



Company Number: 07388600

Lancashire Enterprise Partnership Limited Board

Tuesday, 21st April, 2015 in Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston, at 6.00 pm

Agenda

Part I (Items Publicly Available)

- 1. Welcome and Apologies for Absence**
- 2. Minutes of the meeting held on 17th March 2015 (Pages 1 - 8)**
- 3. Matters Arising**
- 4. Declarations of Interest (Pages 9 - 10)**
- 5. Growth Deal Monitoring and Evaluation Framework (Pages 11 - 58)**
- 6. Growth Deal Funding Agreement Principles (Pages 59 - 74)**
- 7. Report from Transport for Lancashire - Growth Deal Funding Decisions (Pages 75 - 120)**
- 8. ESIF Update (Pages 121 - 128)**
- 9. Any Other Business**
- 10. Date of Next Meeting**
Tuesday 16th June 2015 – 6.00pm - Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston.

Part II (Items that are Private and Confidential)

- 11. Growing Places - Luneside East (Pages 129 - 136)**

Lancashire Enterprise Partnership Limited Board

Minutes of the Meeting held on Tuesday, 17th March, 2015 at 6.00 pm at the Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present

Mr E Booth (Chair)

Cllr M Bateson
Mr M Blackburn
Mr J Carter
Mr G Cowley

Mr M Damms
CC J Mein
Mr D Mendoros
Cllr M Townsend

In Attendance

Mr B Bailey
Mr H Catherall
Mr A Cavill
Ms R Connor
Mr A Good
Mr D Holmes

Ms B Joyce
Mr M Kelly
Mr A Milroy
Mr T Seamans
Ms J Turton
Mr I Young (Company Secretary)

1. Welcome and Apologies for Absence

The Chair, Mr E Booth, welcomed all to the meeting. Apologies for absence were noted from Mike Tynan, Malcolm McVicar, Richard Evans, Councillor Stuart Hirst, Councillor Simon Blackburn and Cliff Robson. Officer apologies were noted from Neil Jack. Cliff Robson asked the Board to consider allowing David Holmes (BAE Systems) to attend as an Observer in his absence. In addition the Chair welcomed Alan Cavill (Blackpool Council) and Ruth Connor (Marketing Lancashire) to the meeting and requested that the Board consider approving that they attend as Observers.

Resolved: The Board agreed that David Holmes, Alan Cavill and Ruth Connor be present as Observers for the Part I agenda items but excluded from the Part II agenda items.

2. Minutes of the meeting held on 10th February 2015

A correction to the previous minutes was reported regarding an updated provided by Mr Damms during the Any Other Business section, the section was updated to include reference to the Stakeholder Group, with the updated minutes placed in the minute book.

Resolved: The Board approved the updated minutes of the meeting held on 10th February 2015 as an accurate record, the minutes were duly signed by the Chair.

3. Matters Arising

None

4. Declarations of Interest

Mr Booth and Mr Carter declared interests in Item 7 - Growing Places Fund, specifically Teanlowe Shopping Centre. As the report was an update with no specific decisions to be taken regarding Teanlowe Shopping Centre it was agreed that both Directors could participate in this item.

Mr Mendoros declared an interest in Item 8 – Growth Deal Update. Mr Mendoros Chairs Pendle Vision Board, it was agreed that this did not represent a direct conflict therefore Mr Mendoros was permitted to be present for Item 8.

Councillor Townsend declared an interest in Item 7 – Growing Places Fund, specifically Innovation Drive, On The Banks and Burnley Bridge. As the report was an update with no specific decisions to be taken regarding these projects in was agreed that Councillor Townsend be permitted to participate in this item.

5. Lancashire Enterprise Partnership - Approval of Dormant Accounts - Year Ending 30th September 2014

Resolved: The Board approved the accounts and financial statements for the Year Ending 30th September 2014 and authorised the Chair to formally sign the accounts.

6. Lancashire Enterprise Partnership - Nomination of new LEP Directors

The Chair presented a report which proposed the appointment of two additional LEP Directors, Mr Mark Smith, Vice Chancellor of Lancaster University and Mr David Taylor, David Taylor Partnership.

The Chair provided some background to the Board on the proposed new Directors and stated that Mr Mark Smith is the current Vice Chancellor of Lancaster University with his external appointments including membership of the Board of the UK Research Reserve; Ampère Prize Committee; Board of the Joint Information Systems Committee (JISC) and Engineering and Physical Research Council's College. He was also a member of the UK Government Treasury/Financial Skills Council (2006-08) working group looking at issues concerning the supply of people for the wholesale financial services sector and was a member of the Russell Group Pro Vice Chancellors for Research Group.

David Taylor is the Chairman of the Lancashire based David Taylor Partnership,

and is recognised as a leading national expert exponent of Urban Regeneration with extensive experience in Public, Private and Voluntary Sectors. David was the founding Chief Executive of English Partnerships and Amec Developments, and more locally was also the Chair of Elevate, East Lancashire's, Housing Market Renewal Company. David has been involved in the development and delivery of wide variety of development and regeneration strategies, programmes and projects of national and regional significance. His key strengths relate to his capacity to manage and maintain partnership working arrangements and to develop innovative regeneration solutions.

The Chair commended the skills and qualities that Mr Smith and Mr Taylor would bring to the LEP Board and recommended that the Board endorse their appointment as new LEP Directors.

The Board stated that they were satisfied with the information provided at the meeting by the Chair in respect of the proposed additional Directors, but requested that for future new Director appointments additional information as to why prospective new Directors are suitable for appointment and additional background information is added to the reports and that thought be given to the process for appointment. The Chair noted and agreed to the request.

Resolved: The Board agreed to recommend that the sole member of the company (Lancashire County Council) considers and approves the appointment of Mr Mark Smith and Mr David Taylor as new Directors of the Lancashire Enterprise Partnership.

7. Growing Places Update (Part II)

This item was private and confidential as it contained exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information).

Mr Cavill, Ms Connor and Mr Holmes left the meeting at this point.

Mr M Kelly, Director of Economic Development, Lancashire County Council, presented a private and confidential report regarding the Growing Places Fund.

Mr Kelly provided a progress update on the LEP's £19.3M Growing Places Fund (GPF) and provided information to the Board on the current investment programme and development pipeline.

Resolved: That the Board:

- (i) Noted the progress made with Growing Places Fund investment fund; and
- (ii) Requested that a further report be presented to the Board meeting to be held on 21st April 2015 on any proposed restructuring of the Luneside East

Growing Places funding agreement.

8. Growth Deal Update (Part II)

This item was private and confidential as it contained exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information).

Mr M Kelly presented a private and confidential report regarding the Growth Deal, specifically the Northlight regeneration initiative in Pendle.

Mr Kelly explained that the report sought Board approval to provide a Growth Deal contribution of £3.7M to the project sponsor of the Northlight scheme, subject to an agreed funding agreement.

Resolved: Following a discussion, the Board agreed to:

- (i) Note the progress made by local partners in restructuring the funding profile of the LEP's Priority 1 scheme, Northlight, and agreed to include the scheme as part of the LEP's Growth Deal 1 programme;
- (ii) Redirect £1.7M in additional Growth Deal funding which was previously assigned to the Fleetwood Fish Park in support of Northlight;
- (iii) Provide an additional £2M in Growth Deal funding by 1 April 2016, through the active management and value engineering of the LEP's overarching £251.2M Growth Deal funded delivery programme; and
- (iv) With the above subject to a Growth Deal funding agreement with the Northlight scheme sponsor, which, inter alia, confirms all other identified funding contributions have been successfully secured.

9. Lancashire Enterprise Partnership - Assurance Framework

Mr Cavill, Ms Connor and Mr Holmes rejoined the meeting at this point.

Ms B Joyce, Head of Strategic Development, Lancashire County Council presented a report and gave a presentation regarding a proposed Lancashire Enterprise Partnership Assurance Framework.

Ms Joyce explained that Government has asked each LEP to prepare an Assurance Framework in order to establish "processes, protocols and policies" of the LEP in one document. As accountable body, Lancashire County Council (LCC), needs to confirm to Government in April 2015 that an Assurance Framework has been prepared in line with guidance.

It was reported that the Assurance Framework had been considered by the LCC Scrutiny Committee on 13th March 2015 and their comments were tabled for Board members to consider.

The next stage in the process was for the LEP to consider and endorse the Assurance Framework which would then be presented to the Lancashire Chief Executives Group on 30th March 2015, and then to the LCC Cabinet on 2nd April 2015 for formal approval. Confirmation would then be sent to Government that the LEP has prepared an Assurance Framework in line with the guidance.

Board Members acknowledged the comments of the LCC Scrutiny Committee, in particular that the development of Section 2 of the Framework on "Local Authority Partnership working" will be key to setting out the LEP engages with locally elected representatives and how they can be involved in supporting and developing accountability.

In addition, Board Members sought clarification regarding the conflict resolution section of the Assurance Framework and the powers of the independent person(s).

The Company Secretary, Mr I Young, clarified that the conflict resolution policy would be used as a last resort in the unlikely event that the accountable body and the LEP were unable to resolve any dispute over a recommendation or decision taken by the LEP. In those circumstances it was proposed that the LEP and Accountable Body would agree to the appointment of an independent person(s), the purpose being to seek to facilitate agreement. It was not intended however that the LEP or Accountable Body would be bound by a decision or recommendation of the independent person. The Board were advised that if it was not possible to resolve a particular issue by agreement then rather than resort to expensive and protected arbitration or mediation provisions it would be preferable to have differences determined by the courts, particularly as disputes may involve vires issues.

The Chair informed the Board of an error in Skills Board Terms of Reference, page 93, Section 6 – Chair and Deputy Chair. The wording of this section stated that the Skills Board shall appoint one of its number to act as Chair ("the Chair"), and that the Chair of the Skills Board will be a private sector representative and be a member of the LEP Board.

The Board was reminded that it had appointed Amanda Melton as the new Chair following the resignation of Owen McLaughlin as a LEP Director at the previous LEP Board meeting and that the wording of this section should simply say that "The Lancashire Enterprise Partnership Board shall appoint the Chair". The Board approved this amendment to the Assurance Framework document.

Resolved: That the Board:

- (i) Approved the establishment of a Performance Committee, as outlined in Section 2.3 of the report;

- (ii) Requested that detailed terms of reference for the Performance Committee be brought to the 21st April 2015 meeting of the LEP Board;
- (iii) Approved the LEP Board Director Protocol relating to Gifts and Hospitality, as set out in Appendix 'A' Annex 6;
- (iv) Approved the LEP Complaints Policy, as set out in set out in Appendix 'A' Annex 7;
- (v) Noted the stakeholder arrangements for engagement with Lancashire local authorities on the draft Assurance Framework;
- (vi) Approved the draft Assurance Framework, attached at Appendix 'A' and delegated authority to the LEP Chair, Interim Chair of the Shadow Growth Deal Programme Board and Director of Economic Development and County Solicitor to finalise the document;
- (vii) Noted and approved the revised Terms of Reference of the Lancashire Skills Board, as set out Appendix 'A', Annex 1;
- (viii) Approved the submission of the draft Assurance Framework to the Cabinet meeting of Lancashire County Council, as accountable body for the LEP, on 2nd April 2015;
- (ix) Approved the approach to Growth Deal evaluation, as set out in Section 4 of the report, and requested that a detailed presentation be made to the LEP Board at a future meeting; and
- (x) Noted that, subject to approval by the Cabinet of the County Council, the Assurance Framework, Monitoring and Evaluation Framework and Implementation Plan will be submitted to Government in April 2015.

10. Lancashire Enterprise Partnership - Communications and Marketing

Ms Ruth Connor, Chief Executive of Marketing Lancashire Limited, presented a report to the Board (circulated).

Ms Connor explained that Lancashire's historically under-performs with regard to the positioning and marketing of the *Lancashire offer* to potential investors, businesses and growth sectors, and that the LEP may wish to consider adopting the Communications and Marketing Strategy as set out to assist with addressing this issue.

It was highlighted that although many local businesses and institutions are recognised as leaders and innovators in their fields, Lancashire, as a whole, has failed to promote these successes and systematically leverage key local assets and opportunities, with a view to attracting other highly motivated businesses and investors to the area.

Ms Connor detailed a proposal to commission an independent and suitably qualified agency to develop a compelling *Lancashire Story*, with an initial 12-month media and communications campaign, as part of an agreed strategy.

It was also proposed that the Chief Executive of Marketing Lancashire manages this commission on behalf of the LEP, under the direction of the LEP Chairman, with the support of the Head of Communications and Director of Economic Development at Lancashire County Council. It was further proposed that an additional LEP Director be sought to support the LEP Chairman in managing this commission. The Chief Executive of Marketing Lancashire will provide progress reports to each LEP Board with the first update scheduled for the Board meeting on 16 June.

The Board sought clarification as to the timescales for the appointment of the agency, Ms Connor confirmed the plan was to appoint the agency by June 2015 if the proposal is approved.

The Board requested that Communications and Marketing be added as a standing item to each LEP Board agenda in order to monitor closely.

Resolved: That the LEP Board:

- (i) Noted and commented on the contents of the report;
- (ii) Approves the proposed approach to developing a strategic marketing proposition for Lancashire, as set out in the report;
- (iii) Delegated authority to the LEP Chairman, with the support of the Director of Economic Development of the Lancashire County Council and the Chief Executive of Marketing Lancashire, to finalise an agency brief in accordance with the report;
- (iv) Approved the proposals, as set out in 2.5 and 6.4 of the report, regarding the commissioning and management arrangements for the appointment of consultants;
- (v) Agreed to identify a LEP Board Director to support the LEP Chairman with this workstream, for the next meeting to be held on 21st April 2015; and
- (vi) Requested that the Chief Executive of Marketing Lancashire provides regular updates, within the standing item section of Board agendas, on the appointment of consultants and the resultant work programme and stakeholder engagement strategy.

11. Any Other Business

Ms B Joyce reported that Rail North are holding a Lancashire Business Breakfast on Monday 23rd March 2015 in Preston and that LEP Directors are welcome to attend. It was confirmed that information regarding the event will be emailed to

LEP Directors in due course.

Mr E Booth advised that a LEP network meeting is due to take place on Thursday 26th March 2015 and asked for a volunteer to attend as he was unable to do so due to other commitments. Mr M Damms offered to check and confirm his availability.

It was also reported that formal Growth Deal signing will take place within the next week, with County Councillor Jennifer Mein signing the documentation on behalf of the LEP.

12. Date of Next Meeting / Programme of Future Board Meetings

The Board noted the date of the next meeting was Tuesday 21st April 2015 at 6pm, Cabinet Room 'D', County Hall, Preston and also noted the future programme of meetings for 2015/16.

Agenda Item 4

Director's Declaration of Interest in Proposed Transaction or Arrangement

LANCASHIRE ENTERPRISE PARTNERSHIP LIMITED

Name	
Date of Notification	
Date of Consideration of Item (i.e. date of Board meeting)	21.04.15
Item Number (if relevant)	
Description of Transaction	
Nature of Interest	



Lancashire Enterprise Partnership Limited

Private & Confidential: NO

Date: 21 April 2015

Growth Deal Monitoring and Evaluation Framework

Report Authors: Martin Kelly, Director of Economic Development, and Beckie Joyce, Head of Strategic Development, Lancashire County Council

Purpose of Report

Every Local Enterprise Partnership is required by Government to prepare and submit a Monitoring and Evaluation Framework (MEF), as part of their overarching Assurance Framework. The purpose of this report is to provide a near final MEF for consideration by the Lancashire Enterprise Partnership (LEP) Board.

Recommendations

The Board is asked to:

- (i) Note that the LEP Board agreed an overarching approach to Growth Deal evaluation at its meeting in March 2015;
- (ii) Approve the submission of the draft Growth Deal MEF to Government, based on the document set out in Annex 1;
- (iii) Note that the MEF is a live document and will be reviewed annually and according to business need;
- (iv) Note that an initial allocation of £100,000 has previously been set aside for monitoring and evaluation from the LEP's existing core funding allocation;
- (v) Note that the implementation of the MEF will be overseen by the proposed Growth Deal Management Board; and
- (vi) Request that detailed draft Terms of Reference for the Growth Deal Management Board be submitted to the June meeting of the LEP Board for consideration.



1. Background and Approach

- 1.1 The Lancashire Enterprise Partnership (LEP) secured one of the country's most significant Growth Deals with over £234M competitively secured from the Government's Local Growth Fund (LGF). Our Growth Deal programme has an investment value of over £500m, with the capacity to generate nearly 8,000 jobs and create over 3,300 new homes. The Growth Deal will enable the delivery of strategic transport, skill and economic development initiatives across the LEP footprint area.
- 1.2 Given the scale of resources devolved all LEPs are required to prepare and approve a Growth Deal Monitoring and Evaluation Framework (MEF) and to submit the MEF to Government. The shadow Growth Deal Implementation Board has overseen the preparation of the MEF which has been undertaken by a monitoring and evaluation sub-group with leading experts from Lancaster University Management School, with retained transport consultants Jacobs, along with officers with significant experience in this area from the County Council, and Blackburn with Darwen and Blackpool Councils.
- 1.3 The LEP Board, at its meeting in March 2015 approved the core principles which underpin the MEF:
 - (i) The need for monitoring and evaluation to be inter-linked and embedded at the start of the Growth Deal Programme;
 - (ii) A recognition of the benefits of formative (on-going) evaluation;
 - (iii) A programme approach whereby all project sponsors understand the impact of the performance of their scheme on the overall Growth Deal programme;
 - (iv) The need for detailed project evaluation on exemplar schemes; and
 - (v) An understanding that early intervention where projects are not achieving anticipated outputs can impact positively on the longer term impacts.

2. Developing The Growth Deal Monitoring and Evaluation Framework

- 2.1 Building on the principles outlined in 1.3 the monitoring and evaluation sub-group have prepared a draft MEF, which is attached at Annex '1'.
- 2.2 Individual project sponsors have been engaged in the preparation of the MEF from the outset and earlier drafts of the MEF have been submitted to both the Shadow Growth Deal Implementation Board and Government for comment and the final draft attached reflects and incorporates the feedback received.
- 2.3 The monitoring and evaluation sub-group have developed a "logic chain template" methodology for the MEF. This approach will ensure that there is a clear and consistent link, embedded from the outset, between the monitoring of key project outputs and the evaluation of outcomes and impacts.



- 2.4 Lancashire County Council, as accountable body, is required to complete and submit a quarterly financial monitoring report to Government. Additional outputs and impacts will be collected and submitted periodically (quarterly, annually and bi-annually).
- 2.5 In addition to specific project monitoring analysis, Government also expects each LEP to undertake/commission project evaluation. Government have advised that the extent, nature and scope of evaluation is a decision for individual LEPs. Notwithstanding that there is no additional budget for evaluation, it is important for the LEP to understand the outcomes and impact of its Growth Deal programme.
- 2.7 In addition to the "logic chain template" approach which all 30 GD projects will use the monitoring and evaluation sub group have developed and recommend a validation and exemplar approach to project evaluation. It is proposed that 12 GD projects are subject to a detailed evaluation exercise. An example of a Validation Evaluation Plan is set out within the MEF and involves a rigorous test of any assumptions made in the logic chain concerning, for example, the role of market forces (such as business demand for floorspace) in translating project outputs into impacts. It may result in variations to the planned activities both to monitor and or stimulate this demand.
- 2.8 It is proposed that a further 6 GD projects are subject to a more detailed evaluation. This will involve a more detailed monitoring of high cost, innovative or high risk (because of the extent perhaps to which they rely on a market response and the assumptions made about this) through the life of the project with the intention that this will result both in continuing improvement activities and provide a model for other similar projects.
- 2.10 All business cases approved by the LEP following independent scrutiny will set out detailed information on monitoring and evaluation, in accordance with the MEF. Project sponsors understand that the monitoring requirement will be formalised in the legally binding Local Growth Fund (LGF) Agreements and that it will be their responsibility to resource this requirement. A separate report on the principles of the LGF Agreements appears elsewhere in this agenda.
- 2.12 Detailed work is now underway with project sponsors to finalise the detail of the monitoring systems, templates and processes to ensure that data collection (and onward submission to Government) is simple, efficient and timely.
- 2.13 The LEP's Performance Committee and proposed Growth Deal Management Board can play a valuable role in ensuring that the systems in place are robust, and that there is a clear read across reporting and performance management systems of the LEPs other key initiatives.
- 2.14 A detailed presentation on the MEF will be made by Lancaster University Management School at the Board meeting.
- 2.15 It should be noted that all project sponsors have been given a further opportunity to confirm that the metrics sets out in the MEF are correct. In



addition some monitoring information is still being sought from Growth Deal extension project sponsors.

- 2.16 Subject to this outstanding information being incorporated into the MEF the Board is asked to approve the submission of the MEF, as set out in Annex 1, to Government in due course. (Please note the design, layout and format of the document will be improved, once all information has been received).
- 2.17 It should also be noted that the MEF will be published on the LEP website, along with key interim and final evaluation findings. The MEF is a live document and will be reviewed annually and or according to business need.

3. Financial and Resource Implications

- 3.1 The collection and submission of individual project core monitoring metrics (outputs and outcomes) and undertaking the formative evaluation using the "logic chain template" methodology is the responsibility of individual project sponsors. Lancashire County Council, as accountable body, is committed to providing Growth Deal programme level management: including legal; financial; implementation; monitoring; and communications support and capacity.
- 3.2 An initial allocation of £100,000 has been set aside from within the LEP's existing core funding budget to ensure that the external costs of exemplar and validation evaluation can be met in the first years of the Growth Deal Programme. It should however be noted that additional resources are likely to be required over the life-time of the Growth Deal Programme. Government have not confirmed future core funding allocations for LEPs, however, once there is further clarity on this position, the LEP will be able to make further investment decisions on the resources available for monitoring and evaluation.
- 3.3 The monitoring and evaluation sub group have provided invaluable advice and support in the preparation of the LEPs MEF. Government advised that all LEPs seek the input of local HEI expertise in the development of their MEF and the LEP has done this, with specific support from Lancaster University Management School drawing on their expertise and directly relevant experience in evaluating for Government the national Growth Hub network.
- 3.4 Subject to the LEP approving the MEF, the County Council, as accountable body, will advise on the optimum route to procuring the external validation and exemplar evaluation.
- 3.5 The Shadow Growth Deal Implementation Board was established, in interim, to oversee the preparation of the three core documents: the Assurance Framework; the MEF and the Implementation Plan, all three documents are now complete.
- 3.6 The Board has previously agreed to establish a Growth Deal Management Board, a key role of which will be to oversee the delivery of the Growth Deal Programme, including the implementation of the MEF. It is recommended that



detailed Terms of Reference for the Growth Deal Management Board are brought to the Board for consideration at its June meeting.

4. Conclusion and Recommendations

- 4.1 A significant amount of technical work has been undertaken in a relatively short period of time to ensure that the LEP's Monitoring and Evaluation Framework can be implemented from April.
- 4.2 The Board is asked to approve the recommendations set out at the front of this report.



