

Large Local Major Schemes

Bid for construction funding – December 2017

All bids for construction funding within DfT's Large Local Major Schemes programme must be supported by

- (a) A completed bid template (Part One)
- (b) A checklist to highlight where key information can be found in the OBC (Part Two)
- (c) an Outline Business Case (OBC) as defined in the Department's [Transport Business Case](#) Guidance and any Annexes as necessary

The pro-forma (b) details some key items we would expect to be included within the OBC in a large majors bid. In summary the OBC should be submitted when a preferred option with a defined scope has been identified, detailed costings and appraisal have been undertaken, and a firm delivery plan is in place for construction.

Once business cases are received in each round we will decide which will receive funding for construction. It is a competitive process and we are looking for the schemes that will offer the best returns, will meet our key objectives and can be delivered quickly.

We will be assessing schemes across the five cases and will be considering the following questions in particular.

Strategic

- How clear, robust and well evidenced is the strategic case?
 - How clearly are the objectives set out?
 - How robust was the options assessment process
- To what extent will the scheme address key national strategic priorities, for example access to international gateways, HS2 connections, and the following objectives
 - to ease congestion and provide uPg.rades on important national, regional or local routes
 - to unlock economic and job creation opportunities
 - to enable the delivery of new housing developments

Value for Money

- What is the scheme's overall value for money taking into account monetised and non-monetised benefits
- How strongly do the benefits align with the scheme's stated objectives?

Financial

- How robust are the cost estimates?
- What is the promoter's contribution to scheme costs?
- What is the private sector or other third party contribution to overall scheme costs and how firm is that guarantee?
- To what extent is the scheme genuinely unaffordable via other funding streams?

Management

- How soon will the project be delivered?
- How robust and realistic is the plan for delivery?

Commercial

- How robust is the commercial and procurement strategy?

Large Local Major Schemes: Bid for construction funding

(December 2017 round)

Part One: Bid Template

Scheme Name	Warrington Waterfront Western Link
Lead LEP	Cheshire and Warrington LEP
Promoting Authority	Warrington Borough Council
Contact Please provide a contact name for enquiries relating to this bid	Name: Richard Flood Email: x-rflood@warrington.gov.uk Phone: 01925 442521

1. Introduction

Please provide a clear narrative to describe the scheme and its objectives (max 100 words)

The scheme concerns the construction of a single carriageway link road in west Warrington, between Chester Rd (A56) and Sankey Way (A57). Western Link seeks to address a range of transport issues within the town of Warrington including congestion at key junctions, town centre air quality and resilience at times of severe network stress.

Parallel to addressing Warrington's transport problems, the wider objectives of Western Link seek to unlock crucial development land south-west of the town centre and deliver access to the mixed-use Waterfront development. Western Link presents a vital opportunity in supporting the growth of Warrington's housing supply and stimulating economic growth.

2. Scheme cost (£000s)

	Preparation costs (between OBC and start of construction)	Land purchase*	Construction costs	TOTAL
Base cost	£17,263	£19,200	£122,046	£158,509
Risk	£1,705	£2,615	£23,300	£27,620
Inflation	£952	£0	£23,661	£4,613
TOTAL	£19,920	£21,815	£169,007	£210,742

Notes

1. Please note the risk cost should be as generated by a QRA and should **not** include optimism bias

2. Please do **not** include
- any costs prior to completion of the OBC
 - Part 1 claims
 - Evaluation and monitoring

* Part 1 claims totalling £2m have been excluded from the above scheme costs as per instructions, however they are included as a part of the overall costs throughout the business case and its appendices, Note however that WBC are not seeking funding from central government for these claims and the council will cover their cost.

