

South East
Midlands
Local
Transport
Board

**TO EACH MEMBER OF THE
SOUTH EAST MIDLANDS LOCAL TRANSPORT BOARD (SEMLTB)**

23 July 2013

Dear Member

**SOUTH EAST MIDLANDS LOCAL TRANSPORT BOARD (SEMLTB) - THURSDAY 25
JULY 2013**

Further to the Agenda and papers for the above meeting, previously circulated, please find attached the following:

7. Update on Prioritisation of Transport Schemes

Appendix A to the above report.

Should you have any queries regarding the above please contact Sandra Hobbs on Tel: 0300 300 5257.

Yours sincerely

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Local major scheme devolution in the South East Midlands

Technical note on programme option

Report



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Local major scheme devolution in the South East Midlands

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The development of initial programme options

- 1.1 JMP has completed the initial technical assessment of the 19 schemes short listed for consideration for inclusion in the transport investment programme for 2015/16 to 2018/19, and has identified the contribution likely to be made by these schemes in achieving the agreed policy outcomes for the South East Midlands. JMP has also identified some of the risks associated with the submitted schemes both in terms of deliverability within the timetable for investment, and the likelihood of the submitted schemes being able to demonstrate the achievement of at least high value for money, as defined in the draft Assurance Framework.
- 1.2 This assessment followed an initial sift of the long list of schemes submitted for consideration by the four local transport authorities and the Local Enterprise Partnership. This initial long list included 37 schemes. The long list was reduced through identifying whether projects were eligible, and required funding from the local major schemes programme prior to April 2019. A total of 18 schemes were not short listed, either through being ineligible for local major scheme funding in accordance with the draft Assurance Framework (for example schemes with a capital cost of less than £2.5m); having funding commitments from other sources; or being more suited to delivery beyond March 2019 through deliverability constraints or key dependencies on other projects coming forward within the timeframe being considered.
- 1.3 The programme options presented here are based upon the confirmed allocation of funding to the South East Midlands Local Transport Body (LTB) from the Department for Transport for the period 2015/16 to 2018/19, which is £14.7m across the four year period. This is one third below the indicative allocation which was initially considered by the SEMLTB at their meeting on the 21st June 2013.

Initial considerations in programme option development

- 1.4 JMP has considered the following in developing programme options:
- High strategic fit (schemes scoring highest using the weighted policy scores within the seven key policy criteria agreed by SEMLTB – listed in section 1.5 overleaf);
 - Value for money considerations, including confidence in meeting value for money requirements identified in the Assurance Framework, maximising the total funding envelope for the LTB, and extracting the best possible value for money from the LTB's allocation through identifying those projects with a significant local contribution; and,
 - Deliverability considerations with respect to a scheme's significant risks of delivery relative to the current stage of development.

Establishing a longer list of prioritised schemes

- 1.5 Initial sifting of schemes has been based on identifying those schemes that score best in terms of strategic fit using the weighted policy scores within the seven key policy criteria agreed by SEMLTB. This enabled a group of schemes to be identified with the highest strategic fit, but which have a combined total funding requirement from SEMLTB significantly in excess of the £14.7m allocation. This group with the highest strategic fit was presented to SEMLTB at its meeting on 21st June 2013, and comprises:

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- Milton Keynes Park and Ride
- Woodside Link
- Northern entrance to Luton Airport Parkway
- Central Milton Keynes Public Transport Interchange
- Bletchley Public Transport Interchange
- Bedford Western Bypass
- Luton Station improvements
- A421 dualling and associated roundabouts
- A5 - M1 Link – Spur to Thorn Turn
- A5 High Street North Dunstable
- London Luton Airport surface access

- 1.6 The total cost to the LTB of schemes within this list is in the order of £75m, close to five times the SEMLTB indicative allocation for the four year period.
- 1.7 Accounting for both the value for money and deliverability considerations, JMP identified that a number of these schemes are judged to have significant risks to either value for money or deliverability, these schemes being highlighted to SEMLTB at its meeting on 21st June. The remaining schemes are considered by JMP to provide the highest strategic fit, are likely to achieve high value for money and the risks associated with the delivery of the scheme have been assessed as being proportionate to the stage of development and ability to deliver within the period 2015/16 to 2018/19.
- 1.8 One of the schemes with significant identified risks was the subject of strong support from members at the SEMLTB on the 21st June 2013, namely the A421 dualling. It was agreed that further analysis would be undertaken on this scheme by JMP in partnership with officers from Milton Keynes and Central Bedfordshire. Following the SEMLTB meeting additional work on scheme costs indicates that this proposal will cost around £17.5m. A verbal commitment has also been received from Milton Keynes to underwrite the local contribution, leaving a funding requirement of £10m from the LTB. Central Bedfordshire has also sought legal advice and it has been confirmed that the A421 scheme would not be required to apply for permission through the Nationally Strategic Infrastructure Projects process.
- 1.9 Risks to note at this stage now largely centre on value for money. The original value for money case presented in 2006 demonstrated a BCR just below 2. Securing funding for the other parts of the wider A421 improvement scheme will significantly alter the business case for this element as a free standing scheme. JMP believes that additional work is necessary to demonstrate that this present scheme, which forms only part of that original 2006 proposal, will represent at least high value for money. In addition to this there are still uncertainties with respect to the implications of the route improvement on the Cranfield Road overbridge over the A421 and M1 and the land requirement and any associated compulsory purchase orders that may be required.