Lancashire Enterprise Partnership

Annex '1'

Growth Deal

Monitoring and Evaluation Framework –Draft

Spring 2015

(NB subject to further document formatting)

Monitoring and Evaluating Framework for the Lancashire Growth Deal

1. Introduction

The Lancashire Growth Deal aims to realise the growth potential of the whole of Lancashire, building on key local economic assets including the universities and colleges, the Lancashire Advanced Engineering and Manufacturing Enterprise Zone, the Preston, South Ribble and Lancashire City Deal and high value business clusters in Central and East Lancashire, and the development of a renewal strategy for Blackpool.

The Lancashire Enterprise Partnership (LEP) secured one of the country's most significant Growth Deals with over £250M competitively secured from the Government's Local Growth Fund (LGF). Our Growth Deal programme has an investment value of over £500m, with the capacity to generate nearly 8,000 jobs and create over 3,300 new homes.

Monitoring and evaluation of the Growth Deal programme is required by Government and the LEP to enable them to understand what has been spent and what has been delivered, to provide information for reporting back to Ministers and the public, and for influencing future policy.

Monitoring is of immense value to local partners as it allows them to review momentum towards the achievement of milestones and progress towards the creation of outputs.

In respect of the Growth Deal, monitoring is defined as "the formal reporting and evidencing that spend and outputs are being delivered to target."

The model for monitoring is based primarily around a core set of metrics covering the activities, outputs and outcomes associated with the main typologies of intervention.

Evaluation has strong links to monitoring but allows more accurate judgements to be made of the effectiveness of interventions and to understand and learn "what works" in different areas and why.

In respect of the Growth Deal, evaluation is defined as "the assessment of policy effectiveness and efficiency during and after delivery. It uses evidence around outcomes and impacts in order to assess an intervention's success."

The LEP recognises there should to be a functional and meaningful relationship between monitoring and evaluation and has put in place mechanisms and resources to ensure this is embedded at the start of the Growth Deal period.

The LEP is committed to ensuring that monitoring and evaluation add real value to its Growth Deal programme and that project sponsors are engaged in the process,

rather than it merely being something "done" to them. The LEP and its Performance Committee will use the monitoring process to manage performance to ensure that the planned delivery is achieved. The LEP Board will receive quarterly Red/Amber/Green rated reports which will highlight key issues and actions which need to be resolved.

The LEP will continually assess the monitoring and evaluation information collected and will use it to further inform the Strategic Economic Plan (SEP) and future investment proposals and to identify opportunities to achieve enhanced outcomes and impacts.

The Shadow Growth Deal Implementation Board oversees the work of a monitoring and evaluation sub group and the County Council, the accountable body for the LEP, will ensure that the LEP's arrangements for monitoring and evaluation the Growth Deal will be implemented, in accordance with the LEP's Assurance Framework.

The LEP and Government recognise that this Monitoring & Evaluation Framework needs to be a "living" document that will be revised periodically with flexibility built-in to ensure it remains fit-for-purpose throughout the Growth Deal period.

2. Development of the Monitoring Framework

2.1 Metric Development & Review

In September 2014, the LEP asked Growth Deal project sponsors to review the expenditure and output information included in the SEP (following an initial consultation exercise to inform this plan) and to identify any additional outputs appropriate to their project from those highlighted in the August 2014 BIS report/presentation on Monitoring and Evaluating Growth Deals.

A list of monitoring metrics was forwarded to all project sponsors who were asked to identify which were relevant to their project. Projects were therefore ideally placed to respond to the publication on 30th September by Cabinet Office of a comprehensive draft list of core and supplementary monitoring metrics and definitions. A comprehensive list of these metrics is attached at **Appendix A**.

This second consultation exercise culminated in the submission to Government of a completed monitoring matrix in October 2014. A parallel exercise was also undertaken with the Further Education Skills Capital projects and a monitoring matrix, containing details of all projects, was submitted to Government in October.

A third consultation exercise was then undertaken with all project sponsors being asked to forecast targets against each of the metrics they had identified as being relevant to their project, profiled over the project lifetime. This exercise was completed in November 2014.

The same process will be applied to projects in the Growth Deal extension, which was announced in February 2015.

A meeting was held between the LEP (officers of the accountable body), Department of Business Innovation and Skills and Cabinet Office in November to review the LEP's plans for monitoring and evaluation of the Growth Deal programme.

Government officials expressed that they were comfortable with the monitoring matrix submitted and were satisfied with the progress that had been made.

2.2 Monitoring Framework

Following the meeting with Government officials, the LEP reviewed the metrics which project sponsors had identified as being relevant to their individual projects in the context of those originally included within the SEP and existing good practice. Discrepancies and ambiguities were worked-through with project sponsors.

All projects will report quarterly on the top 3 metrics – "Expenditure", "Funding breakdown" and "In-kind resources provided." The remaining metrics are split into "Core Metrics" and "Project Specific Outputs and Outcomes" which are to be collected where relevant to the intervention, and "Additional Monitoring" for specific schemes.

Agreed monitoring metrics by project are set out at **Appendix B**.

2.3 Monitoring frequency

As data owners, project sponsors are responsible for collecting and submitting their monitoring data to the LEP in accordance with a series of pre-agreed quarterly, bi-annual or annual timescales. **Appendix C** sets out a sample monitoring return form.

This will enable the LEP to analyse and collate data for submission to the Growth Deal Implementation Board, the LEP Board and to Government. All project sponsors have identified a named monitoring lead and have agreed to ensure the LEP is kept informed of personnel changes. **Appendix D** sets out project monitoring leads.

The LEP is required to provide quarterly monitoring updates. All Growth Deal projects will therefore be subject to quarterly monitoring of those metrics which are required at this frequency and bi-annual or annual reporting for the remainder of their proposed outputs.

The LEP, via its Performance Committee will also undertake periodic auditing of the monitoring and evaluation information provided by project sponsors to ensure accuracy and consistency.

3. Development of an Evaluation Framework

3.1 Role of Evaluation

Lancaster University was asked by the LEP to work alongside Lancashire's wider higher education institutions in developing the principles for an evaluation framework to sit alongside and compliment the monitoring plan for the county's Growth Deal.

The LEP Evaluation Guidance document specifies that "*Evaluations should serve to improve the efficiency and effectiveness of Deals (and their component interventions) as well as to estimate their effect*". The implication of this is that the Evaluation Plan should provide for both Formative (on-going) and Summative (reflective) Evaluation. In line with this, the HE group led by Lancaster University has provided advice and guidance on the development of the Evaluation Plan and the

development and management of a formative evaluation process of the whole Evaluation Plan. This has been undertaken in conjunction with establishing a project monitoring and programme management framework.

3.2 Review of Evaluation Options

All project sponsors were invited to an Evaluation Workshop arranged on behalf of the LEP by Lancaster University. This event, held in January 2015, provided an opportunity to bring together project sponsors to share ideas about evaluation options at an early stage in the Growth Deal programme.

The programme for the workshop included sessions on mapping the growth deal projects' Inputs, Outputs and Outcomes, the use of Logic Models to create Project and Programme Evaluation Frameworks; and the use of Evaluation Tools to deliver and demonstrate success. Following the Evaluation Workshop, all projects submitted completed Logic Model Templates to Lancaster University and these will form a core part of project management and implementation arrangements.

In addition to the Evaluation Workshop this Evaluation Plan was also informed by:

- Identification of the projects subject to formative evaluation to be covered by the University's evaluation activities. Whilst ongoing formative evaluation should be a key part of any project delivery it is not necessary for every project to be included for the following reasons:
 - a. Some projects share similar assumptions (such as the constrained demand used to justify transportation problems or opportunities to satisfy demand for industrial or commercial floorspace, constraints on company growth through skills shortage), and similar activities and resource need; it is therefore possible to share a common evaluation methodology, both formative and summative (such as the nature and methods of data collection).
 - b. In line with government guidance "it is better for LEPs to focus on producing a small number of high quality evaluations than to produce high coverage of their interventions by sacrificing evaluation quality."

It was recognised at this Workshop that there would be particular merit in undertaking more detailed formative evaluation on a number of selected projects. The purpose of this, and benefit to the Growth Deal programme, would be to;

- Identify exemplar projects to help promote the activities and achievements of the Growth Deal;
- Support the management of risk, especially of large scale and complex projects;
- Support the transfer of knowledge and learning between projects clusters, for example skills;
- Generate innovation within sector;
- Provide knowledge and expertise for the use of new and emerging projects.

3.3 Determination of Evaluation Options

On the basis of the shared understanding of evaluation objectives the Evaluation Plan will incorporate a selection of key projects for more detailed formative review, and by focussing on those that display characteristics and the criteria noted in section 3.2 lessons learned and changes made can be shared between similar projects through a dissemination and workshop format, whilst supporting the on-going programme and risk management.

The LEP has agreed that a selection of "upper tier" projects should be evaluated. These will be chosen to represent the breadth of activity being supported through the Growth Deal as well as its wide geographical spread. The projects selected for evaluation will also be of varying scale.

Two levels are proposed for the evaluation (a) project level and (b) programme level;

Project Level Evaluation will focus on the process of formative and summative evaluation within selected projects using an exemplar in each group as the focus of the evaluation team's activities. The activities will include:-

- Review of the Logic Models for the selected projects with the project team (including representatives from other projects); this will challenge the identified assumptions highlighting areas of relative structural weakness that will inform project planning;
- Support with the development of an evaluation framework at project level – this is likely to include advice and guidance on both interim outcome indicators and the development of instruments for data collection from potential beneficiaries (since formative evaluation relies heavily on the collection of qualitative data it is important that these are correctly designed); if necessary the University will lead the development of exemplars through a process of semi-structured research interviews;
- Support on-going project planning and adjusted project inputs; and
- Supporting necessary change control and any adjusted outputs and outcomes

Services at **Programme Level** will carry out a formative and summative evaluation across the projects to ensure that regular monitoring is carried out on a consistent basis every quarter.

These services will consist of;

- Design of the evaluation framework including, but not limited to, the status of evaluation plans at project level, proposed dates for the commencement of formative and summative evaluation, progress with project delivery, outcome and impact reporting, exceptions reporting and any change control items arising from the project level evaluation.

- Quarterly review of the progress with programme level evaluation including but not limited to reporting on progress with impact collection and any changes suggested to the evaluation framework and change control requests arising from project level evaluation.
- Preparation of reports on formative evaluation to the LEP Growth Deal Management Board.

3.4 Project Evaluation Plan

The monitoring and evaluation sub group have prepared a sample detailed evaluation plan for the Lancaster Health Innovation Campus and this is set out at **Appendix E.**

4. Implementation

4.1 Roles and Responsibilities

The expectation from Government is that monitoring and evaluation activity will be undertaken from within existing resources and that no additional support will be made available to the LEP for the purpose of evaluating the Growth Deal. Sponsors of projects which are selected for evaluation will be expected to work with the evaluation team in supporting the evaluative activity which takes place.

The collection and submission of individual project core monitoring metrics (outputs and outcomes) and undertaking the formative evaluation using the "logic chain template" methodology is the responsibility of individual project sponsors. Lancashire County Council, as accountable body, is committed to providing Growth Deal programme level management: including legal; financial; implementation; monitoring; and communications support and capacity

All business cases approved by the LEP following independent scrutiny will set out detailed information on monitoring and evaluation, in accordance with the MEF. Project sponsors understand that the monitoring requirement will be formalised in the legally binding Local Growth Fund (LGF) Agreements and that it will be their responsibility to resource this requirement

4.2 Resources

An initial allocation of £100,000 has been set aside from within the LEP's existing core funding budget to ensure that the external costs of exemplar and validation evaluation can be met in the first years of the Growth Deal Programme. It should be noted that additional resources are likely to be required over the life-time of the Growth Deal Programme. Government have not confirmed future core funding allocations for LEPs, however once there is further clarity on this position the LEP will make further investment decisions on the resources available for monitoring and evaluation

4.3 Timescales

The monitoring and evaluation process has already commenced with all Growth Deal projects (first approvals) having completed logic templates. This process will be completed by all 30 Growth Deal projects by May 2015. The first quarterly return will be submitted by the LEP will be for Quarter 1 (April – June 2015), and this will be submitted in accordance with Government timescales and criteria.

The LEP have made a firm financial commitment to the on-going formative and summative evaluation and are establishing the processes to enable this to take place simply, efficiently and affordably. The progress and success of the monitoring and evaluation framework per se will be reviewed annually by the Growth Deal Management Board and periodically by the Growth Deal Performance Committee.

Those projects subject to exemplar and validation evaluation will have evaluation intervention milestones set out in the detailed evaluation plans.

The effectiveness of the Growth Deal Programme itself will be captured through the formative evaluation process and a "whole programme" workshop will take place on an annual basis to enable the monitoring and evaluation sub group to prepare a detailed report on progress of the programme in achieving its stated aims and outputs. These reports will be presented by the Growth Deal Management Board to the LEP Board on an annual basis.

Those projects subject to exemplar and validation evaluation will have evaluation intervention milestones set out in the detailed evaluation plans.

4.4 Information Dissemination

The LEP's Assurance Framework sets out a clear commitment by the LEP to publish Agendas and reports on the LEP website. This MEF will be published on the LEP website and key evaluation and monitoring findings reported to the LEP Board over the course of the Growth Deal Programme will be published on the LEP website.

Appendix A – Core and supplementary monitoring metrics and definitions

1. CORE METRICS - to be collected for all projects and programmes					
Inputs	Unit	Frequency	Definition	Data source	Issues / further information
Expenditure	£, by source	Q	Expenditure defrayed directly on the intervention, broken down into LGF funds, other public sector funds and private funds. Where expenditure takes the form of grant support to applicants (e.g. skills capital, some business support), the amount of grant paid to successful applicants should be reported (not the amount approved).	LEP MI	
Funding breakdown	£, by source	Q	Non LGF Funding delivered - including public, private and third sector match funding, broken down by source. This should not include in-kind contributions	LEP MI	
In-kind resources provided	qualitative	Q	Land, buildings or other assets provided to resource the intervention	LEP MI	

Outcomes					
Jobs connected to the intervention	FTEs	A	Permanent paid full time equivalent jobs that are directly connected to the intervention, measured by FTE at predetermined "impact sites". This includes: - Employment on occupied commercial premises (in the case of	Scheme sponsor	Likely to require primary survey work. Employment is counted gross - no account of deadweight or displacement at the monitoring stage.

			<p>site development)</p> <ul style="list-style-type: none"> - Employment in supported enterprises (in the case of business or innovation support) - Employment in FE space directly improved or constructed by the intervention <p>"Impact" sites are those sites where there has been a demonstrable unlocking impact as a result of Growth Deals projects (e.g. transport, skills capital) - these sites of "impact" are to be mutually agreed by LEP/HMG in advance of reporting. Excludes jobs created solely to deliver the intervention, e.g. construction jobs.</p>		
Commercial floorspace constructed	sq m, by class	A	<p>For both direct employment sites and "impact" sites, the area and class of commercial floorspace completed. "Impact" sites are defined as for jobs created above. Floor areas should be measured in accordance with the RICS Code of measuring practice (6th edition) 2007. A building should be classified as completed once it is on the non-domestic rating list.</p>	Scheme sponsor	<p>Need to define and agree "impact" sites in advance - can we articulate some criteria relating to planning or access? Need to demonstrate the credibility of that outcomes can be attributed (on balance) to the project. Likely to require primary survey work. Does not take account of refurbished floorspace.</p>
Housing unit starts	#	A	<p>For both direct housing sites and "impact" sites, the number of housing</p>	Scheme sponsor	<p>Same issues as defining commercial floorspace</p>

			units completed. "Impact" sites are defined as for jobs created above.		above around establishing impact sites. Should we break this up into class of housing? E.g. affordable housing?
Housing units completed	#	A	For both direct housing sites and "impact" sites, the number of housing units completed. "Impact" sites are defined as for jobs created above.	Scheme sponsor	Same issues as defining commercial floorspace above around establishing impact sites. Should we break this up into class of housing? E.g. affordable housing?

2. PROJECT SPECIFIC OUTPUTS AND OUTCOMES - to be collected where relevant to the intervention					
Activity/Output Characteristics					
Transport					
Total length of resurfaced roads	km	Q	Length of road for which maintenance works have been completed	Scheme sponsor MI	
Total length of newly built roads	km	Q	Length of road for which works have been completed and now open for public use	Scheme sponsor MI	
Total length of new cycle ways	km	Q	Length of cycle way for which works have been completed and now open for public use	Scheme sponsor MI	
Type of infrastructure delivered	drop down list	B/A	Identify what has been constructed as a result of the project - utilise units where appropriate e.g. length of cycle path	Scheme sponsor MI	Limit to how long of a list will be provided so interventions will have scope to supplement

					with other types
Type of service improvement delivered	drop down list	B/A	Identify the nature of service improvement as a result of the intervention e.g. improved bus service	Scheme sponsor MI	

Land, Property and Flood Protection					
Area of site reclaimed, (re)developed or assembled	ha	Q	Area of land directly improved by the project that is now suitable for commercial development where previously it was unattractive to commercial developers. Reclaimed: making the land fit for use by removing physical constraints to development or improving the land for hard end use; providing services to open it up for development, e.g. provision of utilities or service roads	Scheme sponsor MI	
Utilities installed	drop down list and km	Q	Identify what has been constructed as a result of the project. Drop down list: water pipe; gas pipe, electric cables, internet cable. And km of cabling/piping	Scheme sponsor MI	
Area of land experiencing a reduction in flooding likelihood (ha)	ha	Q	Area of land with a reduced likelihood of flooding as a result of the project	Scheme sponsor MI	

Business Support, Innovation and Broadband					
Number of enterprises receiving non-financial support	#, by type of support	Q	Number of SMEs receiving support (inc. advice and training) with the intention of improving performance (i.e. reduce costs, increase turnover/profit, innovation, exporting). Value of the support should be a minimum of £1,000, calculated at Gross Grant Equivalent (see ERDF guidance) or a minimum of 2 days of consulting advice.	Scheme sponsor MI	
Number of new enterprises supported	#	Q	As above, but businesses that have been trading for less than three years.	Scheme sponsor MI	
Number of potential entrepreneurs assisted to be enterprise ready	#	Q	Number of individuals receiving non-financial support (i.e. advice or training) with the intention of commencement of trading	Scheme sponsor MI	
Number of enterprises receiving grant support	#	Q	Number of SMEs receiving grant funding support with the intention of improving performance (i.e. reduce costs, increase turnover/profit, innovation, exporting). To be counted where the support is at least £1,000.	Scheme sponsor MI	
Number of enterprises receiving financial support other than grants	#	Q	Number of SMEs receiving funding support in the form of equity or repayable loan instruments with the intention of improving performance (i.e. reduce costs, increase turnover/profit, innovation, exporting). Counted where amount of support is at least £1,000.	Scheme sponsor MI	
Additional businesses with broadband access	#	Q	For broadband interventions only: number of additional commercial	Scheme sponsor MI	

of at least 30mbps			premises that, as a result of intervention, now have the option to access broadband of at least 30mbps (average), where this was not previously the case		
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Skills Capital					
New build training/learning floorspace	sq m	Q	The amount of "new build" training/learning floorspace constructed. Figures to be provided following completion.	LEP to record from Post Occupancy Evaluation reports (standard reports submitted to SFA on project completion) and/or project implementation reports submitted by colleges/providers	
Refurbished training/learning facilities	sq m (where FE colleges are involved, by estate grading)	Q	The amount of new training/learning floorspace refurbished to improve building condition and/or fitness for purpose. For FE colleges, this should be by estate grading. Figures to be provided following completion.	LEP to record from Post Occupancy Evaluation reports and/or project implementation reports submitted by colleges/providers	Unlike FE Colleges, there is no formal building condition benchmarking system for private providers – however the overall amount of floorspace refurbished will be sufficient for private providers.
Floorspace rationalised	sq m	Q	The amount of overall floorspace reduced following completion of the	LEP to record from Post	

			project through, for example, demolition or disposal. Figures to be provided following completion.	Occupancy Evaluation reports and/or project implementation reports submitted by colleges/providers	
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Outcomes					
Transport					
Follow on investment at site	£, by source	A	For "impact" sites, the volume of public, private or third sector investment undertaken at the site over and above that directly associated with the Growth Deals project, where there is a demonstrable link with the Growth Deals project. This should not include in-kind contributions. "Impact" sites are those sites where there has been a demonstrable unlocking impact as a result of the Growth Deals transport project - these sites of "impact" are to be mutually agreed by LEP/HMG in advance of reporting.	Scheme sponsor	Need to define and agree "impact" sites in advance - defined by LEPs so as to maintain the credibility that outcomes can be attributed (on balance) to the project Likely to require primary survey work. Deliberately constructed as a gross measure, no correction for deadweight or displacement to be applied at this stage.
Commercial floorspace occupied	sq m, by class	A	For "impact" sites, the area and class of commercial floorspace completed that is currently occupied by commercial tenants. "Impact" sites are those sites where there has been a demonstrable unlocking impact as a	Scheme sponsor	Likely to require primary survey work Impacts are gross - no account of displacement. This outcome is a further

			result of the Growth Deals transport project - these sites of "impact" are to be mutually agreed by LEP/HMG in advance of reporting.		link of the chain proceeding from follow-on investment rather than a completely separate outcome
Commercial rental values	£/sq m per month, by class	A	The market rate for leasing commercial floorspace at the "impact" site	Scheme sponsor	

Land, Property and Flood Protection					
Follow on investment at site	£, by source	A	For the project site, the volume of public, private or third sector investment undertaken at the site over and above that directly associated with the initial Growth Deals project, where there is a demonstrable link with the Growth Deals project. This should not include in-kind contributions.	Scheme sponsor	As for equivalent transport metric above
Commercial floorspace refurbished	sq m, by class	A	For project sites, the area and class of refurbished commercial floorspace. Floor areas should be measured in accordance with the RICS Code of measuring practice (6th edition) 2007.	Scheme sponsor	Likely to require primary survey work
Commercial floorspace occupied	sq m, by class	A	For project sites, the area and class of commercial floorspace constructed/refurbished that is currently occupied by commercial tenants.	Scheme sponsor	As for equivalent transport metric above
Commercial rental values	£/sq m per month, by class	A	The market rate for leasing commercial floorspace at the project	Scheme sponsor	

			sites		
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Business Support, Innovation and Broadband					
Financial return on access to finance schemes	%	A	The financial return to the scheme associated with revolving/repayable access to finance interventions - measured as a % return on initial investment.	Scheme sponsor MI	