3. Funding request and profiling (£000s)								
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total	% total
Requested funding from DfT*	£14,160	£15,540	£35,660	£23,680	£26,290	£27,220	£142,540	67%
LA contribution <i>(separate line for each LA)</i>	£6,970	£7,660	£17,560	£11,660	£12,950	£13,410	£70,210	33%
Third Party contribution <i>(separate line for each body)</i>	N/A	N/A						
Total**	£21,130	£23,200	£53,220	£35,340	£39,240	£40,630	£212,750	100%

* The funding noted is the funding request from central government. The council is in discussion with the DfT and DCLG/HCA regarding a potential split of contributions between central government departments that would effectively lessen the burden on the DfT's Large Local Majors fund by securing a DCLG/HCA contribution of £53m. These discussions will continue over the coming months and the DfT will be updated following confirmation of the DCLG/HCA contribution

** Funding profile includes costs of £2m for Part 1 claims, though these will be covered by WBC.

4. Affordability

Please provide a brief summary of why the scheme would be unaffordable other than via this bid to the large majors fund, with particular reference to your LEP's guideline threshold.

Warrington Borough Council's (WBC) local funding thresholds and annual Local Transport Plan capital allocations are well below the estimated cost for the Western Link scheme. The total capital allocation for 16/17 was £1.4m and is likely to remain at that level for future settlement years.

To show commitment to the scheme, WBC has approval for prudential borrowing to part-fund the scheme but any further amounts would be difficult to approve through WBC's capital programme without external funding contributions.

The Local Growth Fund allocations, provided through the Cheshire and Warrington Enterprise Partnership (CWEP), have typically been for schemes under £25m. Whilst this

is a significant sum of money to allocate to the development and delivery of schemes within the CWEP, the estimated cost of Western Link falls well outside the threshold for the provision of scheme funding.

WBC has had recent success in securing grant funding approval for transport schemes within Warrington, including:

- M62 Junction 8 (£5m)
- Warrington West Railway Station (£6.53m)
- Centre Park Link (£5.3m)
- Omega Local Highways - Phase 1 (£4m)
- Warrington East - Phase 1 (£3m)
- Warrington East - Phase 2 (£6.9m)
- Warrington East - Phase 3 (£4m)

However, considering both the number and size of the CWEP allocations, it is clear that the levels of capital funding available through the CWEP are below the estimated cost for the Western Link.

5. Value for Money

Please provide a short description of your assessment of the value for money of the scheme including your estimate of the Benefit Cost Ratio.

This should cover both monetised and non-monetised costs and benefits. The full assessment, as set out in the Value for Money Guidance should be provided in the OBC. Valuation of any dependent development, should be reported here, separately from the central value for money evidence and supporting evidence, and a full description of the approach taken should be included in the OBC.

The transport economic appraisal has been undertaken using the TUBA program (Transport Users Benefit Appraisal) together with trip and cost matrices from the Warrington Multi Modal Transport Model (WMMTM). The WMMTM includes three elements: a highway traffic model; a public transport model; and a variable demand model. The following impacts were assessed for the Warrington Western Link scheme.

- Traveller benefits in terms of time, vehicle operating costs and tolls;
- Traveller benefits associated with delay at Manchester Ship Canal swing bridge;
- Safety benefits in terms of accident savings;
- The benefits of “unlocking” development land that is currently inaccessible;
- Changes in noise, air quality and greenhouse gases;
- Journey time reliability benefits;
- The wider impacts to the economy of improving the transport network; and
- The costs required to deliver the scheme.

In light of the above impacts, an initial BCR was calculated. However, additional benefits of the scheme were also considered. These related to transport reliability benefit and wider impacts. These benefits were included in an adjusted economic assessment as the realisation of these benefits are less certain.

The journey time reliability was assessed using a methodology based on guidelines set out in TAG for urban roads. Wider impacts referred to the other economic impacts of

transport that are additional to transport user benefits. These included agglomeration, output change in imperfectly competitive markets and tax revenues arising from labour market impacts. Wider impacts have been assessed using the DfT WITA program. In consideration of these wider impacts, an adjusted BCR was calculated.

