

National Productivity Investment Fund for the Local Road Network Application Form



Department
for Transport

The level of information provided should be proportionate to the size and complexity of the project proposed. As a guide, for a small project we would suggest around 10 -15 pages including annexes would be appropriate.

One application form should be completed per project and will constitute a bid.

Applicant Information

Local authority name(s)*: Derby City Council

**If the bid is for a joint project, please enter the names of all participating local authorities and specify the lead authority.*

Bid Manager Name and position: Nigel Brien. Head of Traffic & Transportation

Name and position of officer with day to day responsibility for delivering the proposed project.

Tony Gascoigne, Group Manager, Traffic & Transportation

Contact telephone number: 01332 641833 **Email address:** nigel.brien@derby.gov.uk

Postal address: Derby City Council
Council House
Corporation Street, Derby
DE1 2FS

Combined Authorities

If the bid is from an authority within a Combined Authority, please specify the contact, ensure that the Combined Authority has provided a note ranking multiple applications, and append a copy to this bid.

Name and position of Combined Authority Bid Co-ordinator:

Contact telephone number:

Email address:

Postal address:

When authorities submit a bid for funding to the Department, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, they must also publish a version excluding any commercially sensitive information on their own website within two working days of submitting the final bid to the Department. The Department reserves the right to deem the business case as non-compliant if this is not adhered to.

Please specify the weblink where this bid will be published:

<http://www.derby.gov.uk/transport-and-streets/transport-policy/>

SECTION A - Project description and funding profile

A1. Project name: A5111 Transport Network Capacity Improvements

A2 : Please enter a brief description of the proposed project (no more than 50 words)

Remedy existing network capacity constraints along the A5111. Improve resilience and links to national/regional strategic networks. Improve local environment and provide substantial Air Quality benefits. Provide improved transport infrastructure to support planned housing growth. Unlock additional land for commercial and housing, support existing major employers.

A3 : Please provide a short description of area covered by the bid (no more than 50 words)

The A5111 is a critical link in the outer ring road to the south of central Derby. It connects to the national strategic routes; A38 and A52, and links to the M1 and A50. This bid is for critical improvements to the Osmaston Road and Harvey Road sections of the A5111.

OS Grid Reference: **Victory Road/Osmaston Park Road SK357333 – Harvey Road SK36828**
Postcode: **Victory Road/Osmaston Park Road DE24 8EJ – Harvey Road DE24 8DE**

Please append a map showing the location (and route) of the project, existing transport infrastructure and other points of particular relevance to the bid, e.g. housing and other development sites, employment areas, air quality management areas, constraints etc.

A4. How much funding are you bidding for? (please tick the relevant box):

Small project bids (requiring DfT funding of between £2m and £5m)

Large project bids (requiring DfT funding of between £5m and £10m)

A5. Has any Equality Analysis been undertaken in line with the Equality Duty?

Yes No

A6. If you are planning to work with partnership bodies on this project (such as Development Corporations, National Parks Authorities, private sector bodies and transport operators) please include a short description below of how they will be involved.

Private sector development partners and contributions, already secured towards route improvements. Key planned developments, and potential sites are shown on the plan. The development industry has been involved in the previous bid applications.

World leading businesses support improvements to the route and the provision of sustainable transport improvements. Businesses with critical logistical route dependencies have been involved in the development of improvements and understand the beneficial impacts on their operations.

Highways England has a formal agreement to use the route as a local diversion for the strategic network. HE supports the improvement of the route and the added benefits to the HE planned improvements to the A38, and A52 developments supporting HS2 interchange at Toton.

A7. Combined Authority (CA) Involvement

Have you appended a letter from the Combined Authority supporting this bid? Yes No

A8. Local Enterprise Partnership (LEP) Involvement and support for housing delivery

Have you appended a letter from the LEP supporting this bid? Yes No

For proposed projects which encourage the delivery of housing, have you appended supporting evidence from the housebuilder/developer?