Skills Capital					
Follow on investment at site, including revenue funding	£, by source	A	For the project site, the volume of public, private or third sector investment undertaken at the site (including revenue funding, for example for training courses) over and above that for the Growth Deals project, where there is a demonstrable link with the Growth Deals project. This should not include in-kind contributions.	College/SFA data	
Post code for new build sites	qualitative	A	Post code for new build sites, for matching with SFA database	Scheme sponsor MI This information can potentially be used by the SFA to draw out metrics on learners and qualifications at the site level, to	

				be shared with LEPs.	
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3. ADDITIONAL MONITORING - for specific schemes (see below)					
Transport - to be collected for all projects/programmes involving more than £5m public funding and where these metrics and the collection points are relevant to the intervention					
Average daily traffic and by peak/non-peak periods	# vehicles	B/A	Average daily traffic by direction; AM, Inter- and PM peak hour traffic flows by direction	Automatic Traffic Counters; Manual Classified Counts	Data collection location depends on the potential impact of transport schemes. Peak/inter-peak is defined based on local traffic flows. This applies to most transport interventions.
Average AM and PM peak journey time per mile on key routes (journey time measurement)	hr/mile	B/A	Average AM and PM peak journey time per mile on key routes	Trafficmaster data; Automatic Number Plate Recognition	Traffic congestion statistics reported across whole intervention area and on key corridors targeted for investment
Average AM and PM peak journey time on key routes (journey time measurement)	minutes	B/A	Average AM and PM peak journey time on key routes	Journey time surveys	Data collection location depends on the potential impact of transport schemes.
Day-to-day travel time variability	minutes	B/A	Standard deviation of AM and PM peak hour journey time	Journey time surveys; Trafficmaster data	This applies to highway/public transport intervention on key corridors targeted for

					investment
Average annual CO2 emissions	tonnes	B/A	Average annual CO2 emissions	Use the Local Authority Carbon Tool based on distance travelled, vehicle speed and vehicle mix	Report across whole intervention area
Accident rate	# by severity	B/A	Number of accidents and accident rate by severity and class of road	STATS 19 Accident data	Report on key roads/junctions/area targeted for improvement. This metric applies to those schemes which are anticipated to have a significant impact on accidents.
Casualty rate	# by severity	B/A	Number of casualties and casualty rate by severity and class of road user	STATS 19 Accident data	Report on key roads/junctions/area targeted for improvement. This metric applies to those schemes which are anticipated to have a significant impact on accidents.
Nitrogen Oxide and particulate emissions	NOx (tonnes); PM10 ($\mu\text{g}/\text{m}^3$)	B/A	NO _x emissions in tonnes per year; PM10 concentrations per year	Air quality monitoring survey	Affected network is defined as the existing route, the new route, or an improved route on which traffic flow changes are considered to be significant. This

					metric applies to those schemes which are anticipated to have a significant impact on air quality.
Traffic noise levels at receptor locations	LA _{10, 18hr} (dB)	B/A	Traffic noise levels at receptor locations	Automatic Traffic Counters (18 hour Annual Average Weekday Traffic, composition of traffic - % Heavy Goods Vehicles, average traffic speeds); Noise monitoring survey	This depends on the scale of the proposed project, the site and local circumstances, and the location of sensitive receptors. This metric applies to those schemes which are anticipated to have a significant impact on noise.
Annual average daily and peak hour passenger boardings	#	B/A	Annual average daily passenger boardings; AM, inter- and PM peak hour passenger boardings	Bus/rail ticketing data; Manual counts at stops/stations	The data collection method/location depends on the bus/rail/sustainable transport package.
Bus/light rail travel time by peak period	Minutes	B/A	AM and PM peak bus/light rail travel time	Bus journey time surveys or Automatic Vehicle Location data; Rail journey timetable	The data collection method/location depends on the bus/rail/sustainable transport package.
Mode share (%)	%	B/A	AM and PM peak proportion of trips for different travel modes	Automatic Traffic Counters; Manual Classified Counts	Need to define study area / specific site. This metric applies to bus/rail/sustainable transport package.
Pedestrians counts on	#	B/A	Pedestrians counts on new/existing	Manual counts;	This applies to

new/existing routes (#)			routes	Video cameras	sustainable transport initiatives for walking.
Cycle journeys on new/existing routes (#)	#	B/A	Cycle journeys on new/existing routes	Manual cycle counts; Automatic cycling counters; Video cameras	This applies to sustainable transport initiatives for cycling.
Households with access to specific sites by mode within threshold times (#)	#	B/A	Households with access to specific sites within 20/40 minutes using public transport/walking, car and cycle	Accessibility statistics published by DfT; Produce bespoke accessibility measures and travel time calculations using off-the-shelf software	The specific sites targeted for transport schemes.

Business Support, Innovation and Broadband - to be collected where more robust evaluation is planned and where these metrics are relevant to the intervention					
Detail of successful and unsuccessful applicants		On-going	Administrative database covering company name, address, post code and CRN - company reference number. Named contact, telephone number and email address (and consent for being contacted). This should be captured for both successful and unsuccessful applicants.	Scheme sponsor MI	Required for robust long term evaluation
Beneficiary characteristics (business age, size, sector)		On-going	Collected at the point of initial contact - Age: year of business registration / founding year - Size: turnover and employment	Scheme sponsor MI	

			- Sector: to SIC (2007) one digit level (or higher)		
Other support provided to applicant firm	£, by scheme	On-going	Other types of support received by successful applicants; covering the scheme, timing, type and value (£) of support received	Scheme sponsor MI	
Number of entrepreneurial readiness assists progressing to trading	#	A	The number of potential entrepreneurs assisted that have subsequently progressed to full trading	Scheme sponsor	Will require a bespoke survey of beneficiaries - could do on a sample basis.
Number of enterprises assisted to cooperate with research entities/institutions	#	A	The number of treated SMEs working jointly with research entities after assistance has been given. Should be counted up to 3 years following support. Knowledge transfer is about transferring good ideas, research results and skills between the knowledge base and business to enable innovative new products and services to be developed	Scheme sponsor	
Number of enterprises supported to introduce new to the market products	#	A	The number of treated SMEs that successfully introduce a new-to-market product after assistance has been given. Product should be available for commercial purchase. Should be counted up to 3 years following support.	Scheme sponsor	
Number of enterprises supported to introduce new to the firm products	#	A	The number of treated SMEs that introduce a new-to-firm product after assistance has been given. Product to be available for commercial purchase Should be counted up to 3 years following support.	Scheme sponsor	

Appendix B – Project metric selection

Lancaster University – Health Innovation Park	
• Jobs connected to the intervention	Annual
• Commercial floorspace constructed	Annual
• Number of enterprises receiving non-financial support	Quarterly
• Number of enterprises assisted to cooperate with research entities/institutions	Annual
• Number of enterprises supported to introduce new to the market products	Annual
• Number of enterprises supported to introduce new to the firm products	Annual

Growth Hub	
• Jobs connected to the intervention	Annual
• Number of enterprises receiving non-financial support	Quarterly

Blackburn to Bolton Rail Corridor Capacity Improvements	
• Jobs connected to the intervention	Annual
• Housing unit starts	Annual
• Housing units completed	Annual
• Type of infrastructure	Biannual
• Type of service improvement	Biannual
• Day-to-day travel time variability	Biannual
• Average annual CO2 emissions	Biannual
• Annual average daily and peak hour passenger boardings	Biannual
• Mode share (%)	Biannual

Blackburn Town Centre Improvements	
• Jobs connected to the intervention	Annual
• Total length of resurfaced roads	Quarterly
• Total length of new cycle ways	Quarterly
• Type of infrastructure	Biannual

• Type of service improvement	Biannual
• Average daily traffic and by peak/non-peak periods	Biannual
• Accident rate	Biannual
• Casualty rate	Biannual
• Mode share (%)	Biannual
• Pedestrian counts on new/existing routes (#)	Biannual
• Cycle journeys on new/existing routes (#)	Biannual

Centenary Way Viaduct Major Maintenance Scheme	
• Total length of resurfaced roads	Quarterly
• Type of service improvement	Biannual
• Average daily traffic and by peak/non-peak periods	Biannual

Burnley/Pendle Growth Corridor	
• Jobs connected to the intervention	Annual
• Commercial floorspace constructed	Annual
• Housing unit starts	Annual
• Housing units completed	Annual
• Total length of new cycle ways	Quarterly
• Type of service improvement	Biannual
• Follow on investment at site	Annual
• Commercial floorspace occupied	Check
• Commercial rental values	Check
• Average daily traffic and by peak/non-peak periods	Biannual
• Average AM and PM peak journey time on key routes (journey time measurement)	Biannual
• Day-to-day travel time variability	Biannual
• Average annual CO2 emissions	Biannual
• Accident rate	Biannual
• Casualty rate	Biannual
• Nitrogen Oxide and particulate emissions	Biannual

• Annual average daily and peak hour passenger boardings	Biannual
• Pedestrian counts on new/existing routes (#)	Biannual
• Cycle journeys on new/existing routes (#)	Biannual
• Households with access to specific sites by mode within threshold times (#)	Biannual

East Lancashire Strategic Cycle Network	
• Total length of resurfaced roads	Quarterly
• Total length of new cycle ways	Quarterly
• Pedestrian counts on new/existing routes (#)	Biannual
• Cycle journeys on new/existing routes (#)	Biannual
• Total length of improved cycle ways	Extra indicator

M55 to St. Anne's Link Road	
• Jobs connected to the intervention	Annual
• Commercial floorspace constructed	Annual
• Housing unit starts	Annual
• Housing units completed	Annual
• Total length of newly built roads	Quarterly
• Total length of new cycle ways	Quarterly
• Follow on investment at site	Annual
• Commercial floorspace occupied	Check
• Area of land experiencing a reduction in flooding likelihood (ha)	Quarterly

Blackpool Integrated Traffic Management	
• Average daily traffic and by peak/non-peak periods	Biannual
• Average AM and PM peak journey time on key routes (journey time measurement)	Biannual
• Average annual CO2 emissions	Biannual
• Nitrogen Oxide and particulate emissions	Biannual

Blackpool Bridges Major Maintenance Scheme	
• Housing units starts	Annual
• Housing units completed	Annual
• Total length of resurfaced roads	Quarterly
• Type of infrastructure	Biannual
• Type of service improvement	Biannual
• Follow on investment at site	Annual

Heritage Based Visitor Attraction Blackpool	
• Jobs connected to the intervention	Annual
• Commercial floorspace constructed	Annual
• Utilities installed	Quarterly
• Commercial floorspace refurbished	Annual
• New build training/learning floorspace	Quarterly
• Refurbished training/learning facilities	Quarterly

Preston Bus Station and Fishergate Shared Space Expansion	
• Jobs connected to the intervention	Annual
• Commercial floorspace constructed	Annual
• Total length of resurfaced roads	Quarterly
• Type of service improvement	Biannual
• Commercial floorspace occupied	Check

Lancashire Energy Headquarters, Blackpool and the Fylde College	
• Jobs connected to the intervention	Annual
• Area of site reclaimed (re) developed or assembled	Quarterly
• Utilities installed	Quarterly
• New build training/learning floorspace	Quarterly

Fleetwood Fire Training Centre Phase 2, Blackpool and the Fylde College	
• Jobs connected to the intervention	Annual
• Area of site reclaimed (re) developed or assembled	Quarterly
• New build training/learning floorspace	Quarterly
• Follow on investment at site, including revenue funding	Annual

Marine Engineering Centre Phase 2, Blackpool and the Fylde College	
• Jobs connected to the intervention	Annual
• New build training/learning floorspace	Quarterly
• Floorspace rationalised	Quarterly

Mechanical and Electrical Replacements, Blackpool and the Fylde College	
• Refurbished training/learning facilities	Quarterly
• Follow on investment at site, including revenue funding	Annual

Engineering, Science and Innovation Centre, Runshaw College	
• Jobs connected to the intervention	Annual
• New build training/learning floorspace	Quarterly
• Refurbished training/learning facilities	Quarterly
• Floorspace rationalised	Quarterly
• Follow on investment at site, including revenue funding	Annual

Food and Farming Innovation Centre, Myerscough	
• Jobs connected to the intervention	Annual
• Commercial floorspace constructed	Annual
• New build training/learning floorspace	Quarterly
• Refurbished training/learning facilities	Quarterly
• Follow on investment at site, including revenue funding	Annual

EXPENDITURE

Project sponsor

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Additional Engineering Training Equipment, Training 2000	
• Jobs connected to the intervention	Annual
• Refurbished training/learning facilities	Quarterly
• Follow on investment at site, including revenue funding	Annual

In Table 1, please note the expenditure for your project by quarter and by funding source. Columns C, E, G, I and K show agreed funding targets. Use the 'Status' section to demonstrate if your outputs are on target (Green), behind target but will make up next quarter/by the end of year (Amber) or behind target and unlikely to make up before the end of year. Use the Notes section to bring anything else to the Growth Deal team's attention. Please complete for **ALL** outputs.

TABLE 1 - EXPENDITURE PROFILE (£M)

Status Place a **X** to note progress against overall 2015/16 target as per criteria above

-	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	2015/16 Target	2015/16 Actual				Notes
Project Sponsor funding									0.00					-
Funding sources									0.00					-
Funding sources									0.00					-
Funding sources									0.00					-
Funding sources									0.00					-
In kind resources									0.00					-
Total	0.00		0.00		0.00		0.00		0.00					-

OUTPUTS

In Table 2, please note the outputs for your project by quarter and by funding source. Columns C, E, G, I and K show agreed output targets. Use the 'Status' section to demonstrate if your outputs are on target (Green), behind target but will make up next quarter/by the end of year (Amber) or behind target and unlikely to make up before the end of year. Use the Notes section to bring anything else to the Growth Deal team's attention. Please complete for **ALL** outputs.

TABLE 2 - OUTPUT PROFILE

Status Place a **X** to note progress against overall 2015/16 target, as per criteria above

CORE METRICS	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q3 Target	Q3 Actual	Q4 Target	Q4 Actual	2015/16 Target	2015/16 Actual				Notes
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TABLE 3 - EMERGING ISSUES Please use this section to note any obstacles, issues or interruptions to the progress of your project, particularly in relation to assumptions and inputs as noted in you Logic Model

TABLE 4 - CHANGE REQUEST Please use this section to a) note which output indicator(s) you are requesting a change for, b) what the new output indicator(s) is to be and c) the reason for this change

Advanced Engineering and Manufacturing Innovation Centre, Nelson and Colne College	
• Jobs connected to the intervention	Annual
• Refurbished training/learning facilities	Quarterly
• Follow on investment at site, including revenue funding	Annual

Still requires all information for GD Extension projects

Project Leads Appendix D still required

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Appendix E – Exemplar Project Plan – Sample

Lancaster Health Campus - Evaluation Plan - An Example of an Exemplar Project

Introduction and Objective

The objective of the evaluation plan is twofold:-

- (i) To ensure that the logic through which the outputs of the project deliver the outcomes and impacts is sound and remains so throughout the project in the light of changes in the environment external to the project; this includes ensuring that any activities and their required resources are included in the plan at the appropriate time and quantum. (Theory & Process based)
- (ii) To monitor progress against plan in respect of the three essentials (outputs, outcomes and impacts) and monitor the translation of the outputs into planned outcomes and impacts, providing the necessary data to demonstrate effective management, report against targets and identify the need for any corrective actions. (Output / Outcome based)

NB “Evaluation” in this context means both internal (to the Growth Deal) formative and summative evaluation **including** the identification and authorisation of any changes to project plans (covering outputs, timescales and resources, outcomes and impacts) under the appropriate change control and delegation arrangements.

Evaluation Plan Phases

In order to achieve the objective of the evaluation plan it is structured into 3 elements:-

- (i) Preliminary
- (ii) Pre-project
- (iii) Within Project.

The **Preliminary Phase** consist principally of a rigorous test of the logic model to serve the first part of the first objective; it provides also for:

- (i) the identification of data to be collected to ensure that the logic remains sound throughout the programme for use in the pre-project phase
- (ii) the identification of any additional activities which need to be carried out to ensure as far as possible the translation of outputs into outcomes and impacts and the resources needed for these, and
- (iii) checking the resources needed to complete the project identified in the logic model against those available at the outset so that the stage gates and dependencies for the acquisition of these resources can be included in the project plan.

The **Pre-project Phase** consists of carrying out all those activities needed to plan for and implement the in-project evaluation at 5 levels; at the project level, the LEP Growth Deal Monitoring & Evaluation sub-group, The LEP Growth Deal and main Boards and BIS. These include:-

- (i) Identifying the project level Governance Structure for the project and the scheme of delegation for change control from the LEP Growth Deal Monitoring & Evaluation Sub-Group to the project level
- (ii) Identifying the project plan for the implementation of the project
- (iii) Identifying standard, sector/theme specific and project specific metrics against the project, including interim indicators that are early evidence that the translation of outputs into outcomes and impacts are being delivered as planned,
- (iv) Planning the timescales for the collection of the data at (iii) against the project plan at (ii) including forecast dates at which interim indicators and impacts should sensibly be collected.

The **In-Project** plan includes the detailed arrangements for collecting the data at project level, reporting on the monitoring of the use of resources and delivery of outputs by the activities, and scrutiny of these for any change control requests and/or recommendations for reporting to the LEP Growth Deal Monitoring & Evaluation Sub-Group (and thence the LEP Growth Deal and main Boards). It also includes the identification of any learning points emerging from the formative evaluation of the project for knowledge transfer to other Growth Deal projects.

Evaluation Plan – Lancaster Health Campus

Evaluation Plan - Preliminary Phase

This has already been carried out as part of the preparation of the evaluation plan but is included here as an illustration of what is involved in the testing of the logic model (a process included in the outline proposal from the Lancashire universities to the LEP), what it achieves and why this is an important element of the detailed preparation of the evaluation plan.

As a result of asking the project team to explain the logic through which the outputs were intended to achieve the outcomes and the impacts a number of changes to the activities shown in the model were made, the three principle ones being:-

- (i) the identification of an implicit assumption that new knowledge exchange programmes are needed focused upon innovation in the improvement of existing and development of new products, processes and services targeted on healthy ageing; whilst this assumption is soundly based in principle the critical success factors for such programmes should be tested by localisation to the theme of innovation in

health and social care for healthy ageing from programmes shown by the university to be successful in supporting the development of collaborations in other sectors and across other themes, an activity to test this requirement is suggested (by small U&A¹ studies) prior to (ii),

- (ii) Inclusion of an activity to trial the roll out of new knowledge exchange programs anticipating potential co-location of collaborative projects to the new campus as a precursor to co-location of external collaborating organisations (businesses, third and public sector) there (this process would yield important interim indicators of the development of impacts as well – see under pre-project), and;
- (iii) the identification of an implicit assumption that target organisations would understand the potential commercial/service improvement opportunities arising from collaboration with the university on the improvement of existing/development of new products, processes and services focused on the new health and social care demands driven by an ageing population; as this assumption is considered fragile by the project staff a market education activity is included to test and stimulate this understanding.

(These replace the “Advertise HIC phase 1 facilities”)

Consequential changes to the logic model are the inclusion of the necessary resources and expertise in knowledge exchange programmes to provide for these activities

The implicit assumptions that there is an emerging market opportunity available for use of the university’s research expertise is now stated as an assumption in the model (shown to be the case by independent and objective research); the same research identifies both the opportunity arising from the existing research and the need to align the research better with the emerging need (stated as an assumption).

Discussion of the impacts and how they can be collected reveals one key factor affecting the plans for data collecting and monitoring: This that the impact stated as “Establishment of HIC as a national centre of Excellence” has no independent objective measure but is a stakeholder (e.g. NHS or HEFCE) perception and in this respect is an outcome rather than an impact. However, it is retained as an impact in so far as this is evidenced by and realised in the other stated impacts including increased academic staff, undergraduate and postgraduate student numbers and increased research income and impacts.

Other minor changes to the model include deleting several assumptions (which are replaced by those described above) and recasting the relocation of the Faculty of Health and Medicine as an output (it is under the direct control of the University) rather than an outcome.

Interim indicators revealed by the preliminary phase, which are key to formative evaluation, are described in the pre-project phase. A revised logic model is shown at annexe A.

¹ Usage and Attitude – propensity of key stakeholders to engage

Evaluation Plan Pre-Project Phase

The following provision is indicated as part of the preparation for evaluation of the project during implementation.

- (i) Institution by the University of a formal project board to oversee the whole project; at present this only exists formally in so far as the physical construction is concerned; however achieving the impact relies on other activities (such as those described under “Evaluation Plan – Preliminary Phase”) and it is important that the oversight of the project by the University covers both.
- (ii) The evaluation framework should include a formal governance arrangement mediated by the LEP Growth Deal Monitoring & Evaluation sub-group concerning a scheme of delegation on change control; this will influence the levels at which monitoring and evaluation data and outcomes are reported either as decisions or as recommendations (either by the project board instituted at (i) above or by the LU Evaluation Panel reporting to the LEP Growth Deal Monitoring & Evaluationsub-group.)
- (iii) The University will develop and maintain under change control a project plan covering all the project activities in order to co-ordinate the implementation of the outreach activities with the development of the physical infrastructure and accordingly refine the timescales at which the data concerning interim indicators might be sensibly tested; timescales at present are indicative only and based on the impact timescales included in the financial profile data.

Also as part of Pre-project Preparation – it is noted that the measurement of health outcomes needs collaboration in particular with local authority A and NHS partners - the University should consider including these as partners in the development of knowledge exchange programmes in order to engage them in the collection and monitoring of data in the later years of the programme.

Evaluation - Data Collection Matrix

Part of the pre-project preparation is the design of a data collection matrix for project progress and performance evaluation. This matrix includes standard items, sector/theme specific items and project specific items. It covers outputs, impacts and interim indicators (typically of progress towards impacts from the actual or anticipated outputs).

Indicator	Collected From	Timing (From) & Frequency (Quarterly Unless Stated)	Designation and Notes
Standard Project Progress Data			
Budget Required	Project	Q2 2015	Resource

Budget Achieved	Project	Q2 2015	Interim Indicator (This project anticipates obtaining further funding from HEFCE and ESIF)
Spend to date	Project	Q2 2015	Resource Use
Committed	Project	Q2 2015	Resource Use
Project Future Spend	Project	Q2 2015	Resource Use
F/Cast Spend	Derived	Q2 2015	Resource Use
Progress Against Plan	Project (Tracking Gantt)	Q2 2015	Outputs
Sector Specific Data			
Floorspace Constructed	Project	Q1 2017	Output
Floorspace Pre-Let ² or Reserved	Project	Q2 2016	Interim Indicator
External organisations co-located on Campus	Project	Q4 2018	Impact
Increase in GVA ³	Businesses	2017/18 (Annually)	Impact
Jobs Created	Businesses	Q1 2018	Impact
Project Specific Data			
Business U&A on engagement	From Business via Project	Q4 2015	Interim Indicator
Business Investing in Project Development and Bids	From Project	Q4 2015	Interim Indicator
Collaborative Research Income Secured	Project	Q4 2016	Interim Indicator
Number of Businesses	Project	Q1 2016 (Annual)	Interim Indicator

² Depending on available space forecast for company occupation

³ Not included in the project profile but I have included it here in case it is requested by BIS

Supported to Develop New products or Services			
New products or Services to Firm Developed	Businesses via Project	Q1 2018 (Annual)	Impact
New product or Service to Market Developed	Business via Project	Q1 2018 (Annual)	Impact
New Academics	Project	Q4 2016 (Annual)	Interim Indicator
New Student Nos.	Project	Q4 /2016 (Annual)	Interim Indicator
Improved Health Outcomes (to be defined by Public Sector Partners)	Public Sector Partners	Q1 2020 (Annual)	Impact

The data collected will also include at every stage that concerning the process of project management and its outcome, recording the response both to progress with the production of outputs and the progress towards achieving the outcomes and impacts covering the following topics:-

- (i) Outcome of project progress review – are changes needed to the project plan and if so what?
- (ii) Outcome of project logic review – do the interim indicators or any other testing of the assumptions on which the logic model is based suggest that the project logic is still sound and if not what improvements are suggested to increase the likelihood of success?

