Mouchel
Building great relationships

With our clients
With our people
With society
Lowestoft Third Crossing

2nd November 2015

Ian Baker
“Following years of campaigning, Anglia LEP and Suffolk County Council have been invited by the government to prepare and submit an Outline Business Case for a new crossing of Lake Lothing in Lowestoft. If a strong enough case can be made for the scheme, it could be a front-runner for any new transport funding announced in the Chancellor’s Budget Statement.

The Department of Transport has said that any scheme put forward will have to meet their very strict criteria for approval. The business case, which is being developed at the moment, needs to describe a scheme that is feasible, affordable and deliverable. It also needs to prove that a new crossing would produce measurable economic benefits that are significantly greater than the cost of construction. The business case will also have to show that a full range of options has been considered.”
What is Mouchel doing?

• Further option development

• Liaison with DfT to agree requirements of the business case, methodology of modelling and timeframes

• Managing other consultants who are building the traffic model to DfT standards / requirements

• Bringing Regeneris (economic research consultant) on board for wider benefits

• Liaison with stakeholders, steering groups, working groups, other events

• Production of Outline Business Case
Option development

- DfT require a range of options to be tested
- We are building upon work completed so far to give a robust case to Government in accordance with DfT WebTAG.
- Options were previously tested within a model that the DfT had not agreed
- Options were not tested against a standardised framework (against scheme objectives)
- Optioneering still ongoing, converging on optimal location / preferred option
- Business case requires preferred option.
Liaison with DfT - Traffic Modelling

- An Appraisal Specification Report (ASR) / scope – issued and agreed by DfT

  - ASR sets out how the scheme appraisal will be undertaken and records and clarifies the methodologies for:

    - Transport modelling (including traffic surveys and traffic forecasting)
    - Economic assessment (including transport user benefits and accident benefits)
    - Environmental assessment

- New SATURN (traffic model) being built by other consultants on request from the DfT (new data)

- Modelled in line with WebTAG (web Traffic Appraisal Guidance) – the DfT guidelines
The Scheme Outline Business Case (OBC)

Agreed business case format and content with DfT

• Complies with Department for Transport (DfT) guidance on production of business cases, using the 5-case business case model, which includes:

1. **Strategic Case** – presents a robust case for change that fits in with wider public policy objectives

2. **Economic Case** – determines the Value for Money (VfM) of the scheme

3. **Financial Case** – demonstrates the financial affordability of the scheme

4. **Commercial Case** – illustrates the commercial viability of the scheme

5. **Management Case** – establishes that the scheme is manageable and achievable
## Important Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>25 November 2015</td>
<td>Chancellor’s Spending Review announcement, which could include reference to further Growth Deals, a large project competition, transport funding associated with devolution</td>
</tr>
<tr>
<td>24 December 2015</td>
<td>Submission of Outline Business Case with initial model data</td>
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<tr>
<td>February 2016</td>
<td>Submission of Outline Business Case with updated model, including mobile phone data</td>
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<tr>
<td>Feb - March 2016</td>
<td>Ministerial decisions on the scheme</td>
</tr>
<tr>
<td>April 2016</td>
<td>Budget announcement</td>
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</table>
The overall aim of the proposed scheme is:

*To stimulate regeneration, sustain economic growth, and enhance Lowestoft as a place to live and work in, and to visit.*

The specific objectives of the scheme (set out in the Strategic Case) are:

- To open up opportunities for regeneration and development in Lowestoft;
- To provide the capacity needed to accommodate planned growth;
- To reduce community severance between north and south Lowestoft;
- To reduce congestion and delay on the existing bridges over Lake Lothing;
- To reduce congestion in the town centre and improve accessibility;
- To encourage more people to walk and cycle, and reduce conflict between cycles, pedestrians and other traffic;
- To improve bus journey times and reliability; and
- To reduce accidents.
Assessment of an Outline Business Case

Benefit-Cost Ratio (BCR)

- The ratio established by dividing the scheme benefits by scheme costs
  - e.g. £2,000,000 (Benefits) / £1,000,000 (Costs) = 2.00 (BCR)

- A BCR greater than 1 indicates that the benefits of the scheme outweigh the costs and represents the scheme’s Value for Money (VfM)

- A DfT-approved VfM category is identified based upon the BCR, as follows:
  - **Poor** VfM if the BCR is less than 1.0
  - **Low** VfM if the BCR is between 1.0 and 1.5
  - **Medium** VfM if the BCR is between 1.5 and 2.0
  - **High** VfM if the BCR is between 2.0 and 4.0
  - **Very High** VfM if the BCR is greater than 4.0

- Government needs to satisfy themselves that this is a good investment
- “Wider benefits” & why they are important
Wider benefits

- Wider benefits (ie not just traffic benefits) are critical to “boost” the value for money score to increase the probability of achieving funding (to satisfy the DfT);

- Regeneris, an economic research and analysis consultant, will assess the regeneration impacts and wider impacts of the proposed scheme

- Wider benefits assessed and included in OBC will include:
  - Active Mode Appraisal benefits
  - Wider Impacts (agglomeration etc.)
  - Planning gain (increase in land values) / dependent development / additionality
  - Regeneration benefits
Main risks to scheme

• Financial case
  • Some promoter match funding is expected to be required

• Economic Case
  • Will the scheme generate a satisfactory value for money score / BCR?

• Currently no Government fund which could pay for this scheme
  • Will chancellor announce a potential funding pot on 25th Nov?

• Technical risks
  • Impact on introducing mobile phone data into model (on programme & on results)
  • Engineering feasibility
Consultation

Maritime Consultation

The current list of primary and secondary identified stakeholders is:

- Associated British Ports
- Boston Putford Offshore Safety Limited
- CEFAS
- Dudman Limited
- Haven Marine Ship Management Limited
- National Oilwell Varco Limited
- OGN Group
- Small & Co. (Marine Engineering) Limited
- Excelsior Trust
- Holmans Marine Solutions Limited
- International Boat Training College
- Lowestoft Cruising Club
- Lowestoft Haven Marina
- Northgate Marine Limited
- Petans Limited
Public Consultation

- A public Consultation event was held at the Lowestoft 60+ Club on Friday 20th and Saturday 21st June 2014

- The public was invited to answer the following question:
  - Which location do you think would be most effective in addressing the aims of the project?

<table>
<thead>
<tr>
<th>Preferred Location</th>
<th>Count</th>
<th>%</th>
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<tbody>
<tr>
<td>Western</td>
<td>43</td>
<td>23.9%</td>
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<tr>
<td>Central</td>
<td>109</td>
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<tr>
<td>Eastern</td>
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<tr>
<td>Other</td>
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<tr>
<td>No response given</td>
<td>5</td>
<td>2.8%</td>
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<tr>
<td>Total</td>
<td>180</td>
<td>100.0%</td>
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</tbody>
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The Options Being Considered
Indicative / diagrammatic options – eastern options
Indicative / diagrammatic options – central options

C1

C2

C3

C4
Indicative / diagrammatic options – western options

W1

W2

W3

W4
Indicative / diagrammatic options – tunnel options
Some 3D images of options (discounted)
Higher Barrage Option (discounted)