



Lancashire Enterprise Partnership Limited

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National Productivity Investment Fund

(Appendix 'A' refers)

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Executive Summary

In his 2016 Autumn Statement, the Chancellor of the Exchequer announced a new National Productivity Investment Fund (NPIF) comprising £23bn of additional spending in areas key to boosting productivity: transport, digital communications, research and development and housing. Subsequently, the Chancellor launched a £690m competition for local authority projects aimed at tackling congestion and getting transport networks moving again, of which £490m is to be made available over the financial years 2018/19 and 2019/20.

It is beneficial for the relevant Local Enterprise Partnership to endorse any bids to the Fund. This report therefore sets out the process and requirements together with a brief summary of the bids being prepared for submission by Lancashire County Council, Blackburn with Darwen Council and Blackpool Council.

Recommendation

Following endorsement by the Transport for Lancashire Committee, the LEP Board is asked to approve the bids being prepared for submission by Lancashire County Council, Blackburn with Darwen Council and Blackpool Council as set out at Appendix 'A' to the report.

Background and Advice

In his 2016 Autumn Statement, the Chancellor of the Exchequer announced a new National Productivity Investment Fund (NPIF) comprising £23bn of additional spending in areas key to boosting productivity: transport, digital communications, research and development and housing. In January 2017, the Department for Transport (DfT) confirmed individual awards to local highway authorities for 2017/18 from a national allocation of £185m to fund local highway and transport improvements which aim to reduce congestion at key locations, upgrade or improve the maintenance of local highway assets, improve access to employment of housing or develop



economic and job creation opportunities. Lancashire County Council received £4.655m, Blackburn with Darwen Council £0.56m and Blackpool Council £0.494m.

The DfT also confirmed that a further £740m of funding would be made available to local authorities through a competitive process, with details to be announced in due course. In his 2017 Spring Budget, the Chancellor launched a £690m competition for local authority projects aimed at tackling congestion and getting transport networks moving again. Subsequently, on 6th April 2017, the DfT issued guidance on the application process for £490m of funding to be made available over the financial years 2018/19 and 2019/20. Funding is 100% capital and can be used for construction costs and land acquisition; it cannot be used to fund preparatory or sunk costs. There is a cap of two on the number of bids that an individual local highway authority can submit.

Projects are required to promote or facilitate one or more of the following aims:

- Ease local congestion and provide upgrades on important national, regional or local routes;
- Unlock economic and job creation opportunities; and
- Enable the delivery of new housing developments.

The DfT is also interested in bids that avoid unlocking latent demand, improve the efficiency of existing road space and use smart technology to ease congestion, and will give preference to projects that primarily increase the efficiency of existing road space rather than add to it.

Candidate projects fall into two categories:

- Small projects requiring DfT funding between £2m and £5m; or
- By exception, larger projects requiring DfT funding in excess of £5m but no more than £10m. Any such bids must demonstrate exceptional value and be prepared to submit a 'WebTAG' compliant transport business case.

The DfT expects a local contribution in the order of 30% of costs, effectively raising the minimum cost of a project to circa £3m. The greater the local contribution, and the more that contribution comes from the private sector and other external organisations, the more positively the bid will be considered in the assessment process.

Bidders are required to complete and submit a pro-forma for sub-£5m bids setting out evidence in support of the strategic and economic cases for intervention, along information summarising the impacts against a number of metrics relevant to the Fund's objectives. This must be of sufficient detail to enable the DfT to form an estimate of the Benefit-Cost Ratio. The quality of the analysis submitted will be a material consideration in determining whether a bid is successful. Supporting evidence that a scheme can be delivered expeditiously must be provided, in particular, certainty that works can commence on site in the financial year 2018/19. Bidders will also need to commit to monitor and evaluate the impact of projects once implemented and provide details on how the claimed benefits will be measured and reported.



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In areas where Combined Authorities (CA) have been established, the DfT expects the CA to coordinate bids by its constituent local highway authorities, including ranking those bids in order of preference recognising the objectives of the Fund.

The Government's guidance also indicates that NPIF submissions will benefit from endorsement by the relevant Local Enterprise Partnership.

A brief summary of each bid is set out in 'Appendix 'A'.