These will form the bases of any change control requests requiring approval by an authority outside the authority delegated to the project board. Any changes within the authority will be reported for information.

Evaluation – Implementation

(This is expected to be standard across all projects except that the Evaluation and Monitoring Team will only be directed involved in data collection from the Exemplar Projects)

The information will be collected quarterly starting from the date set by the LEP Growth Deal Monitoring & Evaluation sub-group, such that the reports are produced at the same time for each project. The data will be first submitted to the Project Board.

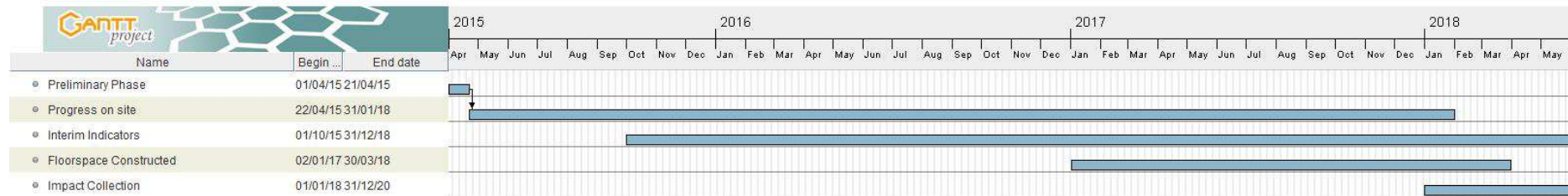
From this data summaries will be extracted by the Evaluation and Monitoring team (a) to include in reports on the overall Growth Deal progress and (b) to highlight any project specific items that require intervention or sector/theme specific issues which may have implications for other projects. This will include issues reported from the project management board and those identified by the Growth Deal Evaluation & Monitoring Team from the data collected.

Summary Reports (in a format to be determined) will be prepared for both the LEP Evaluation Sub-Group, The LEP Growth Deal and main Boards and BIS

The Evaluation & Monitoring Team will also identify any learning points arising from the project management process reports and in particular those regarding project performance improvement both recommended and carried out which have implications or learning points for other projects. These will form the basis of regular knowledge exchange workshops, involving all of the LEP’s Growth Deal funded projects, as a means of disseminating and embedding the insights obtained. This learning will also be used in informing and thereby enhancing the development of future potential Growth Deal projects by the LEP.

Lancaster Health Campus Evaluation Plan Timetable (Phase 1)

These charts illustrate the timescales over which monitoring and evaluation data will be collected for the Lancaster Health Campus (Phase 1); the tables are an extract from the detailed evaluation plan showing when we expected to start collecting detail within the types of indicators.



2015 – 2018

(NB – First Activity – Preliminary Phase- is completed)

Progress Against Plan

Standard Project Progress Data –			
Budget Required	Project	Q2 2015	Resource
Budget Achieved	Project	Q2 2015	Interim Indicator (This project anticipates obtaining further funding from HEFCE and ESIF)
Spend to date	Project	Q2 2015	Resource Use
Committed	Project	Q2 2015	Resource Use
Project Future Spend	Project	Q2 2015	Resource Use
F/Cast Spend	Derived	Q2 2015	Resource Use
Progress Against Plan	Project (Tracking Gantt)	Q2 2015	Outputs

Interim Indicators

Sector Specific Data			
Floorspace Pre-Let ⁴ or Reserved	Project	Q2 2016	Interim Indicator
Project Specific Data			
Business U&A on engagement	From Business via Project	Q4 2015	Interim Indicator
Business Investing in Project Development and Bids	From Project	Q4 2015	Interim Indicator
Collaborative Research Income Secured	Project	Q4 2016	Interim Indicator
New Academics	Project	Q4 2016 (Annual)	Interim Indicator
New Student Nos.	Project	Q4 /2016 (Annual)	Interim Indicator

⁴ Depending on available space forecast for company occupation

Impacts

Sector Specific Data			
External organisations co-located on Campus	Project	Q4 2018	Impact
Increase in GVA ⁵	Businesses	2017 (Annually)	Impact
Jobs Created	Businesses	Q1 2018	Impact
Project Specific Data			
New products or Services to Firm Developed	Businesses via Project	Q1 2018 (Annual)	Impact
New product or Service to Market Developed	Business via Project	Q1 2018 (Annual)	Impact
Improved Health Outcomes (to be defined by Public Sector Partners)	Public Sector Partners	Q1 2020 (Annual)	Impact

⁵ Not included in the project profile but I have included it here in case it is requested by BIS

Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: 21st April 2015

**Growth Deal Funding Agreement Principles
(Appendix 'A' refers)**

Report Author: Julia Johnson, Senior Solicitor, Lancashire County Council

Executive Summary

The Board of the Lancashire Enterprise Partnership (LEP) has recently considered and approved an Assurance Framework, which has been agreed by Lancashire County Council, as the LEP's accountable body. This Framework has been submitted to Government.

As part of this Framework, each LEP is required to provide assurance to Government that there is adequate provision in place for the protection of the Local Growth Funds (LGF) allocated through Growth Deals.

This report sets out the key principles which will underpin the legally binding LGF Agreements which all Growth Deal project sponsors will be required to sign up to.

Recommendations

The Board is asked to:

- (i) Note the requirement for the accountable body, on behalf of the LEP, to ensure there are adequate provisions in place for the protection of the LGF resources;
- (ii) Approve the Key Principles documents for incorporation into legally binding LGF agreements for Growth Deal projects;
- (iii) Delegate to the Director of Governance Finance and Public Services of the County Council and Director of Economic Development of the County Council responsibility for the preparation of the individual LGF agreements based on the Key Principles;
- (iv) Require individual LGF agreements be brought back to the LEP Board, if project sponsors are unable to meet the key principles;



- (iv) Agree that the proposed Growth Deal Management Board be tasked with ensuring that any conditions set out in the LGF Agreements are discharged appropriately prior to final draw down by the project sponsors; and
- (v) Request that draft Terms of Reference for the proposed Growth Deal Management Board be brought to the LEP's Board meeting in June for detailed consideration.

Background and Advice

- 1.1 All LEPs are required to provide assurance to Government that there is adequate provision in place for the protection of the Local Growth Funds (LGF) allocated through Growth Deals. Government guidance states that:

"When the LEP awards funding for a project there should be a clear written agreement between the accountable body and the delivery agent clearly setting out the split of responsibilities and include adequate provisions for the protection of public funds (e.g. arrangements to suspend or claw back funding in the event of non-delivery or mismanagement)"

- 1.2 In response to national guidance the LEP's recently approved Assurance Framework states that:

"All sponsors seeking Growth Deal funding will need to agree and sign a Growth Deal Grant Funding Agreement, prior to draw down of funds. The agreements will set conditions including; project sponsors commitment to monitoring and evaluation requirements; agreement to the communications protocol and delivery of milestones. The agreements will include provisions for the protection of public funds (e.g. arrangements to suspend or claw back funding in the event of non-delivery or mismanagement)"

- 1.3 LGF Agreements will need to be in place for all Growth Deal projects, prior to draw down of LGF resources, and will be signed by the County Council, as the accountable body for the LEP, and individual project sponsors / project delivery agent.

2. Key Principles

- 2.1 The Key Principles attached to this report at Appendix 'A' set out the main terms upon which it is proposed that the LEP will make funding allocations to project sponsors following submission, independent scrutiny and LEP approval, of the relevant business case. Project sponsors will be required to enter into an Agreement which will be based on the relevant key principles.
- 2.2 To reflect the complex and varied nature of projects within the Lancashire Growth Deal three sets of Key Principles have been drawn up: for Skills Capital



schemes; for Transport schemes; and for Economic Development schemes. In practical terms the Key Principles are the same for the Skills Capital and Economic Development schemes with only one variation between the two documents. Annex '1' therefore provides two sets of Key Principles: Transport schemes; and Economic Development schemes, with the latter also setting out a specific principle (set out in square brackets) which relates only to Skills Capital schemes.

- 2.3 The Key Principles have been drawn up by the County Council's legal team with support from external solicitors. The principles have been tested with sample project sponsors and considered by the Shadow Growth Deal Implementation Board.
- 2.4 The Agreements will be made conditional upon certain factors which will include but will not be limited to any conditions placed on the project sponsor by the LEP Board when approving the business case.
- 2.5 The Agreements will include a financial appraisal and development programme which will detail the development programme and milestones, identify funding streams and cash flow forecasts. Monitoring and evaluation requirements will also be incorporated.

3. Implementation of LGF Agreements

- 3.1 Following the Board's consideration and agreement of the Key Principles individual LGF Agreements will be drawn up by the accountable body. It is proposed that individual agreements will only be brought back to the Board if project sponsors are unable to meet any of the Key Principles agreed by the LEP Board.
- 3.2 The LEP will require assurance that all conditions set out in the LGF Agreements have been discharged prior to draw down of resources and it is proposed that the Growth Deal Management Board be tasked with undertaking this role and that drafts Terms of Reference are brought to the Board for consideration at its June meeting.
- 3.3 In the event that it is considered appropriate by the Growth Deal Management Board to make a material variation to the Key Principles in respect of a particular project (or indeed across all allocations) then approval for such variation(s) will be sought from the LEP Board. Where the Key Principles are to be implemented without such variation it is proposed that the Growth Deal Management Board will provide approval on behalf of the LEP.



4. Conclusion and Recommendations

- 4.1 The approach set out in this report represents a robust and effective process for ensuring that the LEP and the accountable body can demonstrate that they have put in place adequate provision for the protection of public funds, whilst at the same time ensuring that project sponsors are able to draw down funds in a timely and commercial manner. The Board are requested to approve the recommendations set out at the front of this report.

Principles applicable to the award of funding allocated by Lancashire County Council (the "Council"), as accountable body for the LEP, to project sponsors for grants related to economic development /skills capital projects

Compliance with law, procurement and State aid

1. The award of the grant is subject to compliance with all applicable laws and conditions or rules set by any regulatory bodies; in particular, EU law, including State aid law and where applicable, public procurement law.
2. The grant is also subject to compliance with all terms of grant and any guidance issues by any relevant authority as communicated to the project sponsor.

Delivery of project¹ in accordance with business case² and other standards

3. (a) The project sponsor must deliver the project in accordance with its business case (which will be independently appraised and approved by the LEP) and any amendments thereto and deliver all scheme objectives and outcomes within the milestones/dates set out in the business case, or specified by the LEP. In the event of any inconsistency or conflict between the business case and the law or any applicable guidance, the law or guidance will prevail.

(b) The project sponsor must deliver the project in accordance with the Lancashire Growth Deal project assessment criteria: strategic relevance, economic impact, employment creation, housing growth, private leverage, deliverability and scalability (as applicable and as communicated to the project sponsor by the LEP).

(c) The project sponsor must also deliver the project to professional standards and good industry practice.

(d) The project sponsor must deliver the project for the purposes specified in the business case or notified by the LEP to the project sponsor.

(e) The project sponsor accepts that it is responsible for completing the project (as detailed in the business case) and any failure to do so is not the responsibility of the LEP.

(f) The project sponsor must not make any (material) alterations or variations to the project without prior written consent of the LEP.

(g) The LEP reserves the right to conduct a verification exercise to determine the veracity of representations or statements made in the project sponsor's business case or at any stage during the project business case development; and on the project sponsor itself to determine the financial standing and viability of the project sponsor in delivering the project as set out in the business case.

(h) The project sponsor must adhere to any reasonable requirements of the LEP.

(i) Where there are any issues of cost increase and/or delays to delivery during completion of a project, the LEP will determine whether to continue to support a scheme by considering the

¹ The project is described in detail in the business plan submitted to the LEP and approved by the LEP.

² For the purposes of this document, 'business case' includes all documents submitted to the LEP including the approved (outline or detailed) business case related to the project, any subsequent information or clarification provided to the LEP and any representations made in any meetings with project delivery team(s) of the applicant.

following matters: whether cost increases or delays were unforeseen and unavoidable; whether the project sponsor can fund any cost increase; whether additional funding has been sought from other sources; whether the scale of the scheme can be reduced to fit the available budget; the impact of any cost increase on a project's value for money; whether any delay can be accommodated within the programme for delivery of the project; and any other relevant factors. Ultimately, the LEP reserves the right to withdraw its support for a project.

Repayment of grant

4. The grant is being provided to the project sponsor due to the LEP's independent appraisal of information provided in the project sponsor's business case. The LEP shall, therefore, reserve the right to require repayment of some, or all, of the grant funding if the project sponsor has made any misrepresentations in its business case, or it transpires that any statement in the business case is misleading or untrue, or that the project sponsor has withheld information.
5. The LEP may also require repayment of the grant in the event of non-delivery of the project, mismanagement of project funds or breach of the grant funding agreement.

Securing separate funding to grant

6. Before provision of any grant funding, the project sponsor must have secured separate funding to contribute towards the total project costs (in addition to the grant) as set out in the business case within agreed timescales and warrant/provide evidence of the same.
7. Each project sponsor must provide an absolute minimum 10% contribution towards total scheme cost (the "**Local Funding Contribution**"). The project sponsor's Chief Financial Officer (or equivalent) shall certify the project sponsor's ability to fund the amount of costs which are not covered by the grant, as necessary. (This includes the Local Funding Contribution.)

Expenditure of grant

8. Grant monies shall be spent only on eligible expenditure related to the carrying out and completion of the project, as:
 - a. set out in an business case; and
 - b. approved by the LEP.

Payment of grant claims

9. Claims for payment of the grant must be made quarterly in arrears (unless otherwise agreed by the LEP), in the form prescribed by the LEP which shall include certifications from the project manager/employer's agent that:
 - a. qualified expenditure has been incurred or due and paid by the project sponsor (with supporting evidence that the monies have been spent including, but not limited to, certified invoices);
 - b. that the project will be delivered and the outcomes and milestones will be achieved within the budget and project delivery timescale set out in the project plan;
 - c. the terms and conditions of the grant funding agreement have been satisfied;
 - d. only public sector financial assistance which has been declared on the business case has been received by the company in relation to the project; and
 - e. any other information as reasonably requested by the LEP.

10. The project sponsor shall, at its own expense (and not from the grant), ensure that the employer's agent provides a duty of care warranty to the LEP in relation to the deliverability of the project (and any aspect of the project as required by the LEP).

Monitoring, evaluation and audit information

11. (a) The project sponsor will be required to provide (and keep updated), on a basis determined by the LEP, information and evidence related to the project, milestones and outcomes, including invoices, certificates, vouchers, payslips and records as reasonably requested by the LEP for monitoring and audit purposes.

(b) Formative evaluation is an established principle for all projects and project sponsors are aware of the implications of any additional requirements.

(c) Project sponsors are required to prepare quarterly monitoring returns for consideration by the Growth Deal Management Board, which will detail progress and delivery on a project. These will include quantified risk assessments, as applicable.

(d) The project sponsor shall nominate a Project Manager/Project Lead Officer, with sufficient decision-making authority to act or make decisions on behalf of the project sponsor, who shall be the LEP's principal point of contact for all matters related to the project and grant.

(e) In particular, the project sponsor must notify the LEP as soon as it is aware of any problems or issues which may affect the successful completion of the project.

(f) The LEP will also be entitled to inspect the site on which a project takes place for monitoring and audit purposes; and explicitly reserves the right to attend site meetings with the employer's agent/project manager.

(g) The project sponsor will engage with the LEP's wider Growth Deal Assurance Framework (as required), including attendance and participation in the development of the Growth Deal Evaluation Framework.

(h) The project sponsor will provide monthly progress and risk management reports to the LEP.

(i) The applicant will engage with longer term evaluation of impacts on student numbers and outcomes and engagement with business. [skills capital projects only]

Conditionality of grant

12. (a) The LEP is receiving the grant from the Government's Local Growth Fund by virtue of a section 31 of the Local Government Act 2003 discretionary grant on an annual basis and the project sponsor accepts that it must comply with any conditions attached to the grant by the Government such as provision as to the use of the grant; and provision as to circumstances in which the whole or part of the grant must be repaid.

(b) The Council, acting on behalf of the LEP, will not be liable for any grant monies which are cancelled or not paid by Government to the LEP at any point during delivery of the project sponsor's project.

(c) The project sponsor accepts that receipt of grant from the LEP is conditional on the LEP receiving grant monies from Government and so if the LEP does not receive grant monies

from Government, or such funding is cancelled, the LEP will have no liability to provide these funds to the project sponsor.

(d) Grant funds may only be drawn-down once the grant has been provided to the LEP from Government.

(e) Payment will also be dependent on final LEP approvals which confirm that the project constitutes value for money.

(f) Payment will also be dependent on the LEP receiving appropriate financial and other information and evidence related to the project, its milestones and outcomes.

(g) The LEP/the Council is merely the accountable body for the grant monies and by making its offer of grant to the project sponsor is not underwriting the project or providing any representation, commitment or guarantee as to the provision of funding.

(h) In the event that the LEP is required to repay any of the grant to Government either during or after delivery of the project, the LEP shall reserve the right, at its absolute discretion, to vary, suspend, withhold or require repayment of the grant payable to the project sponsor.

(i) To ensure that there is not a significant delay in commencement of the project, the grant funding agreement will contain an availability period during which drawdown of the grant must have commenced. If drawdown of the grant has not commenced before the expiration of the availability period, the LEP, at its absolute discretion, reserves the right to withhold the grant.

Maximum amount of grant

13. The LEP shall be under no obligation to pay the project sponsor for any claim which exceeds the maximum amount of grant which the LEP agrees to pay to the project sponsor; or which has been incurred but not yet paid for by the project sponsor. Any cost over-runs must, therefore, be met completely by the project sponsor.

14. Similarly, in the event that the total project cost is expected to be lower than the sum specified at the outset of the project in the project sponsor's business case, the maximum amount of grant shall be reduced in proportion to the reduction in the total project cost.

Compliance with grant funding agreement (once entered into)

15. The project sponsor shall comply with the terms and conditions set out in the grant funding agreement, which it will be required to enter into with the LEP

Publicity

16. The project sponsor shall follow the LEP's instructions regarding any publicity and branding of the project and include any references to the grant funding provided by the LEP as necessary. In particular, this may include use of the LEP's logo and acknowledging grant funding received in any promotion of the project or at the site of the project itself.

Other public funding

17. The project sponsor must inform the LEP if it receives any other grant funding in relation to the project from another public body and provide evidence of such grant funding. The LEP reserves the right to vary the grant in light of such additional public funding.

Subcontractors

18. The project sponsor shall be liable for the acts, omissions and negligence of its sub-contractors and should ensure that terms equivalent to those contained in the grant funding agreement are passed on to sub-contractors.
19. To the extent that it is compatible with public procurement law, the project sponsor (and its sub-contractors) shall ensure that the Social Value Act 2012 is observed in any procurement processes.

No partnership, joint venture or agency

20. Award of the grant to the project sponsor and approval of the project by the LEP does not constitute a partnership, joint venture or agency between the project sponsor and the LEP.

DRAFT

Principles applicable to the award of grant funding allocated by Lancashire County Council (the "Council"), as accountable body for the LEP, to project sponsors for grants related to transport initiatives

Compliance with law, procurement and State aid

1. The award of the grant is subject to compliance with all applicable laws and conditions or rules set by any regulatory bodies; in particular, EU law, including State aid law and where applicable, public procurement law.
2. The grant is also subject to compliance with all terms of grant and any guidance issues by any relevant authority as communicated to the project sponsor.

Delivery of project¹ in accordance with business case² and other standards

3. (a) The project sponsor must deliver the project in accordance with its business case (which will be independently assessed and approved by the LEP) and any amendments thereto and deliver all scheme objectives and outcomes within the milestones/dates set out in the business case, or specified by the LEP. In the event of any inconsistency or conflict between the business case and the law or any applicable guidance, the law or guidance will prevail.

(b) The project sponsor must deliver the project in accordance with the Lancashire Growth Deal project assessment criteria: strategic relevance, economic impact, employment creation, housing growth, benefit cost ratio, private leverage, deliverability and scalability (as applicable and as communicated to the project sponsor by the LEP).

(c) The project sponsor must also deliver the project to professional standards and good industry practice.

(d) The project sponsor must deliver the project for the purposes specified in the business case or notified by the LEP to the project sponsor.

(e) The project sponsor accepts that it is responsible for completing the project (as detailed in the business case) and any failure to do so is not the responsibility of the LEP.

(f) The project sponsor must not make any (material) alterations or variations to the project without prior written consent of the LEP.

(g) The LEP reserves the right to conduct a verification exercise to determine the veracity of representations or statements made in the project sponsor's business case or at any stage during the project business case development; and on the project sponsor itself to determine the financial standing and viability of the project sponsor in delivering the project as set out in the business case.

(h) The project sponsor must adhere to any reasonable requirements of the LEP. For example, project sponsors must adhere to Department for Transport requirements as set out in WebTAG, the Department for Transport's web based guidance on the conduct of transport studies.

¹ The project is described in detail in the business plan submitted to the LEP and approved by the LEP.

² For the purposes of this document, 'business case' includes all documents submitted to the LEP including the approved (strategic outline or outline/full) business case related to the project, any subsequent information or clarification provided to the LEP and any representations made in any meetings with project delivery team(s) of the applicant.

(i) Where there are any issues of cost increase and/or delays to delivery during completion of a project, the LEP will determine whether to continue to support a scheme by considering the following matters: whether cost increases or delays were unforeseen and unavoidable; whether the project sponsor can fund any cost increase; whether additional funding has been sought from other sources; whether the scale of the scheme can be reduced to fit the available budget; the impact of any cost increase on a project's value for money; whether any delay can be accommodated within the programme for delivery of the project; and any other relevant factors. Ultimately, the LEP reserves the right to withdraw its support for a project.

