

## Large Local Major Transport Schemes

### Application for Scheme Development Costs – Main Round

<b>Scheme Name</b>	Bristol South West Economic Link
<b>Lead LEP</b>	West of England LEP
<b>Other supporting LEPs</b> <i>(if applicable - see 2.4 below)</i>	Heart of South West LEP
<b>Promoting Authority</b>	North Somerset Council
<b>Is this an update of a bid that was unsuccessful in the fast track round</b>	Y/N

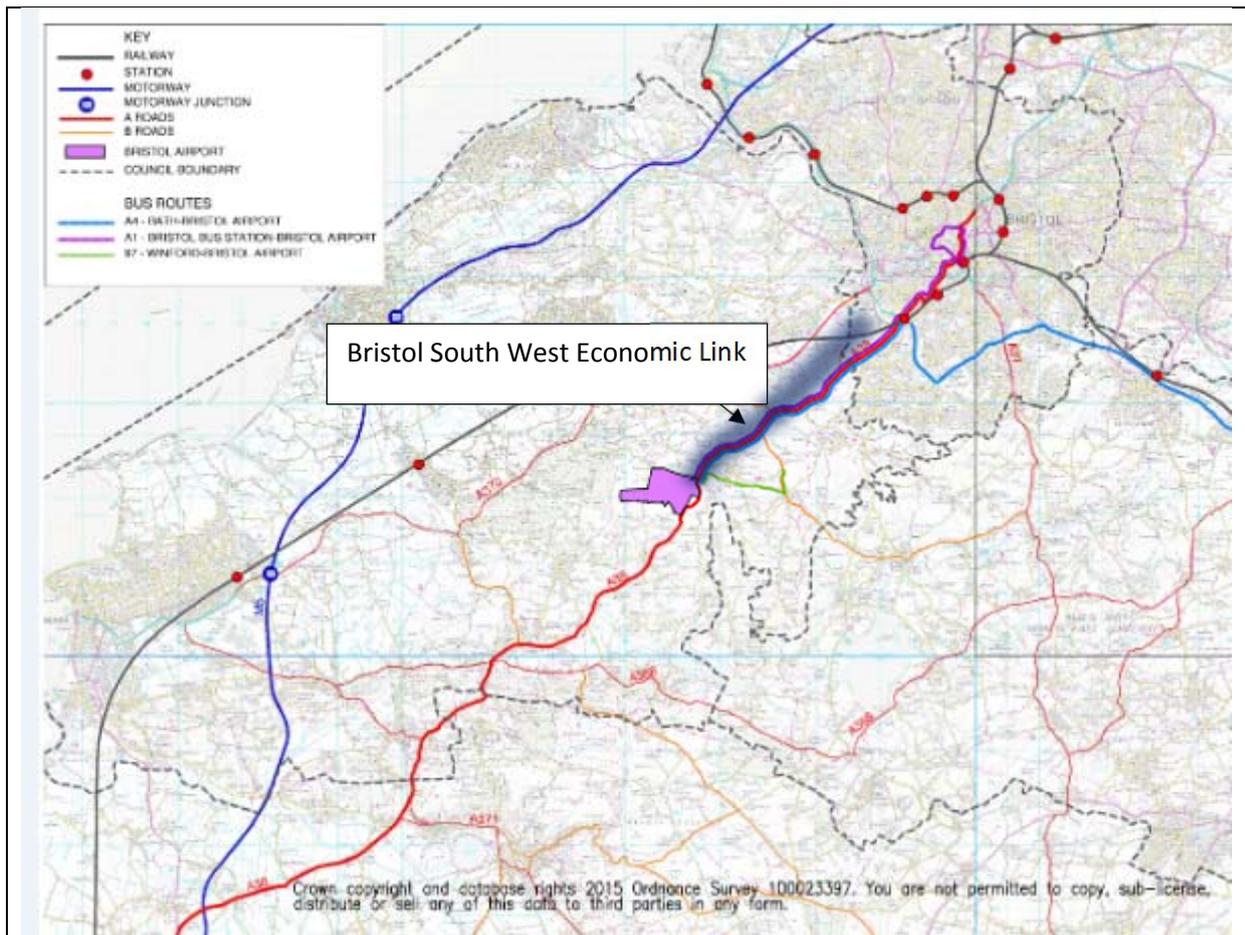
#### **1. Introduction**

##### *1.1 Description*

Please describe the scheme (and attach a map if available)

This Application is for OBC funding for the Bristol South West Economic Link. The scheme is to improve the transport connectivity between Bristol Airport and Bristol.