Benefit to Cost Ratio	2.24
Value for money category	High value for money

6. Delivery

Please state the estimated delivery milestones as below, assuming DfT Programme Entry is granted in May 2018. Please amend/add to milestones as necessary.

Submission of planning application	May 2019
Determination of planning decision	August 2019
Publication of Scheme Orders/CPOs (see section 7 below)	August 2019
Completion of Public Inquiry	July 2020
Confirmation of all Statutory Orders and consents	November 2020
Completion of procurement	February 2021
Full Business Case submitted to DfT	December 2020
Start of Construction <i>(assume 2 months from FBC to funding commitment)</i>	February 2021
Scheme open to public	January 2024

Note: If planning consent, scheme orders, CPOs or a public inquiry are not required please insert 'n/a' and provide an explanation in Section 7 below

7. Orders and consents

Do you envisage that CPOs will be necessary?
If not please explain here or insert appropriate reference to relevant OBC paragraph.

(Y)

Are other statutory/highways orders required that would normally require a Public Inquiry (e.g. Side Roads Orders, Transport and Works Act Order). Please specify

- Side Roads Orders

(Y)

What other statutory orders/consents are required? (e.g. heritage, environmental consents)

- Listed Building Consent
- Ecological Mitigation Licenses & Natural England Consent

(Y)

<ul style="list-style-type: none"> • Planning Permission • Network Rail Consent • Environment Agency Consent • Sport England Consent • Secretary of State approval for removal of common land. • Bridging Rights to River Mersey and Manchester Ship Canal • Crown and Duchy consent – the route contains major structures over the River Mersey and Manchester Ship Canal, this includes land owned by the Crown and Duchy which is not covered by CPO legislation. It is therefore important that Crown and Duchy consent is achieved but not formal order exists 	
<p>If CPO and other orders are required does your timetable assume that there will be a public enquiry?</p> <p><i>If not please explain here or insert appropriate reference to OBC document</i></p>	(Y)

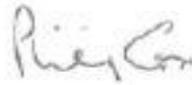
8. Declarations

Lead LEP officer

I confirm that this bid has the full support of Cheshire and Warrington Economic Partnership and hereby submit it to DfT on the LEPs behalf for consideration.

Name: Philip Cox
Position: Chief Executive
Phone: 01606 812 289
Email: Philip.cox@871candwep.co.uk

Signed:



Section 151 Officer declaration

As Section 151 Officer for Warrington Borough Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Warrington Borough Council:

- has allocated sufficient budget to deliver the scheme on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs of delivering the scheme over and above the DfT contribution requested, including potential cost overruns, and the underwriting of any third party contributions
- accepts that no further increase in DfT funding will be considered beyond the maximum contribution requested

Name: Lynton Green
Position: Section 151 Officer
Phone: 01925 443 925
Email: lgreen@warrington.gov.uk

Signed:



Please email this completed form to:

LT.plans@dft.gsi.gov.uk

by **midday 22nd December 2017**

Please note that the size limit for attachments to a single incoming email to DfT is 20MB. If your bid is larger than this please submit separate emails, use a zip folder, or convert large files to an alternative format.

We would prefer it if annexes are separated out into individual pdf documents.

Large Local Major Schemes: Bid for construction funding

Part Two: Checklist

Please complete this checklist by referencing locations where the relevant material can be found in the OBC document