Repayment of grant

4. The grant is being provided to the project sponsor due to the LEP's independent assessment of information provided in the project sponsor's business case. The LEP shall, therefore, reserve the right to require repayment of some, or all, of the grant funding if the project sponsor has made any misrepresentations in its business case, or it transpires that any statement in the business case is misleading or untrue, or that the project sponsor has withheld information.
5. The LEP may also require repayment of the grant in the event of non-delivery of the project, mismanagement of project funds or breach of the grant funding agreement.

Securing separate funding to grant

6. Before provision of any grant funding, the project sponsor must have secured separate funding to contribute towards the total project costs (in addition to the grant) as set out in the business case within agreed timescales and warrant/provide evidence of the same.
7. Each project sponsor must provide an absolute minimum 10% contribution towards total scheme cost (the "**Local Funding Contribution**"). The project sponsor's Chief Financial Officer (or equivalent) shall certify the project sponsor's ability to fund the amount of costs which are not covered by the grant, as necessary. (This includes the Local Funding Contribution.)

Expenditure of grant

8. Grant monies shall be spent only on eligible expenditure related to the carrying out and completion of the project, as:
 - a. set out in an business case; and
 - b. approved by the LEP.
9. Funding must only be used for capital expenditure. Funding must contribute only towards the capital cost of a scheme: construction costs, land acquisition costs and Part 1 claims under the Land Compensation Act 1973. The grant must not be used for scheme development and preparation costs nor any post scheme monitoring and evaluation.

Payment of grant claims

10. Claims for payment of the grant must be made in the form prescribed by the LEP which shall include certifications from the Project Lead Officer and Chief Finance Officer that:
 - a. qualified expenditure has been incurred or due and paid by the project sponsor (with supporting evidence that the monies have been spent including, but not limited to, certified invoices);
 - b. that the project will be delivered and the outcomes and milestones will be achieved within the budget and project delivery timescale set out in the project plan;

- c. the terms and conditions of the grant funding agreement have been satisfied;
- d. only public sector financial assistance which has been declared on the business case has been received by the company in relation to the project; and
- e. any other information as reasonably requested by the LEP.

Monitoring, evaluation and audit information

11. (a) The project sponsor will be required to provide (and keep updated), on a basis determined by the LEP, information and evidence related to the project, milestones and outcomes, including invoices, certificates, vouchers, payslips and records as reasonably requested by the LEP for monitoring and audit purposes.

(b) Formative evaluation is an established principle for all projects and project sponsors are aware of the implications of any additional requirements.

(c) Project sponsors are required to prepare quarterly monitoring returns for consideration by the Growth Deal Management Board, which will detail progress and delivery on a project. These will include quantified risk assessments, as applicable.

(d) The project sponsor shall nominate a Project Manager/Project Lead Officer, with sufficient decision-making authority to act or make decisions on behalf of the project sponsor, who shall be the LEP's principal point of contact for all matters related to the project and grant.

(e) In particular, the project sponsor must notify the LEP as soon as it is aware of any problems or issues which may affect the successful completion of the project.

(f) The LEP will also be entitled to inspect the site on which a project takes place for monitoring and audit purposes; and explicitly reserves the right to attend site meetings with the Project Lead Officer / contractor.

(g) The project sponsor will engage with the LEP's wider Growth Deal Assurance Framework (as required), including attendance and participation in the development of the Growth Deal Evaluation Framework.

(h) The project sponsor will provide quarterly (or more frequently if required by the LEP) progress and risk management reports to the LEP.

Conditionality of grant

12. (a) The LEP is receiving the grant from the Government's Local Growth Fund by virtue of a section 31 of the Local Government Act 2003 discretionary grant on an annual basis and the project sponsor accepts that it must comply with any conditions attached to the grant by the Government such as provision as to the use of the grant; and provision as to circumstances in which the whole or part of the grant must be repaid.

(b) The Council, acting on behalf of the LEP, will not be liable for any grant monies which are cancelled or not paid by Government to the LEP at any point during delivery of the project sponsor's project.

(c) The project sponsor accepts that receipt of grant from the LEP is conditional on the LEP receiving grant monies from Government and so if the LEP does not receive grant monies from Government, or such funding is cancelled, the LEP will have no liability to provide these funds to the project sponsor.

(d) Grant funds may only be drawn-down once the grant has been provided to the LEP from Government.

(e) Payment will also be dependent on final LEP approvals which confirm that the project constitutes value for money.

(f) Payment will also be dependent on the LEP receiving appropriate financial and other information and evidence related to the project, its milestones and outcomes.

(g) The LEP/the Council is merely the accountable body for the grant monies and by making its offer of grant to the project sponsor is not underwriting the project or providing any representation, commitment or guarantee as to the provision of funding.

(h) In the event that the LEP is required to repay any of the grant to Government either during or after delivery of the project, the LEP shall reserve the right, at its absolute discretion, to vary, suspend, withhold or require repayment of the grant payable to the project sponsor.

(i) To ensure that there is not a significant delay in commencement of the project, the grant funding agreement will contain an availability period during which drawdown of the grant must have commenced. If drawdown of the grant has not commenced before the expiration of the availability period, the LEP, at its absolute discretion, reserves the right to withhold the grant.

Maximum amount of grant

13. The LEP shall be under no obligation to pay the project sponsor for any claim which exceeds the maximum amount of grant which the LEP agrees to pay to the project sponsor; or which has been incurred but not yet paid for by the project sponsor. Any cost over-runs must, therefore, be met completely by the project sponsor.
14. Similarly, in the event that the total project cost is expected to be lower than the sum specified at the outset of the project in the project sponsor's business case, the maximum amount of grant shall be reduced in proportion to the reduction in the total project cost.

Compliance with grant funding agreement (once entered into)

15. The project sponsor shall comply with the terms and conditions set out in the grant funding agreement, which it will be required to enter into with the LEP

Publicity

16. The project sponsor shall follow the LEP's instructions regarding any publicity and branding of the project and include any references to the grant funding provided by the LEP as necessary. In particular, this may include use of the LEP's logo and acknowledging grant funding received in any promotion of the project or at the site of the project itself.

Other public funding

17. The project sponsor must inform the LEP if it receives any other grant funding in relation to the project from another public body and provide evidence of such grant funding. The LEP reserves the right to vary the grant in light of such additional public funding.

Subcontractors

18. The project sponsor shall be liable for the acts, omissions and negligence of its sub-contractors and should ensure that terms equivalent to those contained in the grant funding agreement are passed on to sub-contractors.
19. To the extent that it is compatible with public procurement law, the project sponsor (and its sub-contractors) shall ensure that the Social Value Act 2012 is observed in any procurement processes.

No partnership, joint venture or agency

20. Award of the grant to the project sponsor and approval of the project by the LEP does not constitute a partnership, joint venture or agency between the project sponsor and the LEP.

DRAFT

Lancashire Enterprise Partnership Limited

Private & Confidential: NO

21st April 2015

Lancashire Growth Deal Transport Schemes Funding Approval Decisions:

**Blackburn to Manchester Rail Corridor Improvement Scheme
Blackpool Bridges Maintenance Scheme
Centenary Way Viaduct Maintenance Scheme**

(Appendices 'A' to 'C' refer)

Report Author: Chair of Transport for Lancashire

Executive Summary

The Blackburn to Manchester Rail Corridor Improvement 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 therefore subject to a two stage approvals process, the second stage of which is a Full Approval decision by the Board. The Blackpool Bridges Maintenance and Centenary Way Viaduct Maintenance Schemes are also included in the programme as projects due to commence works in 2015/16. In accordance with the Assurance Framework, both are subject to a single stage approvals process through the submission of a Strategic Outline Business Case.

Jacobs UK Limited has undertaken independent scrutiny of the Full Business Case for the Blackburn to Manchester Rail Corridor Improvement Scheme. The consultants have recommended the project be granted Full Approval to enable it to progress to implementation.

Jacobs UK Limited has undertaken independent scrutiny of the Strategic Outline Business Case for the Blackpool Bridges Maintenance Scheme. The consultants have recommended that the project be granted Full Approval to enable it to progress to implementation, subject to a number of conditions being discharged.

Atkins has undertaken independent scrutiny of the Strategic Outline Business Case for the Centenary Way Viaduct Maintenance Scheme. The consultants have recommended the project be granted Full Approval to enable it to progress to implementation.

Recommendations

The LEP Board is invited to:

- i. Approve the granting of Full Approval to the Blackburn to Manchester Rail Corridor Improvement Scheme;
- ii. Approve the granting of Full Approval to the Blackpool Bridges Maintenance Scheme and request the Growth Deal Management Board ensure the four conditions set by Jacobs are discharged; and
- iii. Approve the granting of Full Approval to the Centenary Way Viaduct Maintenance Scheme.

Background and Advice

1. Blackburn to Manchester Rail Corridor Improvement Scheme: Full Approval Decision

- 1.1 The Blackburn to Manchester Rail Corridor Improvement Scheme is included in Lancashire's transport investment programme as a project due to commence works in 2015/16. The scheme's funding profile includes a maximum £12.4m contribution in 2015/16 from the Local Growth Fund through the Lancashire Growth Deal. In accordance with the Lancashire Enterprise Partnership's Assurance Framework, the scheme is therefore subject to a two stage approvals process. Following independent scrutiny of an Outline Business Case submitted by Blackburn with Darwen Council, at its meeting on 10th February 2015 the Board granted the scheme Conditional Approval, subject to six conditions being addressed in the Full Business Case submission.
- 1.2 Blackburn with Darwen Council has now submitted a Full Business Case for Full Approval. Full Approval indicates the Board's acceptance of a Full Business Case and approval to proceed to implementation. Once granted, Full Approval enables the scheme promoter to commence construction and draw down Growth Deal funds.
- 1.3 Lancashire County Council's framework consultants Jacobs UK Limited has undertaken an independent review of the Full Business Case on behalf of the Transport for Lancashire Committee, and presented their findings to Transport for Lancashire at its meeting on 13th April 2015. Jacobs' report is attached as Appendix 'A'. The consultants are satisfied that all six conditions placed on the scheme when it was granted Conditional Approval have been met and have recommended that the Blackburn to Manchester Rail Corridor Improvement Scheme should therefore be granted Full Approval to enable it to proceed to implementation.
- 1.4 The updated Economic Case states that the benefit to cost ratio for the scheme has risen from 1.47 to 4.63, increasing to 6.93 when the full wider economic benefits (calculated at £14.86m) are taken into account; the scheme will

therefore deliver very high value for money. This increase is due to the removal of operating costs for the enhanced train service from the scheme; these will now be met by the Train Operating Company. The recently published Northern Franchise Invitation to Tender specifies that the winning bidder must operate a half hourly service between Blackburn and Manchester throughout the off-peak period (ie 12 trains between 10:00 and 16:00).

- 1.5 The latest estimated cost of the scheme is £13.679m with a contribution of £12.4m from the Local Growth Fund through the Lancashire Growth Deal. It will be delivered in Q2 and Q3 of Financial Year 2015/16 during the Farnworth Tunnel blockade, part of Network Rail's on-going electrification programme of key routes across the North West. However, the enhanced off-peak service is not scheduled to commence until the December 2017 timetable change, hence the consultants have advised that the LEP and scheme promoter should continue to lobby for the service enhancement to be delivered at the earliest opportunity.

2. Blackpool Bridges Maintenance Scheme: Full Approval Decision

- 2.1 The Blackpool Bridges Maintenance Scheme is included in Lancashire's transport investment programme as a scheme due to commence works in 2015/16. The scheme's funding profile includes a maximum £3.8m contribution from the Local Growth Fund through the Lancashire Growth Deal spread over the four financial years 2015/16 to 2018/19. 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.
- 2.2 Blackpool Council has 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.
- 2.3 The scheme comprises a programme of repairs to / reconstruction of ten bridges at strategic locations across the borough. Blackpool Council has recently secured £5.565m from the Department for Transport through the Local Highways Maintenance Challenge Fund towards the overall programme cost of £11.365m. With a local contribution of £1.57m also committed by the council, £3.8m is now being sought from the Local Growth Fund supported by a further local contribution of £430,000. The Economic Case demonstrates that the programme will provide very high value for money with a benefit to cost ratio of 29.4. This is principally because in the event of a complete bridge closure all traffic would be forced to take an alternative route, which would have a significant impact on vehicle journey times and network delay. The programme will also generate a potential £2.2m of wider economic benefits.

2.4 Lancashire County Council's framework consultants Jacobs UK Limited has undertaken an independent review of the Strategic Outline Business Case on behalf of the Transport for Lancashire Committee, and presented their findings to Transport for Lancashire at its meeting on 13th April 2015. Jacobs' report, updated following this meeting, is attached as Appendix 'B'. The consultants are satisfied that the Strategic Outline Business Case provides a sufficient level of due diligence and have recommended that the Blackpool Bridges Maintenance Scheme be granted Full Approval, subject to the following being addressed:

- In the Commercial Case, identification and allocation of risk have been evidenced through the supply of an associated risk register. Once Full Approval has been granted, a detailed plan for updating the risk items that have been identified and allocated should be drawn up.
- The Management Case (Assurance and Approval Plans criterion) should document key assurance and approval milestones. An outline Project Programme and Expenditure Profile has been included. A detailed project programme should be developed following Full Approval to include all necessary assurance and approval milestones.
- The Management Case (Communication and Stakeholder Management criterion) should demonstrate engagement with key stakeholders. At this stage, it is reasonable that a full communication and engagement strategy is not defined. However, once Full Approval has been granted, a detailed communication and stakeholder management strategy should be drawn up in order to ensure conformity with the LEP's Accountability Framework.
- Post scheme monitoring and evaluation has been outlined in principle within a Benefits Realisations Plan appended to the SOBC. This provides outline detail in terms of what will be collected, where, when, and by whom. Blackpool Council has confirmed that, should Full Approval be granted, a detailed Monitoring and Evaluation plan will be drawn up, and that the Council will ensure that appropriate funds are available to put the plan into action.

3. Centenary Way Viaduct Maintenance Scheme, Burnley: Full Approval Decision

- 3.1 The Centenary Viaduct Maintenance Scheme in Burnley is included in Lancashire's transport investment programme as a scheme due to commence works in 2015/16. The scheme's initial funding profile included a maximum £2.8m contribution in 2015/16 from the Local Growth Fund through the Lancashire Growth Deal. 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.
- 3.2 Lancashire County Council has 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.

- 3.3 The scheme comprises essential maintenance and repairs to a major bridge structure in Burnley town centre, enabling it to operate at full capacity and contribute towards town centre growth. Centenary Way Viaduct is currently closed to abnormal loads and without the works will require a weight restriction in 2016, diverting heavy goods vehicles onto less suitable routes. The scheme complements wider investment in the transport network of the Burnley-Pendle Growth Corridor also secured through the Growth Deal.
- 3.4 Following tendering, the total cost of the scheme is now £1.65m with a contribution of £1.3m sought from the Local Growth Fund. The Economic Case demonstrates that the scheme will provide very high value for money with a benefit to cost ratio of 5.2 and also generate a potential £4.8m of wider economic benefits. It will be completed in Q3 of Financial Year 2015/16.
- 3.5 Atkins, the consultants appointed on behalf of Transport for Lancashire to undertake independent scrutiny of business cases for schemes promoted by Lancashire County Council, has reviewed the Strategic Outline Business Case, and presented their findings to Transport for Lancashire at its meeting on 13th April 2015. Atkins' report is attached as Appendix 'C'. The consultants are satisfied that the Strategic Outline Business Case demonstrates that the project has been developed to the expected standard with all requirements substantially met, and have therefore recommended that the centenary Way Viaduct Maintenance Scheme be granted Full Approval.

Date 13th April 2015 **Appendix 'A'**

To Transport for Lancashire (TfL)

From Jacobs

Subject **Blackburn to Manchester Rail Corridor Improvement Scheme**

Introduction

The purpose of the review is to inform TfL’s recommendation on whether the Blackburn to Manchester Rail Corridor Improvement Scheme should be granted **Full Approval** status at the LEP Board meeting on the 21st April 2015. This would subsequently enable the scheme to draw down Growth Deal funds and proceed to implementation.

Scheme Description

The Blackburn to Manchester Rail Corridor Improvements Scheme will deliver a half-hourly service between Blackburn and Manchester throughout the day through the addition of 7 journeys between these stations each day Monday – Saturday. This increased service level will cater for the current demand and improve the economic relationship between East Lancashire and Greater Manchester.

In order to deliver a robust half hourly service throughout the day an extension to the passing loop (double track) at Darwen is required. The project, as identified by Network Rail as the preferred solution through the GRIP process, is to extend the double track section known as the Darwen loop on the Bolton to Blackburn Line, with associated works at structures along that part of the route. In addition, the scheme includes enhancement works at selected stations on the line (including stations north of Blackburn).

Scheme Milestones

Table 1 summarises the key milestones in the approval process for the scheme.

Date	Task
December 2014	BwDBC completed the Outline Business Case for the scheme.
February 2015	Jacobs undertook a comprehensive review of the scheme’s Outline Business Case .
February 2015	Scheme granted Conditional Approval status at the LEP Board meeting on the 10 th February 2015.
February / March 2015	BwDBC updated the Outline Business Case to be a Full Business Case .
March 2015	Jacobs reviewed the Full Business Case for the scheme.
April 2015	Scheme Seeking Full Approval at the LEP Board meeting on the 21 st April 2015.

Table 1: Key Milestones

Methodology

The scheme's Outline Business Case (December 2014) was previously reviewed and evaluated against the Department for Transport's (DfT) guidance on *The Transport Business Cases (January 2013)*. The business case was also assessed to ensure consistency with the Lancashire Enterprise Partnership's Accountability Framework.

Jacobs have subsequently reviewed the scheme's Full Business Case (March 2015) to ensure that each of the conditions that were placed on the scheme, when it was granted Conditional Approval status, have been met.

The review has also ensured that each of the recommendations that were previously suggested have been incorporated into the Full Business Case update.

As part of the review process, Jacobs have actively engaged with the scheme promoter (BwDBC) in order to agree on viable and proportionate solutions to any key issues.

Conclusions

The Blackburn to Manchester Rail Corridor Improvement Scheme should be granted Full Approval status and subsequently enable the scheme to proceed to implementation.

The table below summarises how each of the six conditions previously placed on the scheme have been resolved.

Ref	Condition of Scheme (Feb 15)	Resolution
1	Confirmation is received (when the ITT for the new Northern Franchise is publically available) that the Manchester to Blackburn service is to be included as part of the baseline specification for the next Northern Franchise.	The Northern Invitation To Tender (ITT) document was published by the DfT on the 27 th February 2015.
2	Confirmation is received (when the ITT for the new Northern Franchise is publically available) that the operational costs of the Manchester to Blackburn service will be funded as part of the next Northern Franchise, thus removing the need for BwDBC to subsidise the scheme.	The Train Service Requirement (TSR) table specifies that the winning bidder must operate a half hourly service, between Blackburn and Manchester, throughout the off peak period (i.e. 12 trains between 10:00-16:00).
3	The scheme BCR is currently 1.47 (based on latest guidance), rising to 2.25 with the inclusion of wider economic benefits. In accordance with the LEP's Accountability Framework, the scheme should deliver high VfM (BCR >2 when incorporating both traditional and wider economic benefits), once the target scheme costs are confirmed and with optimism bias applied at 6% (consistent with the DfT's Rail Appraisal guidance for a scheme at GRIP Stage 5). This is considered the key risk associated with the scheme being granted Full Approval.	<p>The updated Economic Case states that the Benefit to Cost Ratio (BCR) for the scheme is now 4.63. This rises to 6.93 when the full wider economic impacts of the scheme are taken into account.</p> <p>The main reason for the BCR increasing is due to the removal of operating costs (as they will now be met by the TOC).</p> <p>Optimism Bias has been correctly applied at 6%, in line with guidance.</p>

Ref	Condition of Scheme (Feb 15)	Resolution
4	The results of a more detailed environmental assessment (including consideration of noise and air quality) demonstrate that the scheme does not have a significant detrimental impact upon any sensitive receptors.	An Environmental Impact Appraisal has been undertaken which concluded that there are no significant adverse environmental impacts associated with the scheme. Appropriate mitigation has been identified which should be incorporated into the scheme design and contractor input.
5	The scheme opening year being confirmed, and if necessary the Business Case (including the economic assessment) being updated accordingly.	The Full Business Case (including the economic assessment) has been updated to reflect a scheme Opening Year of 2017, which is the back stop date for introduction of the additional services.
6	Clarification sought that any cost overspends will be met by BwDBC (in accordance with the LEP's Accountability Framework) to ensure that the scheme will be delivered in its entirety.	An updated Section 151 Officer Letter (reflecting the revised scheme costs) has been appended to the Full Business Case

Table 2: Resolved Conditions

In addition, each of the recommendations that were previously raised in the Red Amber Green (RAG) analysis (as part of the Outline Business Case review) have now been addressed.

Business Case	Criteria	RAG Analysis	Recommendations
Strategic	Impact of scheme not being delivered	Yellow	Whilst the scheme benefits have been indicated within Chapter 3 of the OBC, no text is provided detailing the impacts of not implementing the scheme (e.g. traffic congestion worsens / rail facilities deteriorate).
	Study Area / affected population	Yellow	Business Case needs to emphasise what schemes, jobs, major employers, schools and leisure facilities are within the catchments of the actual scheme proposals; particularly linked to key sites that unlock growth linked to the LEP's key priority growth sectors.
	Identification of short listed options	Yellow	It is recommended the performance data used in the GRIP analysis is confirmed by Network Rail that it characterises the annualised level of delay.
	Consideration given to the economic, environmental and social benefits of the possible approaches	Yellow	Provide clarification on how the Social, Economic and Environmental Benefits quoted in Figure 3.10 have been derived.
	Consultation / stakeholder engagement	Yellow	Include further details on the public consultation event which will be scheduled.
	Traffic Modelling work undertaken	Yellow	It is recommended consideration is given to modelling with refreshed performance data. Journey time reliability benefits as associated with the scheme have not been monetised, but could be to enhance the case.
	Level of public support considered?	Yellow	Obtain letters of support from local MPs and other key stakeholders to append to Business Case.
	Key risks and constraints identified?	Yellow	Produce a project Risk Register complete with mitigation measures for inclusion within the Outline Business Case.
Economic	Connectivity with other schemes assessed?	Yellow	Quantified evidence of the impact on other planned schemes (e.g. Farnmouth Tunnel electrification) should be included.
	Appraisal Summary Table	Yellow	Distributional Impacts column needs updating to reflect results of the scheme's DI assessment (e.g. The 'Commuting and Other Users' row should only consider Benefits assessment score). The 'Cost to Broad Transport Budget' row should be entered as a negative figure. AST should fit on one page.
Financial	BCR	Red	BCR should be presented consistently and without economic benefits throughout the Outline Business Case. Optimism Bias figure should be set accordingly for a scheme at webTAG Level 4 (18%), and then at webTAG Level 5 (6%) for the Final Business Case submission.
	Scheme Cost	Yellow	It is recommended service reliability and train crew numbers and availability is monitored. This is to ensure the resources are sufficient for the additional service level and sufficient for service introduction. Operating costs are re-allocated between Blackburn and Bolton, however it is now understood the service will be provided between Manchester and Blackburn as part of the baseline for the next franchise.
Commercial	Is there a robust contracting and procurement strategy?	Yellow	Confirm who will be responsible for the scheme preparation costs and update financial and commercial case accordingly. Have the scheme preparation costs been included within the scheme costs? Have monitoring and evaluation costs been included within the scheme costs?
Management	Key risks and constraints identified?	Red	Append scheme Risk Register (covering project risks) to Business Case. If one does not already exist then a risk workshop should be programmed in the short term to ensure that the delivery team map the key risks of the project moving through the major scheme project lifecycle, attribute owners, actions and a monitoring plan for reporting these to the Project Board as part of the scheme Governance.
	Delivery Programme	Yellow	Reason why the scheme construction is completed by October 2015 yet the timetable changes don't take place until December 2016 is confirmed, but risk to delivery potentially slipping to 2017. TIL require to be notified of any potential change in draw-down of funds and their profile. Business Case acknowledged that the scheme delivery programme will require further work now that Network Rail have addressed the signalling record risk issue that was identified in October 2014. NR have confirmed they are seeking approval from MSRP on 27 th January 2015. It is recommended the current scheme delivery plan and Northern Rails objection to the possession arrangements is presented to the January 2015 Project Board. This is to ensure any risks to the current arrangements are transparent and managed.
	Governance / Assurance work	Yellow	It is recommended the governance arrangements between the two projects, Danwen loop and Farnmouth tunnel, are formalised. This is to ensure no risks develop which may affect the other project and if they do suitable mitigations are put in place.
	Evidence of similar projects that have been successful.	Yellow	Were these schemes delivered on programme and within budget? What other metrics have been used to monitor and evaluate the success of these schemes?
	Fall back Plans	Red	DfT requires a 'fully worked up' low cost alternative option to be identified (TAG Unit A5.3 Rail Appraisal). A low cost alternative option should therefore be identified and included in the business case, in a proportionate manner.