Appendix 'A': Summary of Each Scheme Bid

Lancashire County Council: Preston City Centre Congestion Reduction

Preston city centre is accessed from a number of key radial routes, all of which also provide for cross-city movements including between the Enterprise Zone sites at Samlesbury and Warton, and in some cases, for longer distance travel between regional destinations including the Fylde Coast, Southport/West Lancashire and the Strategic Road Network. Congestion in the city centre is a growing issue, particularly during both morning and evening peak periods due to high traffic flows and conflicting traffic movements at signalised junctions.

Ringway is the critical link in the city centre's highway infrastructure. In addition to its function as a city centre relief road, it provides access to a number of key facilities including the railway station, the University of Central Lancashire, the main city centre retail and leisure areas and the Bus Station. The County Council has already delivered a number of enhancements at various locations in the corridor aimed at reducing congestion and improving the environment, particularly for pedestrians and cyclists. However, the implementation of schemes to reduce traffic from within the city centre, for example, the Fishergate Central Gateway, has placed additional pressure on Ringway. Further investment is therefore necessary to provide a comprehensive solution to congestion and to maximise the efficiency of existing capacity, including physical works and upgrades to technology.

The County Council estimates the scheme will cost £8.3m in total to implement and will be seeking the maximum £5m contribution from the National Productivity Investment Fund.

Lancashire County Council: M55 to St Annes Link Road

There is currently no direct, modern standard road link between the M55 motorway and St. Annes. Access by way of the Squires Gate Link road is circuitous, as is the main alternative route via Queensway, School Road and Whitehill Road. The more direct route via Wild Lane/North Houses Lane is a narrow moss road with limited passing places but has been closed on safety grounds since 2013. Significant employment and housing growth is planned in the immediate vicinity, including the Blackpool Airport Enterprise Zone, Whitehills Business Park and a strategic housing location with in excess of 1,600 new dwellings proposed.

The scheme will deliver a direct, modern standard link between Junction 4 of the M55 at Peel Hill and the Heyhouses area of St Annes, replacing the Wild Lane/North Houses Lane moss road and complementing the short, extant sections completed a number of years ago. It will provide much better access to the various local development sites, boost tourism potential and support the future hosting of R&A Open Golf Championships.

The County Council anticipates that the scheme is likely to cost in the region of £21m and that it will be seeking the maximum £5m contribution from the National Productivity Investment Fund. The scheme is part of the LEP's Growth Deal



programme with an agreed Growth Deal contribution of £2m subject to LEP acceptance of a Strategic Outline Business Case demonstrating the scheme will deliver high value for money and other funding sources being secured. An application has also been made by the LEP to Highways England's Growth and Housing Fund for £4m, with an additional £1m subsequently requested.

Blackburn with Darwen Borough Council: 'Fabric Borders'

The 'Fabric Borders' project will improve pedestrian and vehicular access between Blackburn town centre and development areas both to the north and south of Barbara Castle Way. Reconfiguration of vehicular and pedestrian access and egress routes will remove orbital route congestion, remove barriers and improve pedestrian flows between the town centre and residential and retail areas with a predominantly Asian Heritage population. Improved access to new development sites, under-utilised employment sites and emerging retail and cultural offers will also be delivered by the project, which marks the next phase of Blackburn town centre's regeneration.

Blackburn with Darwen Council anticipates the project will cost in the region of £2.9m to implement and will be seeking a £2m contribution from the National Productivity Investment Fund.

Blackpool Borough Council: Yeadon Way Upgrade

Blackpool's economy is heavily dependent on Yeadon Way, which connects the town centre car and coach parks directly with the M55 motorway. Constructed on a former railway alignment, Yeadon Way has unique and pressing maintenance issues. The National Productivity Investment Fund presents Blackpool Council with an opportunity to secure funding to undertake vital repairs to a section adjacent to that addressed in 2014 following a successful bid to the Department for Transport's Local Pinch-Point Fund. Yeadon Way is essential to future investment in the resort, especially development of the Central Station site.

Blackpool Council anticipates the scheme will cost in the region of £3.35m to implement and will be seeking a contribution of £2.345m from the National Productivity Investment Fund.