The figure below shows the transport context of the scheme.



As with most large schemes that will be a significant enhancement to the transport network, it is not just a single driver that has resulted in the West of England LEP putting forward the Bristol South West Economic Link for consideration under the Large Majors process. There are a number of issues that need to be considered when formulating the detail of the Bristol South West Economic Link.

1. The **lack of resilience and capacity** within the network means that during peak travel times the A38 struggles to deal with existing demands and reliability issues. This impacts journey time reliability with consequential impacts upon economic competitiveness of the West of England. Longer term this can reduce the attractiveness of the area for economic development as the issues impact on the accessibility to jobs and services. Furthermore, disruption on the route results in disruption for the key bus services including the Airport Flyer direct bus service.
2. The emerging Joint Spatial Plan (JSP) is allocating **significant housing and employment growth** to the West of England area. North Somerset is well placed to be allocated significant growth during the plan period. In order for this growth to be delivered with confidence and in a coherent and sustainable way, it is essential that the supporting infrastructure is in place to address not only existing constraints but also future growth projections and requirements.
3. The **Airport has projected significant growth** and development over the plan period and to increase its role as the regional airport for the south west and its position as a major economic hub. In order to achieve this, and for the consequent economic development to occur, the transport linkages serving the Airport need to be significantly enhanced.

The Option Development Report outlines the current and future transport issues in the sub-region and how these impinge on the economic performance of North Somerset and the West of England. Similarly, the opportunities and constraints presented by the sub-region's socioeconomic

environment and development planning priorities feed into this wider economic perspective on the need for future intervention along the A38 corridor in the context of both housing and employment needs. This approach reflects the fact that any intervention will represent a strategic economic asset that can act as a public good for the benefit of the sub-region as a whole, rather than as an asset that only accrues benefits to a single stakeholder. Additionally any intervention will build upon the existing infrastructure currently underway. Any intervention will add further value and benefit to these existing network investments and will be a key part of the emerging Joint Transport Plan.

Nevertheless, the need for intervention along the A38 corridor from the perspective of specific drivers of economic growth (e.g. Bristol Airport) is also considered, given the significant impact key employment and economic hubs such as the Airport can have on wider economic prosperity across the West of England.

The Option Development Report has noted that minor interventions will not provide the level of transformational multi-modal change needed to address existing and future transport problems and deliver the economic growth potential for the sub-region.

The specific nature of any network intervention will form part of the development of the outline business case but cannot be narrow in vision, so will include consideration of a step-change in multi-modal public transport provision to and from Bristol Airport including examination of light and heavy rail opportunities. These can in turn release capacity on the road network for improved network resilience and both employment space and housing growth.

The proposed scheme objectives are to:

- Support sub-regional and regional economic, employment and housing growth including future growth aspirations of Bristol Airport;
- To improve connectivity and multi-modal surface access provision to and from Bristol Airport ensuring benefits of new infrastructure are shared with local communities;
- Enhance network resilience and reliability by addressing congestion along key strategic routes to the Airport and the wider sub-region;
- Improving the environment and quality of life for residents and businesses in the area.

## **2. Strategic Case**

### *2.1 Problem Identification*

Please describe the problem that the scheme is designed to solve. Please illustrate with evidence and provide hyperlinks to any online material

The A38 corridor lacks sufficient capacity and resilience to cater for current and predicted demand growth in respect of Bristol Airport, employment and housing needs. The existing network constraint, congestion and unreliable connectivity acts as a throttle on economic growth and development potential. Through poor resilience, the network struggles to deal with existing demands with disruptions and accidents impacting economic competitiveness and reduced accessibility to jobs and services.