Strategic Case

Item	Section/Page						
A detailed description of the physical scope of the scheme	Section 18, Pg. 179						
The objectives of the scheme	Section 18, Pg. 173						
A description of the process by which the scheme came to be identified as the preferred option for meeting those objectives including why alternative options were discarded	Section 21, Pg. 194						
<p>How the objectives of the scheme align with national transport objectives</p> <p><i>We do not expect all schemes to meet <u>all</u> of these objectives so please mark n/a if necessary.</i></p>	<table border="1"> <tbody> <tr> <td data-bbox="555 887 1142 1133">1. to ease congestion and provide upgrades on important national, regional or local routes</td> <td data-bbox="1142 887 1418 1133">Section 16.2, Pg. 153 Section 16.3, Pg. 157 Section 16.4, Pg. 159</td> </tr> <tr> <td data-bbox="555 1133 1142 1379">2. to unlock economic and job creation opportunities</td> <td data-bbox="1142 1133 1418 1379">Section 16.2, Pg. 153 Section 16.3, Pg. 157 Section 16.4, Pg. 159</td> </tr> <tr> <td data-bbox="555 1379 1142 1626">3. to enable the delivery of new housing developments</td> <td data-bbox="1142 1379 1418 1626">Section 16.2, Pg. 153 Section 16.3, Pg. 157 Section 16.4, Pg. 159</td> </tr> </tbody> </table>	1. to ease congestion and provide upgrades on important national, regional or local routes	Section 16.2, Pg. 153 Section 16.3, Pg. 157 Section 16.4, Pg. 159	2. to unlock economic and job creation opportunities	Section 16.2, Pg. 153 Section 16.3, Pg. 157 Section 16.4, Pg. 159	3. to enable the delivery of new housing developments	Section 16.2, Pg. 153 Section 16.3, Pg. 157 Section 16.4, Pg. 159
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3. to enable the delivery of new housing developments	Section 16.2, Pg. 153 Section 16.3, Pg. 157 Section 16.4, Pg. 159						
For schemes that directly aim to facilitate commercial or housing development on specific sites, details of the sites, current planning status, status of developer commitment and the expected impact of the scheme	Section 23, Pg. 233 Appendix P						

The impact the scheme would have on	The Strategic Road Network	For wider impact see Section 4, Pg. 37 For specific benefits see Section 23, Pg. 233 Appendix T
	Access to planned HS2 stations or sites	For wider impact see Section 4, Pg. 37 For specific benefits see Section 23, Pg. 233 Appendix T
	Access to International Gateways	For wider impact see Section 4, Pg. 37 For specific benefits see Section 23, Pg. 233 Appendix T
Details of public consultation activities on the scheme to date, and key findings including how any key questions/concerns have been addressed.		Section 21.3.8, Pg. 194 Appendix A

Economic Case

As well as referencing the location of these within the OBC, please supply each of the following documents and refer to Annex A for the checklist of appraisal and modelling supporting material.

Item	Section/Page
Option Assessment Report (OAR)	Appendix A
Data Collection Report	Appendix V, Section 4
Local Model Validation Report (LMVR)	Appendix V
Present Year Validation Report (if required)	N/A
Forecasting Report	Appendix W
Economic Appraisal Report	Appendix E
Social and Distributional Impacts Assessment	Appendix R Appendix S

Management Case

Item	Section/Page	
Governance structure <i>including SRO, Project Board, Project Manager, and other key roles, and resourcing levels</i>	Section 4, Pg. 34	
Detailed Project Plan	Section 6, Pg. 44	
Risk Management	Detailed Risk Register	Section 8, Pg. 55 Appendix O
	Narrative to explain the most significant risks, how they are being managed and their potential impact on time and budget	Section 8, Pg. 54 Appendix O
	Risk management strategy	Section 8.1, Pg. 54
Project Assurance <i>e.g. Gateway Reviews</i>	Section 5, Pg. 40	
Evaluation <i>Outline evaluation plan including a statement of core evaluation objectives</i>	Section 13, Pg. 86 Appendix U	

Commercial Case

Item	Section/Page
Description of the preferred procurement strategy	Section 2, Pg. 8

Rational for the selection of preferred procurement route against possible alternatives	Section 2.1, Pg. 14
Explanation of how costs and risks will be shared throughout the contract	Section 4, Pg. 24 Section 7.1, Pg. 31

Financial Case

Item	Section/Page
Detailed cost breakdown	Section 2.3, Pg. 5 Appendix K
Independent surveyor's report verifying cost estimates	Appendix X
Details of and justification for inflation assumption used.	Section 2.3, Pg. 5
Quantified Risk Assessment <i>All scheme costings should include an amount for risk, based on the results of a Quantified Risk Assessment (QRA) which should be proportionate to the nature and complexity of the project.</i>	Section 3.1, Pg. 13
Evidence of commitment for any third-party contributions	At present there are no third-party contributions. The DfT will be informed if this situation changes.