Option for final allocation (£14.7m)

- 1.10 The following option has been identified by JMP as a potential programme for prioritisation, representing schemes that have strong strategic fit, and combine to form a programme that maximises the total funding envelope for the LTB, thereby seeking to extract the best possible value for money from a reduced allocation:
- Woodside Link (total scheme cost £42m, LTB contribution £10m)
 - Bedford Western Bypass (total scheme cost £16m, LTB contribution £2.5m)
 - London Luton Airport surface access (total scheme cost £6m, LTB contribution £1.2m)
- 1.11 This programme represents a total funding requirement from the LTB of £13.7m, slightly less than the final allocation.
- 1.12 In order to allocate the remaining £1m of LTB funding within this local major scheme allocation, it is suggested that the SEMLTB works with the promoting authorities to identify where increased local contributions can enable the delivery of one other project. This project should come from those schemes that are considered to provide the highest strategic fit, are likely to achieve high value for money and for which the risks associated with the scheme enable delivery within the period 2015/16 to 2018/19.

Other considerations

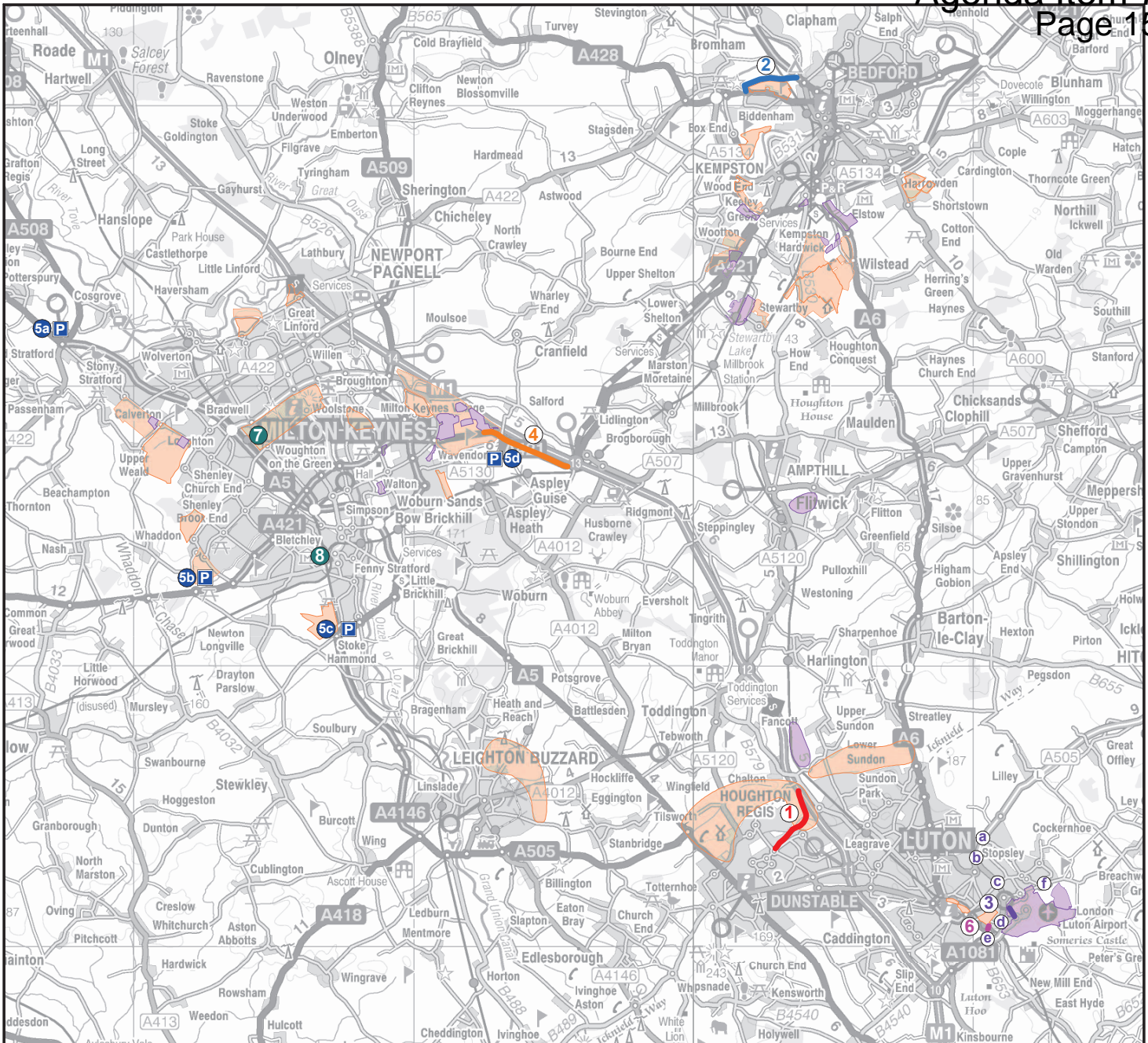
- 1.13 The Department for Transport (DfT) wrote to the SEMLTB on 16th July 2013 outlining the confirmed funding allocation and other details of this process. This included that the DfT has identified that “LEP areas that make a good case for further investment through their strategic economic plans have the opportunity to receive significant additional funding from the competitive elements of the Local Growth Fund”. Further, the letter encourages that “seeking views on a longer list of prioritised schemes, as part of gathering the public comments, could help strengthen the case for the inclusion of those schemes that receive strong support within Strategic Economic Plans.”
- 1.14 To this end, and mindful that the list of schemes that could be prioritised (in 1.10 above) are those that have relatively low risk to delivery and the value for money case, it is suggested the SEMLTB also seeks views on the following schemes as part of its prioritised list, and seeks to make the case for funding these major schemes through the Single Local Growth Fund and other complementary funding sources:
- A421 dualling and associated roundabouts
 - Bletchley Public Transport Interchange
 - Central Milton Keynes Public Transport Interchange
 - Milton Keynes Park and Ride
 - Northern entrance to Luton Airport Parkway




