Despite the significant investment currently underway in MetroBus where journey times will be improved across the sub-region this will only be for journeys up to the A38, the route from South Bristol Link to the Airport will threaten the journey time reliability of this service and the Airport Flyer service.

The A38 is the only transport corridor connecting the Airport to the wider West of England. But there are already serious problems in connecting into Bristol in particular, with slow journeys, increasingly unreliable journeys, and a poor impression to arrivals into the area from outside. In

addition, there is a need for further mode shift to public transport if the Airport is to grow in future. The capacity constraints on the A38 corridor will act as a barrier to the future growth aspirations of the Airport. And the Airport will need to grow – to provide expanded connectivity to key European and increasingly global markets for businesses in the West of England and wider SW.

Transport interventions along the A38 in the vicinity of Bristol Airport could result in a number of significant indirect benefits for the West of England economy which are unrelated to the Airport itself. These include:

- Facilitation of new housing in line with the targets stated in the Joint Spatial Plan;
- Facilitation of new employment floorspace in line with the targets stated in the Joint Spatial Plan;
- Employment creation as a result of employment floorspace delivery;
- Business relocation and expansion due to increased business attractiveness;
- Inward investment due to increased investor confidence;
- Agglomeration impacts and subsequent productivity uplifts;
- GVA uplift (from employment creation and productivity uplifts);
- Land value uplifts;
- Expansion of the leisure and tourism economy; and
- Increased tax base through income tax (from increased employment), corporation tax (from increased business base), stamp duty and council tax (from increased housing) and VAT (from increased consumption).

Airport expansion plans and permissions are already in place to enable Bristol Airport to grow to 10mppa. This level of growth is likely to be reached by 2024, facilitated partly by investment in surface access such as the South Bristol Link and AVTM MetroBus. Bristol Airport is forecast to grow to 15mppa by 2036; however, this growth will not be achievable in the absence of further surface access improvements. As a major employer and economic hub in the West of England, if Bristol Airport is unable to grow in line with current forecasts, economic growth and development in the sub-region's wider economy is likely to be hindered. By failing to capitalise on latent demand for airport growth in Bristol, the wider economy may not realise the potential to create between 15,500 and 21,000 jobs and generate £550m and £1.3bn in annual GVA. This would represent a significant missed opportunity for the West of England economy.

The assessment suggest that there are a number of underlying causes to the problems the scheme seeks to solve:

- Concentration of employment growth – Recent changes in employment growth particularly in central Bristol and the north fringe of Bristol are resulting in greater traffic flows into Bristol;
- New housing developments – New housing developments in locations such as eastern Weston-super-Mare are increasing the level of longer distance commuting flows into and out of Bristol. Certain routes such as the M5 are slowly becoming less resilient and drivers are seeking alternative routes across North Somerset such as the A38;
- Continued growth at Bristol Airport – The Airport continues to see growth in passenger numbers which is reflected in the existing planning permission to extend the terminal and facilities to accommodate 10m passengers annually. It is predicted the Airport will reach 10m passengers annually around 2023/2024;
- Limited public transport networks across North Somerset – Whilst there has been some

growth in public transport use along specific corridors in Bristol, public transport networks are less well developed in the periphery surrounding Bristol. This means reliance on car usage correspondingly is much higher; and

- Linked to above is the suitability and directness of certain routes across North Somerset – many going through settlements with speed and weight restrictions.

The evidence of problems is further documented in the Option Development Report, submitted in support of this Application.

### 2.2 Option development

Please describe what option development work has been done to date or is planned during 2016/17, and reference with hyperlinks or attachments. In particular, illustrate why alternative/lower cost/phased options have been ruled out.

An Option Development Report has been prepared which contains part of the WebTAG Appraisal Stage 1 process. The report sets out:

- Step 1 – Understanding current context and conditions;
- Step 2 – Understanding future context and conditions;
- Step 3 – Identifying the need for the intervention;
- Step 4 – Identifying objectives and defining the geographical area;
- Step 5 – Generating options; and
- Step 6 – Sifting options (partial sifting, more assessment would be needed to complete this step).