Annex A: Checklist of appraisal and modelling supporting material

Option Assessment

Item	Section/Page
An Option Assessment Report to include steps 1 to 8 set out in WebTAG – the transport appraisal process.	Appendix A

Modelling

Item	Section/Page
An Existing Data and Traffic Surveys Report to include:	
Details of the sources, locations (illustrated on a map), methods of collection, dates, days of week, durations, sample factors, estimation of accuracy, etc.	Appendix V: Section 4, Pg. 37
Details of any specialist surveys (e.g. stated preference).	Appendix V: Section 4.2.2.2, Pg. 45
Traffic and passenger flows; including daily, hourly and seasonal profiles, including details by vehicle class where appropriate.	Appendix V: Section 4, Pg. 37
Journey times by mode, including variability if appropriate.	Appendix V: Section 4.2.6, Pg. 67
Details of the pattern and scale of traffic delays and queues.	Appendix V: Section 4, Pg. 37
Desire line diagrams for important parts of the network.	Appendix V: Section 4.2.4, Pg. 55
Diagrams of existing traffic flows, both in the immediate corridor and other relevant corridors.	Appendix V: Section 4.2.2, Pg. 35
An Assignment Model Validation Report to include:	
Description of the road traffic and public transport passenger assignment model development, including model network and zone plans, details of treatment of congestion on the road system and crowding on the public transport system.	Appendix V: Section 2, Pg. 16 Section 5, Pg. 99 Section 8 Pg. 175
Description of the data used in model building and validation with a clear distinction made for any independent validation data.	Appendix V: Section 4, Pg. 98
Evidence of the validity of the networks employed, including range checks, link length checks, and route choice evidence.	Appendix V: Section 7, Pg. 138 Section 9, Pg. 197
Details of the segmentation used, including the rationale for that chosen.	Appendix V: Section 2.3.8, Pg. 23
Validation of the trip matrices, including estimation of measurement and sample errors.	Appendix V: Section 6. Pg. 113 Section 8 Pg. 175
Details of any 'matrix estimation' techniques used and evidence of the effect of the estimation process on the scale and pattern of the base travel matrices.	Appendix V: Section 7, Pg. 138

Validation of the trip assignment, including comparisons of flows (on links and across screenlines/cordons) and, for road traffic models, turning movements at key junctions.	Appendix V: Section 9, Pg. 197
Journey time validation, including, for road traffic models, checks on queue pattern and magnitudes of delays/queues.	Appendix V: Section 7.Pg. 138 Section 8.5, Pg. 182 Section 9, Pg. 197
Detail of the assignment convergence.	Appendix V: Section 7.5.4, Pg. 174
Present year validation if the model is more than 5 years old.	N/A
A diagram of modelled traffic flows, both in the immediate corridor and other relevant corridors.	N/A
A Demand Model Report to include:	
Where no Variable Demand Model has been developed evidence should be provided to support this decision (e.g. follow guidance in WebTAG M2 Variable Demand Modelling – section 2.2).	N/A
Description of the demand model.	Appendix V: Section 10, Pg. 210
Description of the data used in the model building and validation.	Appendix V: Section 4, Pg. 37
Details of the segmentation used, including the rationale for that chosen. This should include justification for any segments remaining fixed.	Appendix V: Section 10.2.1, Pg. 211
Evidence of model calibration and validation and details of any sensitivity tests.	Appendix V: Section 10, Pg. 210
Details of any imported model components and rationale for their use.	N/A
Validation of the supply model sensitivity in cases where the detailed assignment models do not iterate directly with the demand model.	N/A
Details of the realism testing, including outturn elasticities of demand with respect to fuel cost and public transport fares.	Appendix V: Section 10, Pg. 210
Details of the demand/supply convergence.	Appendix V: Section 10.8.5, Pg. 220
A Forecasting Report to include:	
Description of the methods used in forecasting future traffic demand.	Appendix W: Section 2, Pg. 7 Section 3, Pg. 12
Description of the future year demand assumptions (e.g. land use and economic growth - for the do minimum, core and variant scenarios).	Appendix W: Section 3, Pg. 12
An uncertainty log providing a clear description of the planning status of local developments	Appendix W: Section 3, Pg. 12
Description of the future year transport supply assumptions (i.e. networks examined for the do minimum, core scenario and variant scenarios).	Appendix W: Section 3, Pg. 12 Section 4, Pg. 16
Description of the travel cost assumptions (e.g. fuel costs, PT fares, parking).	Appendix W: Section 4-6