Yes No

SECTION B – The Business Case

B1: Project Summary

Please select what the project is trying to achieve (select all categories that apply)

Essential

- Ease urban congestion
- Unlock economic growth and job creation opportunities
- Enable the delivery of housing development

Desirable

- Improve Air Quality and /or Reduce CO2 emissions
- Incentivising skills and apprentices

Other(s), Please specify – Support existing world leading business and retain high quality employment opportunities, such as Rolls Royce, Balfour Beatty, Severn Trent Water, and Pattonair.

B2 : Please provide evidence on the following questions (max 100 words for each question):

a) What is the problem that is being addressed?

The key problem is the capacity of the route and reliability and resilience as part of the outer ring road. The route is critical to planned developments in the south of Derby and in South Derbyshire. Piecemeal development opportunities will not provide a fit for purpose outer ring road, with parallel sustainable transport infrastructure. The infrastructure improvement is required as an accelerated solution, to support existing employment, and future growth in housing and employment.

b) What options have been considered and why have alternatives been rejected?

Do nothing – rejected as existing constraints will remain and congestion will increase with air quality becoming increasingly poor.

Do minimum – using technology at the junctions to maximize capacity. Rejected as junction efficiency is already restricted by link capacity.

Do Maximum – reject as cost estimates at more than £100m. Substantial benefits can be gained by delivering a more targeted and much lower cost scheme, which allows developer funded improvements to be maximized.

c) What are the expected benefits/outcomes? For example, could include easing urban congestion, job creation, enabling a number of new dwellings, facilitating increased GVA.

Initial testing and comparison with similar projects suggests a transport BCR of 5:1. This would rate as 'very high value for money' (over 4:1). Estimated journey time benefit (over 60 years) is expected to match the £298m benefit assessment of the 'Connecting Derby' inner ring road project.

Gross jobs unlocked – 200 FTE (based on 12,000 sq m of B2 and B8 floorspace, applying a weighted average employment density of 59 sq m per job (HCA's Employment Density Guide, 2015). With development unlocked, the project is anticipated to generate Gross GVA of £10.6m per annum.

The land unlocked has the potential 500 new houses, in addition to the 8,570 currently

planned.

Air Quality benefits are still being modelled along in conjunction with DEFRA/JAQU. Initial work suggests significant reductions in CO₂ and NO_x.

- d) Are there any related activities that the success of this project relies upon? For example, land acquisition, other transport interventions requiring separate funding or consents?

The scheme does not rely on land acquisition. The scheme is deliverable from within existing highway land. Contributions from development have already been secured for key junction improvements (approx £3m). This scheme intends to provide additional link capacity and segregated cycling facilities, with additional gains for public transport.

- e) What will happen if funding for this project is not secured - would an alternative (lower cost) solution be implemented (if yes, please describe this alternative and how it differs from the proposed project)?

Without NPIF the transport improvements may be delivered over a 25 year period through piecemeal Section 106 obligations; however this will not address current issues, severely constraining economic and housing growth in the City. This project is a scaled down version of a major project. Osmaston Park Road and Harvey Road provide connectivity benefits, improves access to major employers, and create opportunities to bring forward additional commercial and housing sites. Our assessment is that 30% of the benefits of the major scheme can be achieved for approximately 17% of the cost of the original major scheme.

- f) What is the impact of the project – and any associated mitigation works – on any statutory environmental constraints? For example, Local Air Quality Management Zones.

The project will achieve a major improvement in terms of Air Quality, by reducing congestion in LAQMZ, by reducing congestion and improving network reliability. The additional reliability will also facilitate the implementation of additional public transport routes. The project will also link up existing cycling infrastructure and reinforce sustainable links between housing, leisure, and employment sites.

B3 : Please complete the following table. **Figures should be entered in £000s**
(i.e. £10,000 = 10).

Table A: Funding profile (Nominal terms)

£000s	2018-19	2019-20
DfT funding sought	2,000	3,000
Local Authority contribution	0	0
Third Party contribution	1,000	2,000
TOTAL	3,000	5,000

Notes:

- 1) Department for Transport funding must not go beyond 2019-20 financial year.
- 2) Bidders are asked to consider making a local contribution to the total cost. It is indicated that this might be around 30%, although this is not mandatory.