Have any of the following documents been produced? (If Y please attach to this bid)

<i>Option Appraisal Report (OAR)</i>	Y/N
<i>Appraisal Specification Report (ASR)</i>	Y/N
<i>Strategic Outline Business Case (SOBC)</i>	Y/N

### 2.3 Alignment with LEP Strategic Economic Plan

Please illustrate how the proposal links with the aims of the SEP and the degree to which it would enhance the SEP. Please make any necessary cross reference to your bid for Growth Deal funding.

#### **West of England Strategic Economic Plan 2015-2021**

The Strategic Economic Plan (SEP) prepared by West of England LEP outlines how the region will achieve sustainable economic growth over the plan period. Specifically, the SEP was prepared to support the West of England's attempts to secure government funding to assist economic development in the region between 2015 and 2021, via the Local Growth Deals initiative. Within this context, the SEP aims to facilitate the creation of more than 25,000 jobs and develop an economy worth around £25bn per year. Our economy is now worth over £30bn and we contribute some £0.6bn to the Treasury annually).

The LEP vision is to encourage sustainable economic growth and the creation of substantial numbers of new private sector jobs by:

- Supporting growth of key sectors;
- Driving innovation and creativity and the development of new technologies, products and services;
- Skilling the workforce to meet needs of our businesses now and in the future. Retaining existing talent, raising aspirations and marketing talent to inward investors;
- Assisting business start-up and growth; and
- Making the West of England highly attractive to inward investors and existing companies, by

securing improved transport, environmental and broadband infrastructure that business needs; providing access to a range of employment land and premises; facilitate new housing and community structure. Maintaining an outstanding physical environment and high quality of life to retain and attract highly skilled workers and graduates.

Transport is critical to support planned economic growth in the West of England. The report produced by Atkins for the West of England called “Unlocking Our Potential: The Economic Benefits of Transport Investment in the West of England”, found that the planned £340m programme of major transport schemes will unlock 20,000 jobs and generate £1.2b in GVA per annum by 2030.

#### *2.4 Cross LEP support*

If this bid has been endorsed by more than one LEP as an agreed priority over a multi-LEP area please confirm which LEPs (and any other bodies) support this bid and provide any further information on the strategic rationale.

Heart of South West LEP support the proposal to DfT for the development of a of a major transport scheme to improve access to the South West of Bristol A38, A370 Corridor. See letter of support appended to the Option Development Report.

### **3. Economic Case**

#### *3.1 Value for money*

Please summarise your current understanding of the likely costs and benefits of the scheme and reference any reports on this to date (please provide hyperlinks or attachments). If more than one option please detail the relative costs and benefits of each, if available. In doing so, please make clear the age and source of the underlying data and any assumptions.

High level cost benefit analysis work has been undertaken to establish the potential value for money category for some scheme options. At this stage there are numerous scheme options and work has not been undertaken to hone in on preferred options. However, it is important to consider the likely value for money category to ensure the scheme concept has merit before commitment to further scheme development work.

The initial value for money assessment is based on A38 online and offline scheme options.

The scheme cost has been developed as explained in Section 4.3 and assuming the scheme opens in 2025, the Present Value of Costs is between £62.36m (A38 online scheme option) and £71.37m (A38 offline scheme options).

The GBATS4 model has been used to assess the scale of transport user benefits. An A38 online scheme option has been modelled in a future year scenarios, and when compared to do minimum scheme options, this results in a Present Value of Benefits of £122.51m. If Marginal External Costs (assumed to be 18% of user benefits) and Wider Economic Impacts (assumed to be 12% of use benefits), this provides a Present Value of Benefits of £159.28m.

Therefore the Benefit to Cost Ratio of the scheme could be in the order of 2.23 to 2.55, which offers Medium to High Value for Money.