Recommendations

The Blackburn to Manchester Rail Corridor Improvement Scheme should be granted **Full Approval** status, thus enabling the scheme to draw down Growth Deal funds and proceed to implementation.

To ensure the benefits of the scheme are maximised, it is critical that BwDBC, LCC and the LEP should continue to lobby for the scheme to be delivered at the earliest opportunity and ideally in advance of 2017.

Date 14th April 2015 **Appendix 'B'**

To Transport for Lancashire (TfL)

From Jacobs

Subject Blackpool Bridges Maintenance Scheme

Introduction

As part of our Independent Assurance role, Jacobs have undertaken a comprehensive review of the Strategic Outline Business Case (SOBC) produced in February 2015 by Blackpool Borough Council for the Blackpool Bridges Maintenance scheme.

The review findings should be used to inform a recommendation on whether the scheme should be granted Full Approval status at the Local Enterprise Partnership (LEP) Board meeting on the 21st April 2015.

Scheme Description

The Blackpool Bridges Maintenance scheme proposes the repair/reconstruction of ten of Blackpool's strategic bridges at a total estimated cost of £11.365m.

The bridges are located throughout the town, either under/over live rail lines, on strategic north/south routes, on roads linking the M55 motorway with the town's major car and coach parks and on local distributor roads feeding traffic from the M55 to the Promenade and resort visitor attractions.

Eight of the ten strategic bridges were originally constructed to enable railways into Blackpool. Some were constructed at the same time as the railways and others were built in the 1920s and 1930s to enable development. In both cases the bridges have suffered from the effects of airborne chloride attack associated with aggressive coastal environments and from minimal maintenance/investment. Several key bridges require urgent attention otherwise they will close or have weight restrictions imposed within the next two years.

The scheme has successfully secured DfT Local Highways Maintenance Challenge Fund to the amount of £5.565m, with Blackpool Borough Council Contributions of £1.570m resulting in £7.135m already having being secured for this scheme¹. This approach has been included within the SOBC Financial Case; highlighting that the remaining funds (£4.23m) are being sought via the LEP Growth Deal Fund (of which £430k will be a local contribution from Blackpool Borough Council).

¹ The Economic Case and associated BCR(s) of the scheme(s) will have been through an independent review by DfT to secure the Maintenance Challenge Fund monies.

Methodology

The SOBC has been reviewed and assessed against the Department for Transport's (DfT) guidance on *The Transport Business Cases (January 2013)*. This approach shows whether schemes:

- Are supported by a robust case for change that fits with wider public policy objectives – the 'strategic case';
- Demonstrate value for money – the 'economic case';
- Are commercially viable – the 'commercial case';
- Are financially affordable – the 'financial case'; and
- Are achievable – the 'management case'.

A Red-Amber-Green (RAG) appraisal has been undertaken on each of the five cases in order to:

- a. Highlight any key risks associated with the successful delivery of the project in accordance with the LEP's Accountability Framework.
- b. Identify areas of the SOBC where there is insufficient evidence to demonstrate that the scheme has followed DfT best practice for the development of a major scheme.

As part of the review process, Jacobs have actively engaged with the scheme promoter in order to seek clarification on any key issues associated with the SOBC. As a result of this engagement process, the key criteria for each of the five cases have been evidenced to sufficiently detailed level.

The completed RAG appraisal (including details of the updates that have been to the SOBC as a result of Jacobs' review) has been appended to this document as **Appendix A**.

In addition to the RAG appraisal, a signed letter from the scheme Section 151 Officer is included in **Appendix B**. This letter sets out the officer's endorsement of the scheme, underwriting Blackpool Council's local funding commitment of £430k and additionally, in accordance with the LEP's Accountability Framework, to underwrite any increases in costs above those presented within the SOBC.

Recommendations

The Blackpool Bridges Maintenance scheme falls within assurance criteria which state that the SOBC should form the basis of Full Approval of the scheme, with no need for further detailed Business Case progression. Full Approval should be granted to the scheme, subject to the following recommendations being addressed:

1. Under the Commercial Case, identification and allocation of Risk have been evidenced through the supply of an associated risk register. It is recommended that, once Full Approval has been granted, a detailed plan for updating risk items which have been identified and allocated should be drawn up.
2. Under the Management Case Assurance and Approval Plans criterion, documentation of key assurance and approval milestones should be noted. An outline Project Programme and Expenditure Profile has been included within the SOBC. It is recommended that a detailed project programme should be developed

following LEP approval of Growth Deal funding. This should include all necessary assurance and approval milestones.

3. Under the Management Case Communication and Stakeholder Management criterion, the engagement of key stakeholders is to be demonstrated. At this stage (SOBC) it is reasonable that a full communication and engagement strategy is not defined in full. However, it is recommended that upon approval of the SOBC, a detailed Communication and Stakeholder Management strategy is drawn up in order to ensure the scheme conforms with the LEP's Accountability Framework.
4. Post scheme monitoring and evaluation has been outlined in principle within a Benefits Realisations Plan appended to the SOBC. This provides outline detail in terms of what will be collected, where, when, and by whom. Blackpool Council has confirmed commitment to draw up a detailed Monitoring and Evaluation plan should Full Approval status be awarded. Blackpool Council has also communicated their commitment to ensuring appropriate funds are available to put the Monitoring and Evaluation plan into action.

The Growth Deal Programme Board should ensure that the above recommendations are addressed satisfactorily and in a timely manner.

Conclusions

The SOBC for the Blackpool Bridges Maintenance scheme has evidenced and sufficiently met the criteria across each of the 5 cases using a proportionate approach. As outlined in the LEP's Accountability Framework, the Blackpool Bridges Maintenance scheme SOBC provides a sufficient level of due diligence on which to award Full Approval status.

The Blackpool Bridges SOBC highlights, with no uncertainty, the strategic importance of the scheme. The Strategic Case is underpinned by specific aims within the LEP's Strategic Economic Plan.

The Economic Case proves Value for Money with regard to individual schemes, and all ten bridge schemes as a complete package. The Benefit to Cost Ratio's presented for the package of schemes represent Very High Value for Money at **29.4** (as a total of the benefits/costs, rather than an average of the individual scheme BCR's). The scheme BCR is very high because in the event of a bridge being closed completely all traffic would have to divert, which would have a significant impact on vehicle journey times and delay. Whilst there is an admission that more detailed transport modelling would help solidify the Economic Case, the approach used is deemed proportionate and fundamentally represents Value for Money. This approach to the Economic Case has already been independently assessed by the DfT as part of the scheme's successful Maintenance Challenge Fund application, and thus has been deemed acceptable resulting in funding being drawn down.

A table showing the breakdown of each individual scheme BCR (following the suggested updates to the appraisal methodology) is shown within **Table 1** below:

Bridge	Total Cost Estimate (£M)	Final BCR (With Marginal External Cost's)	Optimism Bias
Plymouth Road	5.097	29.3	66%
Seasiders - Princess St	1.554	Seasiders presented as a package BCR - 2.95	44%
Seasiders - Gasworks	0.312		44%
Seasiders - Chapel St	0.209		44%
Seasiders - Rigby St	0.073		44%
Squires Gate	2.439	50.8	44%
Waterloo Rd	0.506	10.4	66%
Harrowside	0.400	7.35	66%
Watson Rd	0.336	3.48	66%
Devonshire Rd	0.439	Not calculated due to disproportionality (bridge carries rail services)	

Table 1- Scheme BCR's

It should be noted that a Gross Value Added (GVA) assessment was previously carried out by Jacobs in order to calculate the potential wider economic benefits generated by the scheme. The GVA assessment was conducted in March 2014 as part of Lancashire's Strategic Economic Plan (SEP) submission.

The GVA assessment has not been updated or included as part of the SOBC submission given that the scheme already demonstrates Very High Value for Money. For reference only, the GVA assessment revealed that the Blackpool Bridges Maintenance Scheme could potentially generate £2.2m of benefits over a 60 year appraisal period (discounted 2010 prices). Given that the GVA assessment has not been updated since March 2014 it should only be used for indicative benchmarking of potential GVA benefits.

The Financial Case meets the LEP's Accountability Framework criteria of the Section 151 Officer endorsing the scheme and underwriting Blackpool's local contribution to the Growth Fund application and any increases in scheme costs. The Financial Case has been strengthened by the recent announcement of DfT Maintenance Challenge Fund monies being secured.

The Commercial Case for this scheme is well evidenced and, like the Strategic Case, underpinned by the LEP's Strategic Economic Plan. As noted within the recommendations, once Full Approval is granted, further detail on how the supplied risk register will be maintained would be beneficial.

The Management Case, whilst fundamentally sound, contributes to the majority of the above recommendations. The recommendations are made in line with best practice and the scheme promoter has demonstrated their intention to address each of the recommendations once Full Approval is granted.

In conclusion, based upon the evidence submitted, it is recommended that the Blackpool Bridges Maintenance Scheme is granted Full Approval for LEP Growth Deal funding.

Appendices

Appendix A - RAG Appraisal

Appendix B - Section 151 Officer Endorsement Letter




Scheme Name:	Blackpool Bridges Scheme
Scheme Description:	<p>The Blackpool Bridges scheme proposes the repair/reconstruction of Blackpool's 10 strategic bridges at a total estimated cost of £11.365m.</p> <p>The bridges are located throughout the town, either under/over live rail lines, on strategic north/south routes, on roads linking the M55 motorway with the town's major car and coach parks and on local distributor roads feeding traffic from the M55 to the Promenade and resort visitor attractions.</p> <p>Eight of Blackpool's ten strategic bridges were originally constructed to enable railways into Blackpool. Some were constructed at the same time as the railways and others were built in the 1920s and 1930s to enable development. In both cases the bridges have suffered from the effects of airborne chloride attack associated with aggressive coastal environments and from minimal maintenance/investment. Several key bridges require urgent attention otherwise they will close or have weight restrictions imposed within the next two years.</p>




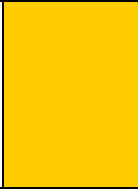


The purpose of this review is to examine the evidence base for the above scheme in order to identify any gaps. Additional work can then be undertaken on the scheme to ensure the business case for the scheme is comprehensive, which will limit the risk of future challenges.

The criteria used for the assessment is based upon the DfT document, 'The Transport Business Cases' (January 2013).

The review which has been undertaken is based upon:
Blackpool Bridges Strategic Outline Business Case (February 2015)

A RAG analysis has been undertaken to highlight areas where there appears to be insufficient evidence to demonstrate that the scheme has followed DfT best practice for the development of a major scheme. Recommendations have been included on work which could be undertaken to strengthen the business case for the scheme.

KEY	
	= Sound evidence base
	= Some additional work required
	= Information Missing

Business Case	Criteria	Evidence	RAG Analysis	Recommendations
Strategic Case	1.1 Strategic Context	<p><u>Wider strategic context of the scheme, including aims and objectives.</u></p> <p>There is sufficient evidence within the SOBC to suggest the scheme is of important strategically; more specifically centred around the schemes importance for tourism alongside the importance of the bridges in terms of commercial traffic. The Lancashire LEP Strategic Economic Plan appears to be in support of the aims of this scheme through the 'Renewal of Blackpool'. The evidence highlights that the scheme will reinforce Blackpool as a tourist destination, a market which is expected to grow considerably in future years, and build on the significant existing base on which tourism underpins the economy. However, ultimately, improved connectivity will provide benefits for all sectors and markets and address social equality and access to services.</p>		No issues with strategic context.
	1.2 Challenge or Opportunity to be addressed	<p><u>Impacts of not progressing the proposed scheme understood? Key challenges and the opportunities presented through meeting these challenges?</u></p> <p>Challenge being addressed is to propose a maintenance schedule for the 10 bridges to ensure weight restrictions/closures are not enforced. The opportunities presented then align themselves with the aims within the SEP. The impacts of not progressing with the scheme are explored throughout the SOBC and more specifically in the Strategic Assessment of Alternative Options and identify the severe economic impacts that would arise from bridge closure and the subsequent impact on congestion and the wider transport network.</p>		Cycling and Walking benefits noted but not quantified later in SOBC. BCR's fine without.
	1.3 Strategic Objectives	<p><u>Present the SMART objectives that will resolve the previously identified challenges/strategic context.</u></p> <p>Timetable for maintenance delivery and completion is provided, which of course presents a quantifiable measure of scheme progression success. There is no specific mention of SMART objectives beyond this repair programme. Potential examples could include the HGV impacts should the programme be met/delayed. However, given that the repair programme is itself the deliverable scheme derived from the inputs to this SOBC, this criteria is sufficient.</p>		Objective should perhaps state traffic impacts e.g. HGV restriction impacting flow. See 1.7 for further context.
	1.4 Achieving Success	<p><u>Quantifiable measures of success proposed?</u></p> <p>Similar to section 1.3, the completion of the maintenance programme has been shown to the measure of success. Whilst this is true and sufficient for the SOBC, it would be beneficial to show how the success of the maintenance is judged e.g. no weight restrictions being applied and traffic flow over the bridges broadly similar to current levels.</p> <p>This information would typically be included in the monitoring and evaluation plan and it is recommended that it should be upon approval of the scheme.</p>		Apart from realisation of timetable for repairs, there is no quantifiable measure of success. It would be beneficial if some additional metrics were presented to quantify the success of the repairs, not just the completion of the repairs. This should be defined in the monitoring and evaluation plan. If not then needs to be updated on scheme approval
	1.5 Delivery Constraints	<p><u>Describe high level internal/external constraints.</u></p> <p>There is an admission that the complexity of and scale of some works are beyond experience of council, but adequate mitigation appears to be in place through Project Management team and initial Highways Asset Management Plan works. The level of optimism bias in the SOBC also reflects this.</p>		
	1.6 Stakeholders	<p><u>Describe the main stakeholders and their relevance to the scheme. Identify key requirements / constraints / conflicts</u></p> <p>Letters of support and engagement with local/national stakeholders deemed sufficient and evidenced. DfT support is clear and evidenced through the funding proposals. Key stakeholders include Network Rail, the Blackpool Business Leadership Group and local communities / residents, who will be able to participate and information disseminated through a Consultation and Information Strategy relating to the scheme.</p>		

Business Case	Criteria	Evidence	RAG Analysis	Recommendations
	1.7 Strategic Assessment of Alternative Options	<p>Provide evidence of consideration of alternative options</p> <p>Evidence of alternative options provided and sufficient. These include three options, a do-nothing in which bridges are allowed to continue to deteriorate. A do-minimum, in which bridges are maintained but continue to deteriorate and a do-something reflecting the proposed scheme. Evidence of the impact of each option, including the capital cost associated with each and key risks have been highlighted.</p>		
			Yellow	The BCR's put forward in the Maintenance Challenge Fund appear to differ from those in the SOBC. These differences need to be detailed and understood.
			Green	Re-routing appears to be very fixed/static, and doesn't account for more strategic decisions as to entry points into Blackpool. I.e. assuming all demand will drive to the same point in the network knowing the closure/restrictions are in place. It is assumed there is no readily available, alternative approach to this method.
			Yellow	RPIX inflation is used not GDP. Should be updated for approval, however it is unlikely to significantly alter the derived VfM of each scheme.

Business Case	Criteria	Evidence	RAG Analysis	Recommendations
				<p>Terminology of Do nothing, Do minimum & Do something does not translate to BCR sheets consistently.</p>
				<p>Where input demand/flow has been transferred from another site, need to see explanation of applicability and subsequent processing of count data.</p>
				<p>Within the supporting text there is a statement that the 'Do Minimum' (Do something within the BCR sheets) will start seeing HGV restrictions in 2 years. As such, this has been factored into the benefits profile. The supporting text states that the proposed £400k works will secure the bridge and its operation for the next 20 years. It appears that benefits are accruing over a 60 year period with no additional costs. I believe this should either be cut to a 20 year appraisal period where benefits stop accruing after 20 years and restrictions apply or a refresh in cost is applied in 20 years time.</p> <p>Reduced appraisal periods to be applied throughout, and in the context of the seaside location (unless specific mitigation warranting an extended appraisal period is justified). This is the key updated that needs to be applied from the VFM perspective prior to funding approval.</p>

Business Case	Criteria	Evidence	RAG Analysis	Recommendations
	2.1 Value for Money	<p>Describe the extent to which the scheme has been assessed in terms of value for money (in line with DfT's Transport Appraisal Framework)</p> <p>Evidence provided for the ten bridge schemes individually. Value for Money is show in each case, and for the combined package of works. Individual items with regards to the economic analysis carried out to generate the VfM case have been covered within the 'Recommendations' Column of this RAG analysis. Given that the analysis of ten separate Economic Cases could highlight items relating to one or two, or all of the schemes, it is suggested the scheme promoter cross checks the applicability of the recommendations on a scheme by scheme basis.</p> <p>The VfM calculations proves value for money with regard to the individual schemes and all ten schemes collectively. A revision to the value for money calculations has been made since the implementation of the recommendations made in this document, however the fundamental conclusion is that the scheme continues to reflect very high value for money. It is acknowledged that some additional modelling could be undertaken to help solidify the economic case, however, the approach that has been used is considered to be proportionate . Therefore, any changes would not significantly alter the value for money calculations on which the economic case has been underpinned.</p>	<p>Red</p> <p>Red</p> <p>Yellow</p>	<p>Additionally, linked to the above, it appears the costs of the scheme are offset against the cost of the Do Nothing (Do min in the sheet) rolling maintenance costs. This is providing a 'Net Cost' of the Do Something but the same isn't being done for Do Something as per my last point.</p> <p>The rerouting of ALL traffic (HGV and Car) seems to be a little extreme. It would be beneficial to see logic of rerouting assumptions. Benefits being derived from this greatly inflate the BCR and as such should be updated/justified for each scheme.</p> <p>Discount factor applied to MECs in sheet "Car – MECs" looking up wrong cell from 2013 onwards – causing incorrect discount rates applied over appraisal period.</p> <p>To be updated.</p>

Business Case	Criteria	Evidence	RAG Analysis	Recommendations
Economic Case				<p>Discounted MEC values should be applied per year, not as an average over the appraisal period: see example sheet in WebTAG unit A5-4 "Marginal External Costs", Section B5, Page 14.</p> <p>To be updated.</p>

Business Case	Criteria	Evidence	RAG Analysis	Recommendations
				No explanation of why the standard annualisation period has been factored in cells B98:S98. Suggest a standard annualisation of 253 is used:
				Vehicle proportion splits in cells I74:Q83 are incorrect. These should reflect proportions outlined in the webTAG databook sheet A1.8.4
				Update reference "WebTAG unit 3.5.6" in cell B74.
				Capital cost discount factor in cell K205 calculated from old method of using RPIX. Need updating with GDP deflator (CPI) as outlined in latest WebTAG, and included in "TAG annual" sheet column D.
				Cell M203 should read "Total Costs, Undiscounted 2010 prices"
	2.2 Economic Assumptions	<p>Describe any economic assumptions made as part of appraisal work</p> <p>Linked to VfM section 2.1 comments. The economic assumptions made to underpin the economic case have been evaluated and considered to be sound. Changes have been made based on recommendations made within this document to ensure compliance with relevant guidance and therefore the resulting very high value for money output is considered to be based on a sound and proportional approach.</p>		
	2.3 Sensitivity and Risk Profile	<p>Describe how changes in economic, environmental and social factors could affect the impact of the proposed scheme BCR.</p> <p>Benefits of schemes realised through transport usership on existing traffic levels. Providing VfM case is sound, then relative risk and sensitivity to benefits is not seen to be of great impact. Level of traffic growth in the forecasts to be understood. However, majority of benefits occur to existing traffic; therefore there is limited risk to the value for money case based on future sensitivities and risks. Additionally, although no specific development is expected to be unlocked by the scheme, an Uncertainty Log has highlight that the probability of three key development schemes being delivered improves as a result of the scheme, supporting wider regeneration and economic growth.</p>		
	2.4 VfM Statement	<p>Provide a summary of the conclusions from value for money assessment</p> <p>Linked to VfM section 2.1 comments.</p>		Jacobs to update for LEP- based on comments from Blackpool on the above
	2.5 Prelim AST	<p>Provide a Preliminary Appraisal Summary Table (AST) showing an overview of the impacts of the scheme</p> <p>AST table completed on the basis of do something scheme implementation at 9 sites, with the exception of Harrowside Bridge, which involves a do-minimum intervention. AST outputs seems reasonable, based on the changes implemented as a result of the recommendations in this document on value for money.</p>		

Business Case	Criteria	Evidence	RAG Analysis	Recommendations
	3.1 Affordability Assessment	<p>Explain how the affordability of the scheme has been assessed</p> <p>A significant volume of background work has been undertaken to support the SOBC. A detailed feasibility study, identifying scheme options at each site has been undertaken, highlighting that costs have increased due to the rate of deterioration observed in the bridge-stock, resulting in two sources of funding now being required.</p> <p>The financial assistance for the scheme has been further supported by the securing of funding from the DfT Maintenance Challenge Fund, although the SOBC document has not been updated to reflect this funding has been secured.</p> <p>Previous endorsement from the section 151 officer has been provided for the DfT Maintenance Growth Fund application, however a separate endorsement is also provided as part of the SOBC verifying the scheme benefits and evidence base. Any cost spend over and above the TfL contribution will be the responsibility of Blackpool Council.</p>		Update to reflect MCF funding announcement.
	3.2 Financial Costs	<p>Provide details of Whole Life Costs of scheme</p> <p>Details provided in SOBC document up to 2018/2019 period.</p>		Ensure maintenance costs of Do Something reported in line with section 2.1

Date: 9th April 2015

FAO Craig Higgins
Jacobs
Principal Transport Planner
Stockbridge House, Trinity Gardens
Newcastle
NE1 2HJ

Our Ref: ST/LS

Direct Line: 01253 478505
Email: steve.thompson@blackpool.gov.uk

Dear Mr Higgins

Re: Blackpool Council Bridges SOBS application for Growth Funding

I write as Section 151 officer for Blackpool Council and would confirm the following in respect of this bid.

