



DECISION OF DIRECTOR OF DEVELOPMENT AND ENVIRONMENT

In Consultation with the Chief Executive Officer the Executive Member for Strategic Planning, Highways, Economic Development and Housing, and the Chair of the Strategic Planning & Economic Development Policy and Scrutiny Panel.

DECISION NO. 16/17 DE 55

**SUBJECT: Bristol South West Economic Link: Outline Business Case Bid
Submission to DfT**

Background – Large Local Transport Scheme Bid

1. The 2016 Budget announced the launch of a competitive process within the £475m fund for large local transport schemes. This is part of the £12bn commitment to the Local Growth Fund (LGF). Bids have to be signed off and submitted by the LEP. However the large majors funding is not subject to the requirements of the Growth Deal Assurance Framework, with all necessary scrutiny and approvals being undertaken by DfT
2. The aim of the local major's fund is to provide funding for those exceptionally large, potentially transformative, local schemes that are too big to be taken forward within regular Growth Deal allocations and could not otherwise be funded. For the West of England the guide is individual schemes over £59m. This bid is for scheme development costs to produce a fully worked up Outline Business Case.
3. The deadline for submitting proposals is **28 July 2016** with decisions to be made around the time of the 2016 Autumn Statement.
4. DfT guidance outlines the following bid eligibility criteria:
 - The size of the scheme, relative to the size of the LEP.
 - The indivisibility of a scheme (i.e. package schemes are not supported).
 - The availability of other local funding.
 - The ability or otherwise of schemes to be progressed and prioritised through other Government funding.This bid has been assessed against the criteria.

5. North Somerset Council is the promoting authority for the bid submission.

6. The overall cost of producing the Outline Business Case is estimated at £2.55m. Whilst there is no minimum local contribution, it is clear from the guidance that this will be viewed favourably by the DfT in deciding which bids it will support. A minimum 20% contribution is likely to be required. It is therefore proposed that £1.95m be sought from the DfT with the rest sourced locally including from third parties such as Bristol Airport.

Background – The Need

7. The current network to Bristol Airport lacks sufficient capacity and resilience to cater for current and predicted demand growth in respect of the Airport and general employment and housing needs. The existing network constraint, congestion and unreliable connectivity acts as a throttle on the region's economic growth and development potential and inhibits the opportunity for reliable, robust multi-modal surface access options for the Airport.
8. The lack of resilience in the network struggles to deal with existing demands with disruptions and accidents impacting economic competitiveness and reduced accessibility to jobs and services. This creates longer, less reliable journey times for all, including key bus services including the Airport Flyer.
9. The primarily single lane A38 provides not only the primary road link to Bristol Airport from Bristol and the surrounding catchment area to the north, east and west, it also serves as a key commuter route into Bristol from towns and villages to its south and is the only significant route, via numerous side roads, available for many communities within North Somerset. Initial options appraisal work show that small-scale, localised improvements, do not adequately address the issues and that a major intervention is required,
10. Seeking to address existing capacity constraints will be integral to seeking to address and deliver wide ranging and ambitious surface access improvements to the Airport and a more resilient highway network. The nature of any network intervention will form part of the development of the outline business case but 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.

Background – Contract Standing Orders

11. North Somerset Council Contract Standing Orders 3.26 requires that "if a capital project involves bidding for funds from any external body the **Executive** shall be required to agree in principle to the scheme and its revenue and capital impact before any formal bid is made to any relevant body for any schemes requesting more than £500,000 of external funding".
12. However given the timing requirements for the bid submission – the 28 July 2016, there is insufficient time to seek prior Executive approval. Therefore under the urgency/emergency provisions set out within the Constitution we are seeking Director

approval to submit the bid. Following the urgent action the provisions require a report to the next Executive meeting that is on the 06 September 2016 to ratify this decision.

DECISION:

To approve the bid submission for scheme development costs to the DfT under the large local major transport scheme initiative.

Reasons:

Development of an outline business case is essential to fully assess, develop and test intervention opportunities to address both Bristol Airport surface access issues and expansion opportunities and more wide-ranging network resilience concerns to secure the widest economic benefits for the region.

Other Alternatives Considered:

None. Failure to submit a bid would miss an opportunity to secure substantial DfT funds in the development of the outline business case and significantly delay the development and understanding of viable interventions to address the current and future demands and constraints in this area.

Risk Assessment:

There are no risks specifically associated with this bid submission. Subsequent development work for the outline business case will be subject to a robust risk assessment process and matrix in line with DfT and NSC business requirements. No further works, bids or costs would be accrued without further approvals in line with the Councils' Constitution.

Financial Implications:

The development of the outline business case is expected to cost £2.55m this is proposed to be funded by the DfT at £1.95m (the bid); and a minimum local contribution of £0.6m from external contributions with £0.2m of this from the NSC Corporate Risk Reserve. The funding would be spread over financial years 2017/2018 and 2018/2019.

Implications for Future Years:

None from this decision save that outlined within the financial implications. There is no requirement to take a scheme forward to detailed designed and construction. In the event that the scheme is pursued further then this will be subject to further decisions at the appropriate project governance level and in accordance with the Council' Constitution.

Signed 

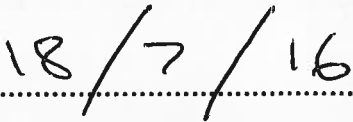
Director of Development and Environment

Dated 12/7/16

In Consultation with

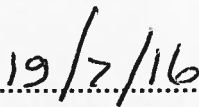
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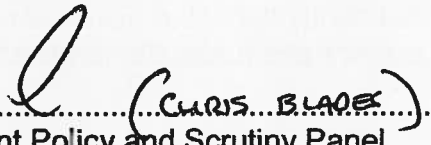
Chief Executive Officer

Dated..........

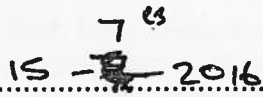
Signed..........

Executive Member for Strategic Planning,
Highways, Economic Development and Housing,

Dated..........

Signed..........
Development Policy and Scrutiny Panel

Chair of the Strategic Planning & Economic

Dated..........