#### 4. Financial Case

##### 4.1 Cost of producing OBC

Please provide a breakdown of the estimated costs from 2017/18 of producing an Outline Business Case. As a minimum we would expect costs to be broken down into categories such as (but not necessarily restricted to) the following: transport surveys; geotechnical surveys; other surveys; transport modelling; transport appraisal; consultation; preparing business case material; although we would be happy to receive a more detailed breakdown as an Annex. We would also like you to provide us with a short, but clear, description of the work that is planned under each category, cross-referring, if necessary, to the work already detailed at 2.2 and 3.2 above.

Please exclude costs incurred, or planned, up to and including 2016/17 but state these in the table at 4.2 below.

Task	Estimate Cost	Work Planned/Included
Project delivery team and project management.	£352,000	Project Management and all necessary supporting and technical staff will be needed to be in place to manage and deliver the OBC.
Business Case Material – <ul style="list-style-type: none"> <li>• Option Assessment Report;</li> <li>• Appraisal Specification Report;</li> <li>• Strategic Outline Business Case;</li> <li>• Outline Business Case.</li> </ul>	£275,000	A Strategic Outline Business Case, with a supporting Option Assessment Report and Appraisal Specification Report will be developed. This work will be informed by the existing GBATS4 modelling suite (a variable demand model with a 2014 base year model). Strategic case refresh and development. Economic case refresh and development including economic and social impact assessments. Commercial case and procurement strategy. Operational costing. Governance strategy. QRA and risk management. Benefits realisation and monitoring plans.
Design and scheme costing.	£1,135,000	Existing survey data sources will be investigated to ascertain details of data that can be used. Existing data will be complemented by topographical surveys data and ground investigation information at critical locations. Design work to be undertaken to support the option selection work, and the business case work. Preliminary designs will inform the OBC. Financial Case – capital cost of intervention.
Traffic Modelling – <ul style="list-style-type: none"> <li>• Traffic data collection;</li> <li>• Transport model development;</li> </ul>	£544,000	Additional data is required to increase the geographical scope of the GBATS4 model to include network around and to the south of the airport. Data collection to include RSIs,

<ul style="list-style-type: none"> <li>Transport modelling of the scheme.</li> </ul>		<p>ATCS, MCC and PT surveys. Additionally revalidation of the model to create base models and new forecast models will be needed.</p> <p>DS scheme testing and reporting. Analysis of the impacts of the scheme and the spatial benefits of scheme options.</p>
Environmental Impact Assessment.	£315,000	EIA scoping and screening exercise will be undertaken and a Stage 1 EIA survey.
Management Case	£98,000	Consultation and stakeholder engagement (including comms). Allowance for communications support and a series of consultation and stakeholder events including establishment and management of stakeholder reference group.
Legal Support.	£81,000	To advise and support in scoping initial legal framework and ensure project development is cognoscente of wider land acquisition requirements including for any planning, public inquiry, CPO and other statutory requirements.
<b>Total</b>	<b>£2,800,000</b>	

#### 4.2 Funding requirement

Please break the total of producing the OBC into financial years and indicate how much is being sought from DfT. (Please express in £m to three decimal points)

	2016/17 and before	2017/18	2018/19	2019/20	TOTAL
Funding sought from DfT large local majors fund		0.920m	0.830m	0.200m	1.950m
Local funding	0.044m	0.410m	0.340m	0.100m	0.694m
<b>TOTAL</b>	<b>0.044m</b>	<b>1.330m</b>	<b>1.170m</b>	<b>0.300m</b>	<b>2.844m</b>

*The total cost from 2017/18 onwards should match the cost quoted in 4.1 above*

Please confirm whether or not the funding sought from DfT can be capitalised (you may provide additional comments or qualifications as necessary)?

Y/N

#### 4.3 Capital cost of scheme

Please provide your best estimate of the capital cost of the scheme (excluding the costs of producing an OBC above).

We recognise that the scope and cost of the scheme may be approximate at this stage, but if possible, please

- provide the cost of each option if more than one. And please express as a range if

necessary.