The necessary funds to provide the local funding contribution specified in the application form are available from the Council's local transport plan programme.

The grant's usage will be monitored through the local transport plans programme management process via a Project Board which will govern the entire project/s. The Project Board will consist of all the necessary stakeholders including senior management and the Cabinet Members for Highway's, Transport and Equality and Diversity.

I can also confirm that Blackpool Council has already made arrangements to procure the services of contractors using regional frameworks, ensuring that the grant monies will be spent in the most economically advantageous ways, and all resources are in place.

I am also happy to confirm that Blackpool Council will meet any subsequent cost increases following the granting of Programme Entry for this LEP Growth Fund bid.

Yours sincerely



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A682 Centenary Way Viaduct Refurbishment

Strategic Outline Business Case -
Independent Review
Lancashire County Council

April 2015

Notice

This document and its contents have been prepared and are intended solely for Lancashire County Council's information and use in relation to the Independent Review of the Strategic Outline Business Case of the A682 Centenary Way.

Atkins assumes no responsibility to any other party in respect of or arising out of or in connection with this document and/or its contents.

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1. Introduction

1.1. Overview

Atkins has been commissioned by Lancashire County Council to undertake an independent review of their business case submissions which will be put forward to the Lancashire Enterprise Partnership (LEP) to seek and obtain funding via the Local Growth Deal.

We have created a scrutiny framework to review the business case submissions which has been developed based on the Department for Transport business case guidance. The guidance details how each case model is expected to address certain aspects of the scheme in the submission. Each case model within the business case has been assessed against those aspects and judged on how well they are addressed.

In line with the LEP's Accountability Framework, it is recognised that a proportionate approach to the development of the business cases under review has been applied in the submitted business case documents. For schemes where the total costs are less than £5m, only a strategic outline business case has been developed, however, it is acknowledged that as these schemes are still seeking funding in full, some elements of outline and full business case submissions are required.

This document presents our review of the **A682 Centenary Way Strategic Outline Business Case**.

1.2. Methodology

The developed scrutiny framework has been based on a colour coded system that provides a transparent mechanism in assessing each case. Each individual aspect of the case model is given a colour of green, amber or red depending on:

- How well it has been addressed in the submission;
- How relevant it is in relation to the scheme; and
- How well it meets the acceptability criteria set out in the DfT guidance and LEP Accountability Framework.

Table 1-1 Ranking mechanism of the scrutiny framework

Element under scrutiny	Colour/ Score	Description
Requirements fully met	1	No issues of note with the submission. Project to progress as scheduled.
Requirements substantially met	2	Minor issues exist with the submission. Project to progress and issues to be resolved.
Requirements partially met	3	Medium issues exist with the submission. Project to progress and issues to be resolved urgently.
Requirements not met	4	Critical issues exist with the submission. Project to be suspended whilst issues are resolved.

The schemes receive an overall colour and rating to show the general acceptability level of each case. The individual aspects to be assessed align with the strategic outline business case template provided by the Lancashire Enterprise Partnership under the five case models, as shown in Table 1-2.

Table 1-2 Aspects of the scrutiny framework

Case	Element	Aspects for scrutiny
Strategic Case	Strategic context	<ul style="list-style-type: none"> • Aims and objectives of the promoting organisation • What is driving the need to change at a strategic level
	Challenge or opportunity to be addressed	<ul style="list-style-type: none"> • The scope of work is clearly defined • All the current and future problems are identified • Key characteristics of the challenge to be addressed and the opportunity presented
	Strategic objectives	<ul style="list-style-type: none"> • A clear set of scheme objectives are defined • The objectives are well supported by evidence of problems and issues • Alignment with local, sub/regional and national development policy are established • The objectives are pragmatic and achievable
	Achieving success	<ul style="list-style-type: none"> • The existing arrangements cannot be better utilised without implementing fundamental changes • Experience is drawn from past project of similar nature • Scheme dependencies on any committed development and other adjacent major schemes are explored • Likely impact of “Do Nothing” scenario is presented • There is clear evidence to show the urgency of the scheme
	Delivery constraints	<ul style="list-style-type: none"> • Risks identified through the consultation process • Synergy with other relevant schemes
	Stakeholders	<ul style="list-style-type: none"> • List of stakeholders consulted or to be consulted in the course of the business case development • A clear communication strategy • Summarised outcomes of any consultation undertaken
	Strategic assessment of alternative options	<ul style="list-style-type: none"> • List of all the alternative options considered • The optioneering report is consistent with the defined scope and objectives • Option sifting process • Assessment of opportunities and constraints of the options • Detailed selection process of “Preferred”, “Next Best” and “Low Cost” option
Economic Case	Value for money	<ul style="list-style-type: none"> • Compliance with DfT WebTAG guidance
	Economic assumptions	<ul style="list-style-type: none"> • WebTAG version • Price base year of the cost • Market price • Discount rate and year • Forecast year • Opening year • Appraisal period • Traffic growth • Safety assumptions • Environmental assumptions
	Sensitivity and risk profile	<ul style="list-style-type: none"> • Cost of alternative options • Cost allocation profile • Inflation • Quantified Risk Assessment (QRA) • Optimism Bias consideration and justification • Consistency of cost with other scheme of similar size and nature • Operating cost • Maintenance cost • Renewal cost

Case	Element	Aspects for scrutiny
	Value for money statement	<ul style="list-style-type: none"> Benefit Cost Ratio (BCR) Net Present Value (NPV) VfM category
	Appraisal summary table	<ul style="list-style-type: none"> Economic assessment (TUBA) input and output information Annualisation approach Assessment of safety benefits Assessment of social benefits Assessment of environmental impact Assessment of distributional impact Cost to broad transport budget Indirect tax revenue
Financial Case	Affordability assessment	<ul style="list-style-type: none"> Assessment of affordability of all options
	Financial costs	<ul style="list-style-type: none"> Construction period Opening year Inflation Base cost Possible funding requirement Quantitative risk assessment Justification of optimism bias Adjusted scheme cost
	Financial cost allocation	<ul style="list-style-type: none"> Required funding by year Funding mechanism Available fund by different sources Alternative sources of fund
	Financial risk	<ul style="list-style-type: none"> Quantitative risk assessment Justification of optimism bias
	Financial risk management	<ul style="list-style-type: none"> Justification of funding profile by different sources
	Financial accountability	<ul style="list-style-type: none"> Funding risk allocation and ownership.
Commercial Case	Commercial case	<ul style="list-style-type: none"> Approach taken to assess commercial viability
	Procurement strategy	<ul style="list-style-type: none"> Procurement strategy Identified key stages of the procurement process Alternative procurement strategy Detail of the payment mechanism
	Identification of risk	<ul style="list-style-type: none"> Identification of risk
	Risk allocation	<ul style="list-style-type: none"> Allocation of risk
	Contract management	<ul style="list-style-type: none"> Procurement mechanism and its programme Risk allocation and transfer Promoter's procurement experience Benchmark with other procurement processes of similar schemes
Management Case	Governance	<ul style="list-style-type: none"> Project promoter is established in the document Clear management structure for the scheme delivery
	Go/No-go and decision milestones	<ul style="list-style-type: none"> Key decision points identified.
	Project programme	<ul style="list-style-type: none"> Project delivery programme, key milestones and dependencies
	Assurance and approvals plan	<ul style="list-style-type: none"> Reporting protocol and subsequent approval procedure Assurance of resource availability and allocation
	Communications and stakeholder management	<ul style="list-style-type: none"> Communication strategy between different parties History of stakeholder consultation and the outcome

Case	Element	Aspects for scrutiny
	Programme/ project reporting	<ul style="list-style-type: none"> Project delivery programme, key milestones and dependencies Reporting risks and programme delivery
	Risk management strategy	<ul style="list-style-type: none"> Reporting procedure of risks Delivery risks mitigation measures Risk ownership Benchmark of risk mitigation measures from similar past projects Any contingency measures required for risk mitigation
	Monitoring and evaluation	<ul style="list-style-type: none"> Approach to managing realisation of scheme benefit Approach to post scheme implementation evaluation Post implementation cost consideration
	Project management	<ul style="list-style-type: none"> Overall approach to project management

1.3. Structure of Report

Following this introduction, this report contains the summary of the review in Chapter 2, structured as follows:

- Scheme description;
- Strategic case review;
- Economic case review;
- Financial case review;
- Commercial case review;
- Management case review; and
- Review summary

Appendix A contains the detailed notes under each case which have formed the overall review of this scheme.

2. Scheme Review

2.1. Scheme Description

A strategic outline business case has been developed for the A682 Centenary Way Viaduct Refurbishment scheme.

The proposed scheme is a refurbishment of the existing viaduct structure, replacing bearings, coping units and the expansion joints, allowing the viaduct to be utilised by all vehicles in the future. Currently the viaduct is closed to abnormal load vehicles, and because of the viaduct deterioration, without significant works, a restriction will need to be placed on all heavy goods vehicles wishing to use the viaduct in 2016.

The viaduct forms part of the A682, which is the direct route from the M65 motorway into a number of key development sites around Burnley town centre. Restricting the use of heavy goods vehicles will lead to a number of these vehicles having to use very localised, residential routes to reach their required destinations causing localised congestion, and an increased risk of accidents on these alternative routes.

The strategic outline business case for this scheme has been developed by Lancashire County Council and was submitted for this independent review in March 2015. The scheme promoter is David Griffiths, Lancashire County Council.

2.2. Strategic Case

The strategic case presents a clear description and case for the scheme, linking into the aims and objectives of the Lancashire Strategic Economic Plan. The scope of the project is clear and neatly defined which has allowed for the clear identification of potential constraints and interested stakeholder demands.

The objectives have not been listed in a manner that is measurable, thus it will be difficult to fully understand when the objectives have been met. Further consideration and detail to what constitutes scheme success would benefit the case and allow for simple assessment post-implementation.

2.3. Economic Case

The economic appraisal has been completed and the BCR value shows that the scheme provides very high value for money.

The calculation of the benefits is sufficiently calculated despite a few inconsistencies. The basis of the cost calculation is satisfactory, however there is no allowance for maintenance costs nor renewal costs and this should be confirmed given the nature of the scheme. A quantified risk assessment has been presented.

The forecasting undertaken to calculate the journey time appears robust however these are based on North West traffic forecast growth levels that are not specified in the documentation. Atkins recommended that sensitivity tests around levels of traffic growth are included, and these revisions have been made, showing the scheme remains high value for money.

Further to initial comments by Atkins it was highlighted that the accountability framework requires that "scheme promoters must ensure that the Senior Responsible Owner signs off each AST as true and accurate." The AST has now been updated with the Senior Responsible Owner (Tom Mercer) confirming that the AST is true and accurate.

2.4. Financial Case

The scheme delivery budget is estimated to be £1.65m with £1.3m to be funded by the Lancashire Growth Deal and the remaining £0.35m (21%) local contribution from Lancashire County Council. It is unclear, however, whether the scheme delivery budget includes the £71.5k QRA and whether there is any intention for

the LEP to centrally hold any contingency/ optimism bias for schemes at a programme level rather than within the individual projects. Assurance is provided via the scheme promoter's Section 151 officer of the Council's ability to fund the local contribution and any subsequent cost increases.

The submission is well defined in detailing the financial risks associated with the delivery of the scheme and appropriate risk management.

The funding allocation profile has been presented appropriately with all works and costs attributed to 2015/2016.

2.5. Commercial Case

The documentation sets out a clear procurement strategy based on the existing procurement routes used within Lancashire County Council. The rationale for selecting NEC3 Option A (Priced Contract with Activity Schedule) over Option C (Target Cost with Activity Schedule) is sound with the remaining risk transferred to the contractor. The costs have now been confirmed by the contractor.

A clear project programme has been presented as part of the submission including procurement and contract timescales.

Risk assessment, allocation and management strategies are presented. The project risks are transferred to the contractors including programme overrun.

Established approval processes are in place via the Project Board / Project Sponsor.

2.6. Management Case

The documentation provides a clear governance and organisational structure suitable for managing this project, including the technical capabilities of the bridge team. The responsibilities of the named individuals are well defined and the reporting mechanisms and lines of communication are clear including the procedures for obtaining scheme approval. As the project is imminently about to move into construction this should be progressed as a priority.

A detailed risk register presents the quantification and management of risk. The communications strategy presents an overview of procedures and outlines interested parties, however the detail regarding engagement is not provided.

A basic logic map has been developed which provides a brief overview of how the outcome of the scheme will be realised, and a simple monitoring and evaluation plan has been defined to monitor the scheme objectives. This does not clearly identify pre-implementation counts but assumes this information will be collected to allow for direct comparison of the before-after case for scheme success.

2.7. Review Summary

This review represents Atkins' independent scrutiny of the Strategic Outline Business Case (SOBC) for the A682 Centenary Way Viaduct Refurbishment scheme. 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.

The submission demonstrates that the project has been developed to the expected standard in most areas. Revisions to the business case submitted for review on 9th March 2015 were requested by Atkins. The updated SOBC submitted for review on 26th March 2015 has substantially met these requirements.

Overall it is our recommendation that Full Approval for the project be granted.

Table 2-1 Review summary table


Case	Score	Summary
Strategic Case	1	Requirements fully met
Economic Case	1	Requirements fully met
Financial Case	2	Requirements substantially met
Commercial Case	1	Requirements fully met
Management Case	2	Requirements substantially met
Overall Score	2	Requirements substantially met

In line with LEP's Accountability Framework, a proportionate approach to the development of the Transport Business Case has been applied. Given the scheme is seeking a Local Growth Fund (LGF) contribution of 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.

Appendices

Appendix A. Assessment Scores

A.1. Summary

INDEPENDENT REVIEW		ATKINS	
Project Title:	A682 Centenary Way Viaduct Refurbishment	Scheme Promoter:	Lancashire County Council
Document Reviewed:	Strategic Outline Business Case	Gateway:	Full Approval
Date of Submission:	09/03/15 (subsequent updates 26/03/15)	Date of Review:	01/04/2015
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 the scheme is seeking a Local Growth Fund (LGF) contribution of 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 Centenary Way Viaduct is located in Burnley, Lancashire and carries the A682 (Centenary Way) over various unclassified roads, car parks, private land, footways and the Leeds -Liverpool Canal. Refurbishment of the viaduct is required to remove the existing restriction on abnormal loads and to prevent the implementation of a further restriction to all HGVs.		
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 A682 Centenary Way Viaduct Refurbishment scheme. 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>The submission demonstrates that the project has been developed to the expected standard in most areas. Revisions to the business case submitted for review on 9th March 2015 were requested by Atkins. The updated SOBC submitted for review on 26th March 2015 has substantially met these requirements.</p> <p>Overall it is our recommendation that Full Approval for the project be granted.</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.
		4	Requirements not met - Critical issues exist with the submission. Project to be suspended whilst issues are resolved.
Sign-Off			
Reviewer's Signature:		Date:	01/04/2015

Case	Status	Atkins Members Comments
Strategic Case	1	<p>The strategic case presents a clear description and case for the scheme, linking into the aims and objectives of the Lancashire Strategic Economic Plan. The scope of the project is clear and neatly defined which has allowed for the clear identification of potential constraints and interested stakeholder demands.</p> <p>The objectives have not been listed in a manner that is measurable, thus it will be difficult to fully understand when the objectives have been met. Further consideration and detail to what constitutes scheme success would benefit the case and allow for simple assessment post-implementation.</p>
Economic Case	1	<p>The economic appraisal has been completed and the BCR value shows that the scheme provides very high value for money.</p> <p>The calculation of the benefits is sufficiently calculated despite a few inconsistencies. The basis of the cost calculation is satisfactory, however there is no allowance for maintenance costs nor renewal costs and this should be confirmed given the nature of the scheme. A quantified risk assessment has been presented.</p> <p>The forecasting undertaken to calculate the journey time appears robust however these are based on North West traffic forecast growth levels that are not specified in the documentation. Atkins recommended that sensitivity tests around levels of traffic growth are included, and these revisions have been made, showing the scheme remains high value for money.</p> <p>Further to initial comments by Atkins it was highlighted that the accountability framework requires that "scheme promoters must ensure that the Senior Responsible Owner signs off each AST as true and accurate." The AST has now been updated with the Senior Responsible Owner (Tom Mercer) confirming that the AST is true and accurate.</p>
Financial Case	2	<p>The scheme delivery budget is estimated to be £1.65m with £1.3m to be funded by the Lancashire Growth Deal and the remaining £0.35m (21%) local contribution from Lancashire County Council. It is unclear, however, whether the scheme delivery budget includes the £71.5k QRA and whether there is any intention for the LEP to centrally hold any contingency/ optimism bias for schemes at a programme level rather than within the individual projects. Assurance is provided via the scheme promoter's Section 151 officer of the Council's ability to fund the local contribution and any subsequent cost increases.</p> <p>The submission is well defined in detailing the financial risks associated with the delivery of the scheme and appropriate risk management.</p> <p>The funding allocation profile has been presented appropriately with all works and costs attributed to 2015/2016.</p>
Commercial Case	1	<p>The documentation sets out a clear procurement strategy based on the existing procurement routes used within Lancashire County Council. The rationale for selecting NEC3 Option A (Priced Contract with Activity Schedule) over Option C (Target Cost with Activity Schedule) is sound with the remaining risk transferred to the contractor. The costs have now been confirmed by the contractor.</p> <p>A clear project programme has been presented as part of the submission including procurement and contract timescales.</p> <p>Risk assessment, allocation and management strategies are presented. The project risks are transferred to the contractors including programme overrun.</p> <p>Established approval processes are in place via the Project Board / Project Sponsor.</p>
Management Case	2	<p>The documentation provides a clear governance and organisational structure suitable for managing this project, including the technical capabilities of the bridge team. The responsibilities of the named individuals are well defined and the reporting mechanisms and lines of communication are clear including the procedures for obtaining scheme approval. As the project is imminently about to move into construction this should be progressed as a priority.</p> <p>A detailed risk register presents the quantification and management of risk. The communications strategy presents an overview of procedures and outlines interested parties, however the detail regarding engagement is not provided.</p> <p>A basic logic map has been developed which provides a brief overview of how the outcome of the scheme will be realised, and a simple monitoring and evaluation plan has been defined to monitor the scheme objectives. This does not clearly identify pre-implementation counts but assumes this information will be collected to allow for direct comparison of the before-after case for scheme success.</p>

A.2. Strategic Case

INDEPENDENT REVIEW		ATKINS	
Project Title:	A682 Centenary Way Viaduct Refurbishment		
Gateway:	Full Approval	Date of Review:	01/04/2015
STRATEGIC CASE			
Overall Score	1	1	Requirements fully met - No issues of note with the submission.
Atkins Comments:	<p>The strategic case presents a clear description and case for the scheme, linking into the aims and objectives of the Lancashire Strategic Economic Plan. The scope of the project is clear and neatly defined which has allowed for the clear identification of potential constraints and interested stakeholder demands.</p> <p>The objectives have not been listed in a manner that is measurable, thus it will be difficult to fully understand when the objectives have been met. Further consideration and detail to what constitutes scheme success would benefit the case and allow for simple assessment post-implementation.</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	The document provides clear scope of the planned scheme and how it will support wider economic growth, particularly for the developments in and around Burnley town centre. There is clear alignment with the Local Transport Plan priorities and the aspirations of the Lancashire Strategic Economic Plan including asset management, improved access to areas of economic growth and regeneration, and creating the right conditions for business and investor growth.
1.2 Challenge or Opportunity to be addressed	Requirements Fully Met	The document discusses clearly the urgent requirement for the scheme, relating to the HGV restriction that will be enforced should the scheme not be delivered, with the consequential impacts of doing so, relating to reduced accessibility and HGV re-routing.
1.3 Strategic Objectives	Requirements Substantially Met	The objectives presented are concise but are not presented in a quantifiable manner e.g. "improve the quality of life for residents affect by alternative routing of abnormal loads". Further consideration and detail to what constitutes scheme success would allow for simple assessment post-implementation. The objectives lack reference to the wider policy fit. However, given the scheme is related to an 'all or nothing' situation, where vehicles are either restricted or not, this could largely relate to maintaining existing levels of %HGV flows on the alternative routes.
1.4 Achieving Success	Requirements Substantially Met	The success of the scheme is related to abnormal loads returning to the viaduct from current routes through the town centre and reduction in the current monitoring costs. The success relating to assisting regeneration however lacks quantification, relating to the comments made under 1.3 - which could be further clarified.
1.5 Delivery Constraints	Requirements Fully Met	Appendix B details a full risk register for the scheme, and the key delivery constraints summarised in Section 1.5. Obtaining agreements to work beneath the bridge has been identified as a constraint, however early engagement has been undertaken as a mitigation to avoid delay. An alternative strategy for accessing the structure has also been presented relating to serving notice using the Highways Act.
1.6 Stakeholders	Requirements Fully Met	Stakeholders are clearly identified and the scheme promoters have obtained letters of support for the scheme from a range of different stakeholder groups (Appendix C). Groups causing potential conflict (land owners underneath the bridge) have been identified and initial discussions with these groups are referenced in Section 1.5.
1.7 Strategic Assessment of Alternative Options	Requirements Fully Met	Four options have been presented and all clearly defined. A strategic assessment of alternative options have been presented and a high level comparison of cost, benefit and risks presented. Rationale for selecting the proposed scheme is well defined.