Comparison of the local forecast results to national forecasts, at an overall and sectoral level.	Appendix W: Section 4-6
Presentation of the forecast travel demand and conditions for the core scenario and variant scenarios including a diagram of forecast flows for the do-minimum and the scheme options for affected corridors.	Appendix W: Section 5, Pg. 19
If the model includes very slow speeds or high junction delays evidence of their plausibility.	Appendix W: Section 4-6
An explanation of any forecasts of flows above capacity, especially for the do-minimum, and an explanation of how these are accounted for in the modelling/appraisal.	Appendix W: Section 4-6
Presentation of the sensitivity tests carried out (to include high and low demand tests).	Section 7, Pg. 27

Cost Benefit Analysis

Item	Section/Page
A clear explanation of the underlying assumptions used in the Cost Benefit Analysis.	Appendix E: Section 4.1.2, Pg. 4
Information on local factors used. For example the derivation of growth factors and annualisation factors in TUBA (to include full details of any calculations).	Appendix E: Section 4.1, Pg. 4 Section 4.1.8, Pg. 7
A diagram of the network (if COBALT used).	Appendix E: Section 4.3.2, Pg. 11
Information on the number of junctions modelled (if COBALT used), for both the do-minimum and the do-something.	Appendix E: Section 4.3.2, Pg. 11
Details of assumptions about operating costs and commercial viability (e.g. public transport, park and ride, etc.).	Appendix E: Section 4.1.10, Pg. 8
Full appraisal inputs/outputs (when used, COBALT and/or TUBA input and output files in text format should be supplied).	Appendix E, sub appendix A to C
Evidence that TUBA/COBALT warning messages have been checked and found to be acceptable.	Appendix E, sub appendix D
Spatial (sectoral) analysis of TEE benefits.	Appendix E: Section 5.1, Pg. 16
Details of the maintenance delay costs/savings.	Appendix E: Section 3.1, Pg. 1
Details of the delays during construction.	Appendix E: Section 3.1, Pg. 1
Appraisal tables (AMCB, PA, TEE) in excel format .	Appendix I Appendix J Appendix G

Economic Case Assessment

Item	Section/Page
A comprehensive Appraisal Summary Table in excel format .	Appendix I

Assessment of Economic impacts.	Appendix E, Section 5
Economic impacts worksheets.	Appendix E, Section 5
Assessment of Environmental impacts, to include an environmental constraints map.	Appendix Q, Pg. 21
Environmental impacts worksheets.	Appendix Q, Pg. 27
Assessment of Safety impacts and the assumed accident rates presented (when used, COBALT output should be provided).	Appendix R, Section 4, Pg. 4
Assessment of Social impacts.	Appendix R
Assessment of Distributional impacts.	Appendix S
Social and distributional impacts worksheets (including DI screening pro forma).	Appendix S
Cost pro forma	Appendix K