- use outturn prices, but ensure that the current prices and inflation uplift can be separately identified.
- include and separately identify the preparation costs (between OBC and start of construction)
- include a reasonable estimate of risk/contingency but do not add an additional optimism bias uplift (reference webtag guidance if unclear)

The following format would be helpful but is not mandatory.

	Preparation costs (between OBC and construction)	Land and property purchase	Construction costs	TOTAL
<b>On-line option</b>				
Base cost	£6,000,000	£4,123,000	£56,136,000	£66,260,000
Risk	£600,000	£412,000	£5,614,000	£6,626,000
Inflation	£1,212,000	£833,000	£11,340,000	£13,384,000
<b>TOTAL</b>	<b>£7,812,000</b>	<b>£5,368,000</b>	<b>£73,090,000</b>	<b>£86,270,000</b>
<b>Off line option</b>				
Base cost	£6,000,000	£3,242,000	£66,592,000	£75,834,000
Risk	£600,000	£324,000	£6,659,000	£7,583,000
Inflation	£1,212,000	£655,000	£13,452,000	£15,319,000
<b>TOTAL</b>	<b>£7,812,000</b>	<b>£4,221,000</b>	<b>£86,703,000</b>	<b>£98,736,000</b>

#### 4.4 Affordability

Is the likely total capital cost of the scheme (as detailed in 4.3 above) below the guideline threshold for your LEP at Annex A	Y/N
Is the scheme in an area that has Devolution Deal/Gainshare funding?	Y/N
Is the scheme on the strategic road or rail network?	Y/N
Is the scheme composed of elements that could be delivered independently of each other over a longer timescale?	Y/N

If you have answered YES to any of the above questions please provide additional explanation of why you feel the scheme is unaffordable other than via a bid to the large majors fund.