Local Transport Body South East Midlands LTB

Scheme Promoter	Scheme Name	Description	Estimated BCR	Est Start Date	Est Completion Date	Expected Total cost	Expected LTB contribution TOTAL	Expected LTB contribution 2015/16	Expected LTB contribution 2016/17	Expected LTB contribution 2017/18	Expected LTB contribution 2018/19
			<i>If known</i>	mm/yy	mm/yy	£m	£m	£m	£m	£m	£m
Milton Keynes	Milton Keynes P&R	Development of two of the four Park & Ride sites in Milton Keynes. New link road from M1 J11A to Dunstable employment areas with the aim of reducing congestion in Dunstable and improving access to existing employment sites as well as opening up significant land for development to the north and east of Houghton Regis and providing local access to the new M1 Junction 11a.	Unknown			£8M	£7.2M		£0.2M	£4M	£3M
Central Bedfordshire	Woodside Link	Enhanced northern access to Luton Airport Parkway Station.	3.4	Apr-15	Jun-17	£42M	£10M	£5M	£5M		
Luton	Northern entrance to Luton Airport Parkway	Improved public transport facilities within central Milton Keynes including some bus priority/highway measures.	8.15	Apr-15	Nov-15	£6M	£4.5M	£4.5M			
Milton Keynes	Central Milton Keynes PT Interchange	New bus station location and highway improvements and significantly improved connectivity with rail station.	1.14-6.28			£5M	£4.6M		£0.1M	£2M	£2.5M
Milton Keynes	Bletchley PT Interchange	Construction of Western Bypass between the A6 and A428 providing significant congestion relief within Bedford and opening up land for development.	3.8	Apr-17	Oct-18	£6M	£5M (£1.2M)			£3.5M (£0.84M)	£1.5M (£0.36M)
Bedford	Bedford Western Bypass	Dualling of section of A421 from M1 J13 to Milton Keynes boundary.	6.05	Apr-15	Nov-16	£16M	£2.5M	£2.5M			
Central Bedfordshire	A421 Dualling	Improvements at various highway junctions in the vicinity of London Luton Airport (identified in the Transport Assessment for the expansion of the airport) and the planned adjacent Century Park employment area. This also includes contribution to bus-link at airport parkway station which facilitates additional highway capacity at Airport Way/Gypsy Lane signalised junction.	Unknown			£17.5M	£10M	£0.6M	£0.5M	£0.5M	£8.4M
Luton	London Luton Airport Surface Access		Unknown	May-15	May-16	£6M	£1.2M	£1.2M			

Please provide weblink to location of published list

Please indicate whether or not schemes are ranked in priority order



-  1 Woodside Link
-  2 Bedford Western Bypass
-  3 London Luton Airport Access (Percival Way - Terminal)
-  a Hitchin Road/Stopsley Way/Ashcroft Road roundabout
-  b Hitchin Road/Vauxhall Way roundabout
-  c Vauxhall Way/Crawley Green Road roundabout
-  d Vauxhall Way/Kimpton Road roundabout
-  e Airport Way/Link to Gypsy Lane signals
-  f Wigmore Lane/Eaton Green Road roundabout
-  4 A421: M1(J13) - Magna Park
-  5a MK Park & Ride - Stony Stratford
-  5b MK Park & Ride - South West SDA
-  5c MK Park & Ride - Newton Leys
-  5d MK Park & Ride - South East SDA
-  6 Luton Airport Parkway Station Northern Entrance
-  7 Central Milton Keynes Public Transport Interchange
-  8 Bletchley Public Transport Interchange
-  Housing & Mixed Use Sites
-  Employment Sites



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