B4 : Local Contribution & Third Party Funding : Please provide information on the following questions (max 100 words on items a and b):

- a) Provide an outline of all non-DfT funding contributions to the project costs, the level of commitment, and when the contributions will become available.

Third-party development contributions of approximately £3m are already secured and available to directly support the scheme elements proposed in this bid. Additional £2m is secured to make improvements that will be maximised by this bid proposal.

- b) List any other funding applications you have made for this project or variants thereof and the outcome of these applications, including any reasons for rejection.

Local Growth Fund 3 – 2016. Full Outer Ring Road Scheme total cost £46m. LEP assessment placed it in the top 15 for the region. Total LEP funding could not meet the cost of schemes outside of the top 12. The scheme received a very positive appraisal and final score. It remains on the LEP future programme list.

Local Transport Major – 2017. The full scheme, along with strategic connections to Southern Derby growth zone and a junction with the A50, total cost £110m. The scheme was one of 3 proposed by the LEP. The assessment was that the benefit of the outer ring road scheme was clear and was positively appraised, but the case for all of the LTM elements together was less clear.

B5 Economic Case

This section should set out the range of impacts – both beneficial and adverse – of the project. The scope of information requested (and in the supporting annexes) will vary, including according to whether the application is for a small or large project.

A) Requirements for small project bids (i.e. DfT contribution of less than £5m)

- a) Please provide a description of your assessment of the impact of the project to include:
- Significant positive and negative impacts (quantified where possible) including in relation to air quality and CO₂ emissions.

Daily congestion is assessed as contributing to high levels of CO₂ emissions. Previous

assessments suggest that reducing the congestion can be expected to lead to significant reductions in CO2 and NO2. Recent experience from the Wyvern A52 scheme has demonstrated that at this stage of the process detailed predictions are likely to be unreliable, however precise detail will be developed as the design detail and detailed business case is produced.

A description of the key risks and uncertainties;

The most significant construction risks are from utility apparatus. Early investigations suggest there are some areas of significant apparatus. Early and detailed engagement with apparatus owners and options to directly manage utility protection and diversionary work. The use of contractors via the Midlands Highway Alliance, who demonstrate the ability to manage utility works, will be essential. The Council also has considerable experience and excellent relationships with utility companies which will be used to mitigate risk. The route is also subject to the Derby City Council Permit Scheme for Road works and Street Works, which will facilitate better planning, execution and the overall control of the project.

The other significant risk is that at this stage is that the early outline assessment does not include full detailed cost assessment. This will be mitigated by seeking additional funding during the full development stages. The scheme is also scalable, and costs could be controlled by delivering on the area of maximum value. This will need to be tested fully to ensure the best BCR.

- If any modelling has been used to forecast the impact of the project please set out the methods used to determine that it is fit for purpose

LGF3 bid included an initial assessment of outputs using the Derby DATM model. This was compared against the outcome assessment of the Connecting Derby inner ring road scheme (completed 2010). A BCR of 5:1 was projected, though we acknowledge that this would be subject to further detailed testing.

** Small projects bids are not required to produce a Benefit Cost Ratio (BCR) but may want to include this here if available.*

b) Small project bidders should provide the following in annexes as supporting material:

- | | | | |
|--|---|-----------------------------|------------------------------|
| Has a Project Impacts Pro Forma been appended? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| Has a description of data sources / forecasts been appended? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| Has an Appraisal Summary Table been appended? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

Other material supporting your assessment of the project described in this section should be appended to the bid.

