Preston's road network, particularly in and around the Riversway / Docklands area where through traffic and city centre bound traffic currently combine to cause congestion at peak times. Here the network also caters for cross-river commuting movements between South Ribble / West Lancashire and the Fylde Coast, including major employers such as Westinghouse UK Ltd at Springfields and BAE Systems at Warton, as well as Preston city centre.

Early indications using the traffic model developed as part of the Preston Western Distributor Business Case preparation suggest a new crossing of the River Ribble will have a significant positive impact on the Strategic Road Network to the west and north of Preston (the M6 and M55). It would also facilitate better management of traffic in the event of major incidents on the M6 between Junctions 29 and 32, which currently cause Preston and much of South Ribble to suffer extreme traffic delays given limited extant river crossing capacity on the local road network.