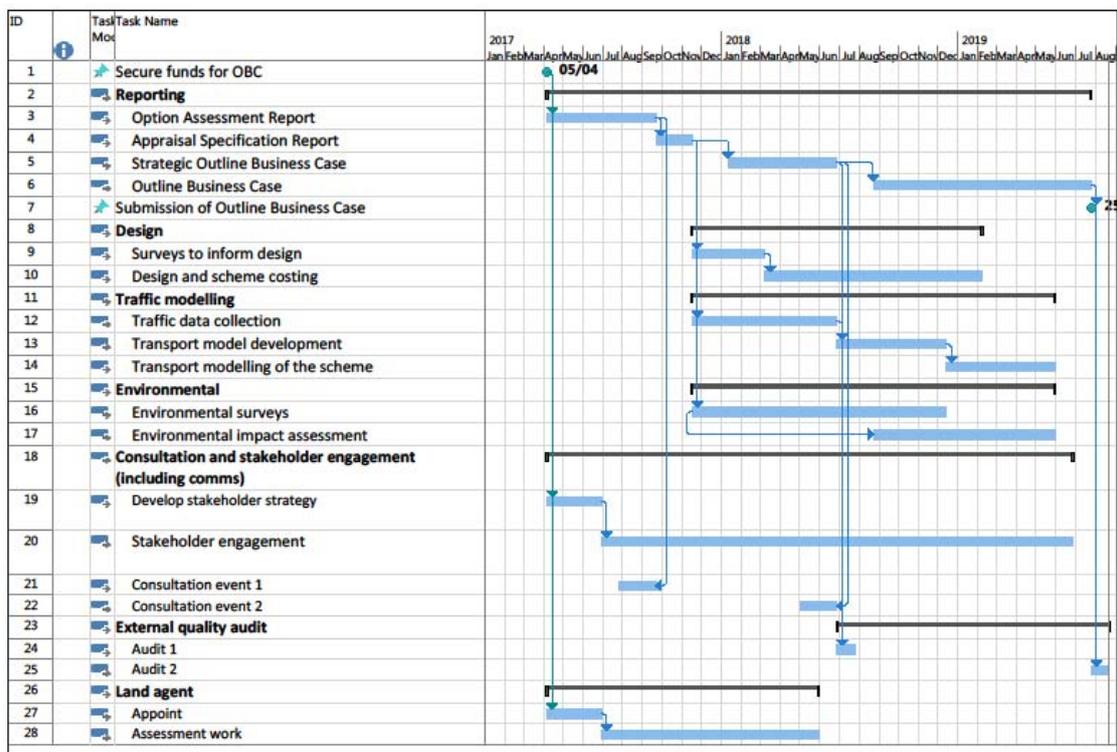
## 5. Management Case

### 5.1 Outline Business Case delivery

Please provide a timeline for the production of an OBC (a full GANNT chart is not necessary, just the basic milestones and dates) cross-referring if possible to the key tasks mentioned in 4.1 above

Business Case Material	
• Option Assessment Report	Apr 2017-Sept 2017

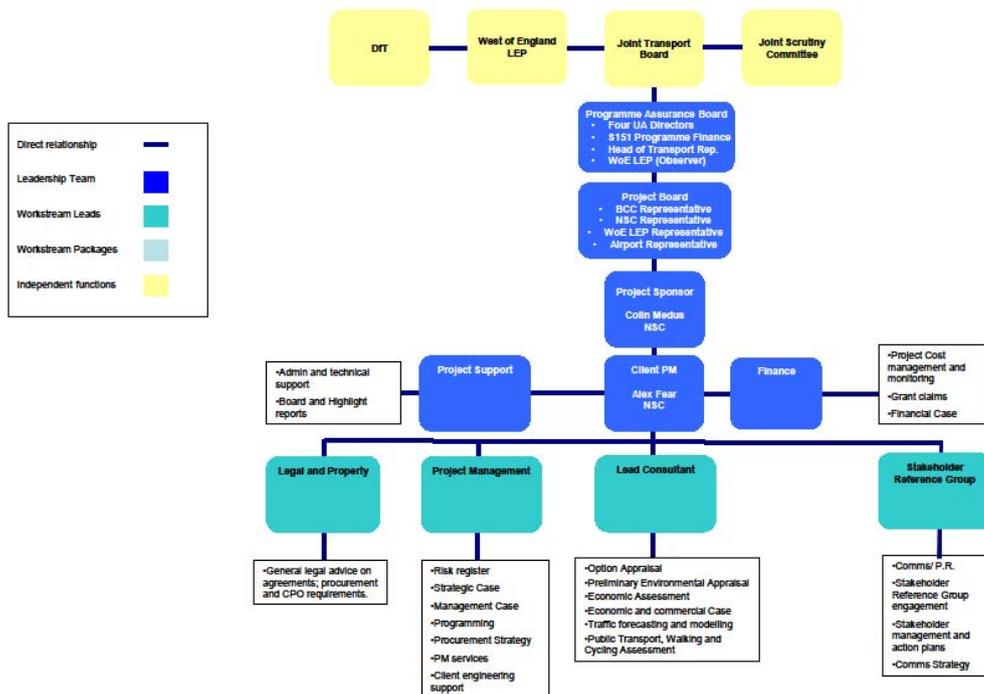
<ul style="list-style-type: none"> <li>• Appraisal Specification Report</li> <li>• Strategic Outline Business Case</li> <li>• Outline Business Case</li> </ul>	Sept 2017-Nov 2017 Jan 2018-June 2018 Aug 2018-July 2019
Design and scheme costing	Nov 2017-Jan 2019
Traffic Modelling <ul style="list-style-type: none"> <li>• Traffic data collection</li> <li>• Transport model development</li> <li>• Transport modelling of the scheme</li> </ul>	Nov 2017-June 2018 June 2018-Dec 2018 Dec 2018-May 2019
Environmental Impact Assessment	Nov 2017-May 2019
Stakeholder Engagement	Apr 2017-June 2019
Quality Audit	July 2018 & July 2019
Land Agent	Apr 2017-May 2018



## 5.2 Outline Business Case Governance

Please set out the basic governance arrangements for production of the OBC, roles, responsibilities, resources etc.