A.3. Economic Case

INDEPENDENT REVIEW		ATKINS		
Project Title:	A682 Centenary Way Viaduct Refurbishment			
Gateway:	Full Approval	Date of Review:	01/04/2015	
ECONOMIC CASE				
Overall Score	1	1	Requirements fully met - No issues of note with the submission.	
Atkins Comments:	The economic appraisal has been completed and the BCR value shows that the scheme provides very high value for money.		2	Requirements substantially met - Minor issues exist with the submission.
	The calculation of the benefits is sufficiently calculated despite a few inconsistencies. The basis of the cost calculation is satisfactory, however there is no allowance for maintenance costs nor renewal costs and this should be confirmed given the nature of the scheme. A quantified risk assessment has been presented.		3	Requirements partially met - Medium issues exist with the submission.
	The forecasting undertaken to calculate the journey time appears robust however these are based on North West traffic forecast growth levels that are not specified in the documentation. Atkins recommended that sensitivity tests around levels of traffic growth are included, and these revisions have been made, showing the scheme remains high value for money.		4	Requirements not met - Critical issues exist with the submission.
	Further to initial comments by Atkins it was highlighted that the accountability framework requires that "scheme promoters must ensure that the Senior Responsible Owner signs off each AST as true and accurate." The AST has now been updated with the Senior Responsible Owner (Tom Mercer) confirming that the AST is true and accurate.			

Item	Status	Comments
2.1 Value for Money	Requirements Fully Met	The methodology for calculating the value for money is fundamentally robust and includes both an economic assessment and an additional Gross Value Added calculation. The latter has not been included in the BCR. The cost calculations are visible however no costs have been included for maintenance costs. (No benefits however have been calculated from the potential reduced maintenance costs below the current figure.) Appendix D provides a clear indication of costs and benefits and the value for money case is very robust.
2.2 Economic Assumptions	Requirements Fully Met	Economic assumptions reflect WebTAG guidance for the majority of elements. Price base year and discount rates have all been accurately applied however there are some inconsistencies in the document using years 2014 and 2015 as price base. On the basis of the initial SOBC document Atkins requested that: "Further clarity as to when the restriction on all HGVs would apply is required to determine the first year of attributable benefits i.e. when the re-routing of all HGVs becomes apparent. This would allow for an accurate appraisal of the Do Minimum option. Although the VfM appraisal currently assumes that all HGVs would be banned from using the Centenary Way from 2016, no evidence is provided to confirm that this would be the case." The SOBC has been updated to confirm that: "LCC Bridges Design Team has recommended that the HGV ban is implemented immediately in order to safeguard the structure. Benefits have consequently been attributed from 2016 onwards." For economic appraisal risk adjusted scheme costs have been applied including Optimism Bias at 6%, which is deemed appropriate for a scheme at this stage of development in line with in TAG Unit A1.2.
2.3 Sensitivity and Risk Profile	Requirements Fully Met	The initial SOBC document submitted for review identified that one of "the key risks is that economic growth does not match expectations leading to a change in traffic growth in growth in delay" and that the "assessed scheme benefits are sensitive to change if the forecast increase in traffic delay is not accurate". In order to demonstrate the robustness of the appraisal Atkins requested that some sensitivity testing be undertaken. The SOBC has been updated to include two sensitivity tests, the first test considers the impact of zero traffic growth, the second test considers the added impact of zero growth in delay. Under both scenarios that BCR continues to represents a very high VfM.
2.4 Value for Money Statement	Requirements Fully Met	Based on the listed economic assumptions, the scheme provides very high value for money with benefits above £7.3m (2010 prices, discounted) at a cost of £1.5m (2010 prices, discounted). There are additional GVA benefits of £4.8m over the assessment period that have not been included in the benefit cost ratio (as per guidance) that show much greater additional wider benefits from the scheme. The analysis has been proportionate based on the type and value of scheme. There are wider additional benefits such as regeneration impacts that have not been quantified yet bolster the case for the scheme to be delivered.
2.5 Appraisal Summary Table	Requirements Fully Met	A thorough appraisal summary table has been presented. There are a few contradictions in relation to the price base year - sometimes 2014, others 2015. All quantifiable benefits have been accurately calculated and presented. Further to initial comments by Atkins it was highlighted that the accountability framework requires that "scheme promoters must ensure that the Senior Responsible Owner signs off each AST as true and accurate." The AST has now been updated with the Senior Responsible Owner (Tom Mercer) confirming that the AST is true and accurate.

A.4. Financial Case

INDEPENDENT REVIEW		ATKINS	
Project Title:	A682 Centenary Way Viaduct Refurbishment		
Gateway:	Full Approval	Date of Review:	01/04/2015
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 scheme delivery budget is estimated to be £1.65m with £1.3m to be funded by the Lancashire Growth Deal and the remaining £0.35m (21%) local contribution from Lancashire County Council. It is unclear, however, whether the scheme delivery budget includes the £71.5k QRA and whether there is any intention for the LEP to centrally hold any contingency/ optimism bias for schemes at a programme level rather than within the individual projects. Assurance is provided via the scheme promoter's Section 151 officer of the Council's ability to fund the local contribution and any subsequent cost increases.</p> <p>The submission is well defined in detailing the financial risks associated with the delivery of the scheme and appropriate risk management.</p> <p>The funding allocation profile has been presented appropriately with all works and costs attributed to 2015/2016.</p>			


Item	Status	Comments
3.1 Affordability Assessment	Requirements Substantially Met	<p>The total funding cover for the scheme set out in the growth deal was £3.2m, with £2.8m to be funded by the Lancashire Growth Deal and the remaining £0.4m (12.5%) local contribution from Lancashire County Council. The scheme delivery budget is now estimated to be £1.65m. Based on the submission of tenders a works cost of £1.45m has been agreed with a contractor, including a contingency budget of £63k within the tender price. Design and Supervision costs not funded from the LEP have been estimated at £200k for the scheme and represents part of the £350k local contribution from Lancashire County Council. It is unclear, however, whether the scheme delivery budget includes the £71.5k QRA and whether there is any intention for the LEP to centrally hold any contingency/ optimism bias for all schemes at a programme level rather than within the individual projects.</p> <p>Further to initial comments by Atkins it was highlighted that the accountability framework requires that "the scheme promoter's Section 151 officer must underwrite the promoter's ability to fund the local contribution and any subsequent cost increases". A letter from the LCC Section 151 officer confirming such have now been received.</p> <p>On initial review of the SOBC document Atkins noted that LEP's Accountability framework states that "the Lancashire Enterprise Partnership will consider funding exceptional structural maintenance schemes including bridges, tunnels, retaining walls and culverts with a minimum cost threshold of £2m." The SOBC been updated to acknowledge that: "the Centenary Viaduct Refurbishment scheme costs are now less than this minimum cost threshold. However, Dave Colbert (LCC) has confirmed that Centenary Way was one of the original Local Transport Body schemes which was prioritised before the transition to the Local Growth Fund process. Consequently, the £2m minimum cost threshold is not applicable to this scheme."</p>
3.2 Financial Costs	Requirements Fully Met	No comments.
3.3 Financial Cost Allocation	Requirements Fully Met	The scheme is planned to be delivered in full in 2015/2016 therefore the costs are allocated entirely to this period. The document shows how the costs are allocated between the Local Growth Fund and Lancashire County Council.
3.4 Financial Risk	Requirements Fully Met	<p>A detailed quantified risk assessment has been provided in Appendix B, with a calculated P50 value of £71.5k along P_{Min} (£20.8k) and P_{Max} (£133k) values.</p> <p>The key financial risks identified are:</p> <ul style="list-style-type: none"> • Unavailability of bearings. • Impact of national/international incident.
3.5 Financial Risk Management	Requirements Fully Met	Risk owners have been identified as part of the detailed risk register. The register clearly identifies mitigations to ensure these risks are not realised.
3.6 Financial Accountability	Requirements Fully Met	The financial accountability is clearly stated as being led by Lancashire County Council, and costs will be monitored by the Council's Bridges Design Team.

A.5. Commercial Case

INDEPENDENT REVIEW		ATKINS	
Project Title:	A682 Centenary Way Viaduct Refurbishment		
Gateway:	Full Approval	Date of Review:	01/04/2015
COMMERCIAL CASE			
Overall Score	1	1	Requirements fully met - No issues of note with the submission.
Atkins Comments:	<p>The documentation sets out a clear procurement strategy based on the existing procurement routes used within Lancashire County Council. The rationale for selecting NEC3 Option A (Priced Contract with Activity Schedule) over Option C (Target Cost with Activity Schedule) is sound with the remaining risk transferred to the contractor. The costs have now been confirmed by the contractor.</p> <p>A clear project programme has been presented as part of the submission including procurement and contract timescales.</p> <p>Risk assessment, allocation and management strategies are presented. The project risks are transferred to the contractors including programme overrun.</p> <p>Established approval processes are in place via the Project Board / Project Sponsor.</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
4.1 Commercial Viability	Requirements Fully Met	No comments.
4.2 Procurement Strategy	Requirements Fully Met	The procurement strategy has been defined with appropriate selection stages. The chosen form of contract is NEC3 Option A (Priced Contract with Activity Schedule). The costs have been confirmed with the contractor. The rationale for selecting NEC3 Option A over Option C (Target Cost with Activity Schedule) is sound with the remaining risk transferred to the contractor.
4.3 Identification of Risk	Requirements Fully Met	Risks have been clearly identified and quantified as part of the quantified risk assessment presented in Appendix B. Costs have been provided by the contractor which minimises the level of risk.
4.4 Risk Allocation	Requirements Fully Met	Risks have been allocated in the risk register presented in Appendix B. The use of NEC Option A contract transfers risk to the contractor and the risk of programme overrun is passed to the contractor on the basis of a target date of completion contract.
4.5 Contract Management	Requirements Fully Met	On the basis of the initial SOBC document Atkins requested that: <i>"Further clarity on the contract length and the implications of contract delay (and how this will be mitigated/managed) would be beneficial."</i> The SOBC has been updated with reference to <i>"the contract is expected to run from Tender Award (w/e 20th April 15) to the conclusion of works (w/e 14th December 15). As soon as the contractors have been appointed (following funding approval) the contract duration will be confirmed."</i> Furthermore <i>"The proposed Contractor has given no indication that the contract length specified in the Contract is a risk. Delay of completion is also mitigated through the inclusion within the Contract of secondary option clause X7 – Delay Damages."</i> The document makes reference to cost overruns being the responsibility of the Capital Bridge Design Team Budget however given the contractors have supplied costs it is assumed that such statement is obsolete. Lancashire County Council will take responsibility for the approval processes. Established approval processes are in place via the Project Board / Project Sponsor.

A.6. Management Case

INDEPENDENT REVIEW			
Project Title:	A682 Centenary Way Viaduct Refurbishment		
Gateway:	Full Approval	Date of Review:	01/04/2015
MANAGEMENT CASE			
Overall Score	2	1	Requirements fully met - No issues of note with the submission.
Atkins Comments:	<p>The documentation provides a clear governance and organisational structure suitable for managing this project, including the technical capabilities of the bridge team. The responsibilities of the named individuals are well defined and the reporting mechanisms and lines of communication are clear including the procedures for obtaining scheme approval. As the project is imminently about to move into construction this should be progressed as a priority.</p> <p>A detailed risk register presents the quantification and management of risk. The communications strategy presents an overview of procedures and outlines interested parties, however the detail regarding engagement is not provided.</p> <p>A basic logic map has been developed which provides a brief overview of how the outcome of the scheme will be realised, and a simple monitoring and evaluation plan has been defined to monitor the scheme objectives. This does not clearly identify pre-implementation counts but assumes this information will be collected to allow for direct comparison of the before-after case for scheme success.</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 Fully Met	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.
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 Fully Met	A detailed project programme developed in Microsoft Project has been provided in Appendix E which highlights the interdependencies and all aspects of project delivery including approvals and scheme construction. On the basis of the initial SOBC document Atkins requested that: "identify project dependencies and/or potential links to other programmes (e.g. the growth corridor packages)." The updated SOBC confirms that the Centenary Way Viaduct Refurbishment scheme is not dependent on any other schemes, however, it is complementary to the Burnely-Pendle Growth Corridor project.
5.4 Assurance and Approvals Plan	Requirements Fully Met	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.
5.5 Communications and Stakeholder Management	Requirements Partially Met	The document makes reference to the need for a communications strategy to be developed. As the project is imminently about to move into construction this should be progressed as a priority. The document does however set out the broad themes and stakeholder required of the communications plan. There is reference to quarterly progress reports on the Council website, and briefing reports for local members. These have not been viewed.
5.6 Programme/ Project Reporting	Requirements Substantially Met	Clear programme and project reporting process are in place for the scheme. The Project Managers will report to the Project Board at quarterly meeting. During these meetings, key risks, programme management 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 the Project Team via the Project Manager. No reports or documentation of project board meetings are evident.
5.7 Risk Management Strategy	Requirements Fully Met	A risk register allocating responsibility of risks has been provided in Appendix B. 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.
5.8 Monitoring and Evaluation	Requirements Substantially Met	On the basis of the initial SOBC document identified that: "a requirement of the LEP Accountability Framework is that each scheme will have an evaluation plan produced prior to Full Approval." Since the SOBC is for full approval funding (for individual schemes requiring a Local Growth Fund contribution of less than £5m) a monitoring and evaluation plan setting out information with regards to programme/timings of monitoring activities should be provided. The updated SOBC includes a brief logic map (Appendix H) to identify how the scheme monitoring aligns with the strategic objectives. Appendix G shows the locations of traffic count sites that will be annually monitored and reviewed for assessment purposes. Pre-implementation counts are not referenced, and these must be accounted for to allow for direct before-after implementation comparison. No indicative costs have been provided nor allocated for the cost of post-implementation monitoring.
5.9 Project Management	Requirements Fully Met	The project will be managed in PRINCE 2.

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Private & Confidential: NO

Date: 21 April 2015

European Structural & Investment Funding 2014-20 Update

**Report Authors: Sean McGrath, Development and Corporate Resources,
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Lancashire County Council**

Executive Summary

The report sets out the latest position on the development of Lancashire's European Structural and Investment Funds (ESIF) Strategy including;

- The current position of the 3 ESIFs Operational Programmes 2014-20
- The initial European Regional Development and European Social Funds calls which will be issued to bring forward activity in Lancashire
- Project / Opt In development and delivery
- Extensions for existing projects in the 2007-13 programme

Recommendations

The Board is asked to:

- i. Note and comment on the issues raised in the report and, if appropriate, request that any comments are considered at the next meeting of the Lancashire ESIFs partnership;
- ii. Request a more detailed report to the June meeting of the LEP Board to consider the pipeline of capital and revenue projects proposed for the initial three years of the 2014-2020 ESIF operational programme, consistent with the LEP's Strategic Economic Plan; and
- iii. Request proposals regarding governance of LEP business support activities be submitted to the June meeting of the LEP Board, as part of the on-going development of the LEP's Assurance Framework.

Background and Advice

1. European Structural and Investment Funds programme 2014-20 Implementation

- 1.1 As reported at previous meetings the Government has established a National (England) Growth Programme for EU funding over the period 2014-20. The Growth Programme includes the European Regional Development Fund (ERDF), European Social Fund (ESF) and a proportion of European Agricultural, Farming and Rural Development Fund (EAFRD). The EU Growth Plan is worth £5bn in England, with Lancashire having a notional allocation of £231m. The allocation is split approximately £137m ERDF, £90m ESF and £4m EAFRD.
- 1.2 In order to access this funding all LEPs have submitted a European Structural and Investment Funds (ESIFs) Strategy. The final version of the ESIFs Strategy will not be confirmed by Government until after the European Commission has agreed the Operational Programmes for the European Regional Development and European Social Funds (ERDF/ESF). The ERDF and ESF programmes were originally due to be approved in July 2014. At the time of writing the ERDF and ESF Operational programmes are not expected to be formally approved until June 2015 with the EAFRD programme having formally approved in March 2015.
- 1.3 As a result of current UK Government and European Commission negotiating position, it is becoming increasingly clear that the role of LEPs is to ensure the project fit of investment priorities with agreed SEPs and ESIF plans, but with project appraisal and ultimate decision-making responsibilities remaining with the UK Government, as the Managing Authority.

2. First Round ERDF and ESF Calls

- 2.1 In the case of ERDF and ESF activity the Government indicated, with formal guidance yet to be received, local ESIFs committees could request limited 'at risk' calls in March 2015 prior to General Election Purdah. Any calls would be based upon an 'in principle' agreement to certain elements of the ERDF and ESF Operational Programmes by the European Commission. As a result any projects approved as part of the pre Purdah call process will be operating 'at risk' until the Operational Programmes are approved. The Government are also planning to hold calls in June 2015.
- 2.2 The Lancashire ESIFs Partnership, the local advisory/governance body for ESIFs resources, agreed at its meeting on 5th March for a limited number of calls to be issued prior to the beginning of General Election Purdah. The



Partnership agreed to support the Lancashire Growth Hub by issuing two ERDF calls (related to Theme 2 of the Lancashire ESIFs Strategy). It also agreed to support an ESF call to support the Mental Health Trailblazer Pilot project in Blackpool (related to Theme 6 of the Lancashire ESIFs Strategy and one of the Lancashire Growth Deal projects for Blackpool). This decision was based upon recommendations from the LEP Skills and BOOST/Business Support Groups and reflects the need to sustain momentum and capability in some key initiatives and also to ensure that Lancashire's ability to draw down resource is not "crowded out" by the increased volume of calls now passing through DCLG from multiple LEPs.

- 2.3 The Partnership was also informed at the meeting that the Government had requested local agreement to calls be issued for activity related to national business support products focusing on the Manufacturing Advisory Service, Growth Accelerator and UKTI activity. Again the Partnership agreed to calls related to this activity to be issued on the basis that they had originally been supported (when described as Opt Ins) by the LEP Board. The ESIF calls which are now active to support future activity in Lancashire are summarised in Table 1 (see below);



Table 1

ESIF Strand	Provision Required	Value (3 year Programme)	Estimated Start Date
ERDF	BOOST - SME Support	£3m ERDF (ESIF) £3m Local Match	October 15
ERDF	BOOST - Research and Innovation	£3m ERDF (ESIF) £3m Local Match	Oct / Nov 15
ERDF	Additional Activity in Lancashire delivered by the Manufacturing Advisory Service	£1.5m ERDF (ESIF) £1.5m national government match	Oct 15
ERDF	Additional Activity in Lancashire delivered by the UK Trade and Industry (trade promotion team)	£1.5m ERDF (ESIF) £1.5m national government match	Oct 15
ERDF	Additional Activity in Lancashire delivered by the Growth Accelerator Programme	£1.5m ERDF (ESIF) £1.5m national government match	Oct 15
ESF (Open Call)	Support for Employment (Employment and Mental Health Services Integration Pilot)	£1m ESF (ESIF) £1m Growth Deal match	Spring/ Summer15
ESF SFA Opt In	Skills Support for the Workforce in SME's, Response to Redundancy and Industrial Change	£12m ESF (ESIF) Programme match provided by SFA but will not add to project budget.	Jan 16
ESF SFA Opt In	Activity to support young people who are Not in Education, Employment or Training (NEET) or at risk of becoming NEET	£6m ESF (ESIF) Programme match provided by SFA but will not add to project budget.	Jan 16
Total Lancashire ESIF Committed		£29.5m	

3. Opt In Organisations Activity

- 3.1 The ESIF Partnership also considered updates on the ESF activity being undertaken by the Skills Funding Agency and the BIG Lottery in respect of their Opt In proposals. The Partnership noted that the BIG Lottery Opt would launch in June 2015 and would focus, initially, on Older People with Low or No Skills and NEETS. A further call for activity will take place in autumn 2015 and this will focus on Vulnerable/Disadvantaged groups (as detailed in the Lancashire ESIFS Strategy) in addition to Older People and NEETS. Work is currently ongoing to develop project specifications for the June launch.
- 3.2 The Partnership agreed to support the proposal from the LEP Skills Board that the first two priorities for Skills Funding Agency Opt In would be projects in support of training for NEETs and Skills Support for the Workforce. The Partnership also agreed that further work should be undertaken by the LEP Skills Board to facilitate the drafting of a Funding Agreement, with a notional financial allocation, before the end of March 2015. It should be noted that any SFA Opt In agreement will need to include a management fee, currently at 10% of ESF value, to support the delivery of ESF in Lancashire.
- 3.3 The initial draft proposal for the SFA Funding Agreement is based upon a notional allocation of £40.7m of ESF allocated to projects in the first three years of the new ESIF programme. A draft thematic outline of how these funds will be used is shown within Table 2. This will be reported to the ESIFs Partnership, as the advisory/governance body, when it meets in May 2011 and will be developed in more detail once the ESF programme has been approved nationally.

Table 2 – Indicative Plan for Lancashire ESF monies to be matched against SFA's matched funding opt-in

Skills Funding Agency										
LEP Area	Activities	Amount of ESF	10% Admin	ESF total	Period of Time	Thematic Objective	Priority Axis	Investment Priority	Date of Full Application	RAG-Rating
North West										
Lancashire	Provision to reduce the number of young people, aged 14-24 (or up to 25 for young people with LLDD) who are not in education, employment or training (NEET), or are at risk of becoming NEET.	£6,000,000	£600,000	£6,600,000	Jan 16 - Dec 18	8	1	1.2	Mar-15	Green
Lancashire	Programme which incorporates Skills Support for the Workforce, Local Response Fund, Skills Support for Redundancy and Industrial Restructuring provision.	£12,000,000	£1,200,000	£13,200,000	Nov 15 - Oct 18	10	2	2.2	Mar-15	Green
Lancashire	Upskilling / retraining - non-work based, funded provision to allow individuals to update their skills within their existing sector or develop skills leading to employment in new and emerging sectors of the Lancashire economy.	£6,000,000	£600,000	£6,600,000	Mar 16 - Feb 19	10	2	2.2	Jun-15	Amber
Lancashire	Support for Higher Level Skills Programmes relevant to Lancashire's Key sectors particularly AEM, Energy and Digital sectors.	£3,000,000	£300,000	£3,300,000	Mar 16 - Feb 19	10	2	2.2	Jun-15	Amber
Lancashire	Skills Support for the Unemployed	£8,000,000	£800,000	£8,800,000	TBC	8	1	1.1	Mar-15	Green
Lancashire	Investigate existing demand for E.S.O.L. provision across Lancashire and explore where ESF might be able to augment provision and promote economic participation <ul style="list-style-type: none"> • Investigate existing demand for E.S.O.L. provision across Lancashire • Explore where ESF might be able to augment provision and promote economic participation 	£2,000,000	£200,000	£2,200,000	TBC	8	1	1.1	Mar-15	Green

4. Future Activity

- 4.1 The ESIF Partnership requested that partners start to develop a draft pipeline of activity for future ERDF and ESF Calls and present this to the May 2015 meeting with a view to the next tranche of Lancashire ESIFs calls being issued in June 2015. The aim of this process is to allow the ESIF Partnership to plan the implementation of Lancashire's ESIFs Strategy, in conjunction with the Managing Authorities, in support of local growth, skills, employment and social inclusion objectives and nationally specified outputs.
- 4.2 This has been discussed with the officers supporting LEP Skills Board, LEP Boost Board and the SME Consultation Group / Business Network of Networks and it is envisaged that activity prioritised by these groups will form part of the pipeline for calls from June 15 onwards.

Agenda Item 11

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