## Project Governance



A well-functioning governance structure will be crucial to the successful delivery of the scheme. North Somerset and Bristol City Councils will therefore establish a Project Board and Project Delivery Team together with a Stakeholder Reference Group to work together to develop and deliver the scheme. Bristol Airport will be included on the Project Board as a key member of the Stakeholder Reference Group. This organisational and governance structure is illustrated above and will be embedded within the existing governance arrangements which have a proven track record of project delivery and robust project management.

In Summary:

The creation of the Joint Transport Board (JTB) brought together the four authority Lead Members with responsibility for transport in a legally constituted forum.

The Councils set the framework for policy and scheme development which is enacted by the JTB with challenge and advisory roles provided by the Local Enterprise Partnership (LEP) and Joint Scrutiny Committee.

The Councils' via the Programme Assurance Board (PAB) have put in place structures to resource project delivery and ensure consistency between major projects where ever that project is on the life-cycle. PAB provides high level cross authority ownership and a robust framework for challenge within the context of project delivery to the required outputs and outcomes. It will provide decision-making and review and provide overall strategic governance.

The project sponsor will be responsible for delivering the new capabilities through the management (planning and monitoring) of the project and will report directly to the Project Board – setup

specifically to oversee and manage the development of the Outline Business Case and made up of key representatives from both Bristol City and North Somerset Councils together with LEP and Airport representatives.

The project manager is responsible for the delivery of the product that is relevant, to the required standard of quality within the specified constraints of time and cost.

The consultant team will be responsible for delivery of the required products as detailed within the consultant brief and as required for the Outline Business Case.

The team proposed for this Outline Business Case has an established track record over many years for delivering high quality major projects to time and budget within the West of England including Weston Package and South Bristol Link. They will use their extensive project management skills and local understanding and knowledge to deliver a high quality product.

Additionally this previous work has enabled the Councils to develop an 'intelligent client' capability and collaborative working arrangements, at the technical, management and stakeholders interfaces, this will be secured and enhanced within a strong governance structure and framework.

### *5.3 Scheme delivery*

Please provide an outline timeline for the delivery of the scheme itself (a full GANNT chart is not necessary, just the basic milestones and dates).

Submission of Outline Business Case – July 2019

- DfT Confirm Scheme Entry – September 2019
- Scheme Development - October 2019 to March 2021
- Planning and Legal (CPO) – October 2020 to March 2022
- Contract Procurement – May 2021 to March 2022
- Submission of Full Business Case – May 2022
- Award of Contract – July 2022
- Mobilisation August to September 2022
- Start on site October 2022
- Construction Period - October 2022 to December 2024
- Close out and Handover January 2025

### *5.4 Stakeholder support*

Please provide evidence of support for this scheme prior to the development of this bid, referencing activity from businesses, campaign groups, MPs etc.

It would be helpful to include any relevant links to news stories, campaign websites etc.

Please see attached letters of support at Appendix A of the Option Development Report.

**6. Optional****6.1 RIS2 funding**

Would you like to flag this scheme for potential RIS2 funding if it is close to, and could possibly help the Strategic Road network? Y/N

If Y, please briefly describe, with any evidence, the scheme's potential to help the Strategic Road Network.

N

**7. Declarations****7.1 Lead LEP officer**

I confirm that this bid has the full support of West of England LEP and hereby submit it to DfT on the LEPs behalf for consideration.

Name: Patricia Greer

Position: LEP Chief Executive

Phone: 0117 9224923

Email: patricia.greer@westofengland.org

Signed:

**7.2 Section 151 Officer declaration**

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

- has allocated sufficient budget to produce the Outline Business Case on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs of producing an Outline Business Case over and above the DfT contribution requested, including potential cost overruns
- accepts that no further increase in DfT funding will be considered beyond the maximum contribution requested

Name:

Richard Penska

Signed:



Please email this completed form to:

[LT.plans@dft.gsi.gov.uk](mailto:LT.plans@dft.gsi.gov.uk)

by **midday 28<sup>th</sup> July 2016**

*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.*