** This list is not necessarily exhaustive and it is the responsibility of bidders to provide sufficient information to demonstrate the analysis supporting the economic case is fit-for-purpose.*

B) Additional requirements for large project bids (i.e. DfT contribution of more than £5m)

c) Please provide a short description (max 500 words) of your assessment of the value for money of the project including your estimate of the Benefit Cost Ratio (BCR) to include:

- Significant monetised and non-monetised costs and benefits
- Description of the key risks and uncertainties and the impact these have on the BCR;

- Key assumptions including: appraisal period, forecast years, optimism bias applied; and
- Description of the modelling approach used to forecast the impact of the project and the checks that have been undertaken to determine that it is fit-for-purpose.

d) Additionally detailed evidence supporting your assessment, including the completed [Appraisal Summary Table](#), should be attached as annexes to this bid. **A checklist of material to be submitted in support of large project bids has been provided.**

Has an Appraisal Summary Table been appended? Yes No N/A

- Please append any additional supporting information (as set out in the Checklist).
- *It is the responsibility of bidders to provide sufficient information for DfT to undertake a full review of the analysis.*

B6 Economic Case: For all bids the following questions relating to **desirable criteria** should be answered.

Please describe the air quality situation in the area where the project will be implemented by answering the three questions below.

i) Has Defra's national air quality assessment, as reported to the EU Commission, identified and/or projected an exceedance in the area where the project will be implemented?

Yes No Not at present but we are waiting for the updated DEFRA model assessment

ii) Is there one or more Air Quality Management Areas (AQMAs) in the area where the project will be implemented? AQMAs must have been declared on or before the 31 March 2017

Yes No

iii) What is the project's impact on local air quality?

Positive Neutral Negative

- Please supply further details:

Daily congestion is assessed as contributing to high levels of CO₂ emissions. Previous assessments suggest that reducing the congestion can be expected to lead to significant reductions in CO₂ and NO₂. Recent experience from the Wyvern A52 scheme has demonstrated that at this stage of the process detailed predictions are likely to be unreliable, however precise detail will be developed as the design detail and detailed business case is produced.

iv) Does the project promoter incentivise skills development through its supply chain?

Yes No N/A

- Please supply further details:

- The City Council prioritises local skill development and apprenticeships, and is a proactive partner with local businesses to ensure skills development and opportunities through the supply chain. The project also supports world leading businesses and is aimed at retaining and adding to high quality employment opportunities.

B7. Management Case - Delivery (Essential)

Deliverability is one of the essential criteria for this Fund and as such any bid should set out, with a limit of 100 words for each of a) to b), any necessary statutory procedures that are needed before it can be constructed.

a) A project plan (typically summarised in Gantt chart form) with milestones should be included, covering the period from submission of the bid to project completion.

Has a project plan been appended to your bid? Yes No

b) If delivery of the project is dependent on land acquisition, please include a letter from the respective land owner(s) to demonstrate that arrangements are in place to secure the land to enable the authority to meet its construction milestones.

Has a letter relating to land acquisition been appended? Yes No N/A

c) Please provide in Table C summary details of your construction milestones (at least one but no more than 6) between start and completion of works:

Table C: Construction milestones

	Estimated Date
Start of works	November 2018
Detailed Design	December 2017
Procurement through EMHA & ECI	December 2017
Council Approvals	November 2017
Opening date	
Completion of works (if different)	August 2020

d) Please list any major transport projects costing over £5m in the last 5 years which the authority has delivered, including details of whether these were completed to time and budget (and if not, whether there were any mitigating circumstances)

The following major schemes were completed on time and to budget:

London Road bridge replacement – an essential scheme to replace a 130 year old road bridge over the Derby to Birmingham railway to ensure that our network continues to flow
 £2.176 million improvement works for ‘Better Buses’ to tackle barriers which discourage commuting and business travel by bus in the city between 2012 and 2014. Including 26 key junctions benefitting from bus priority, business engagement to encourage bus travel, multi operator ticketing and bus infrastructure improvements.

A further major highways scheme has been taken through detailed design and full business case – A52 Wyvern Transport Improvement Scheme.

B8. Management Case – Statutory Powers and Consents (Essential)

a) Please list if applicable, each power / consent etc. already obtained, details of date acquired, challenge period (if applicable), date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.

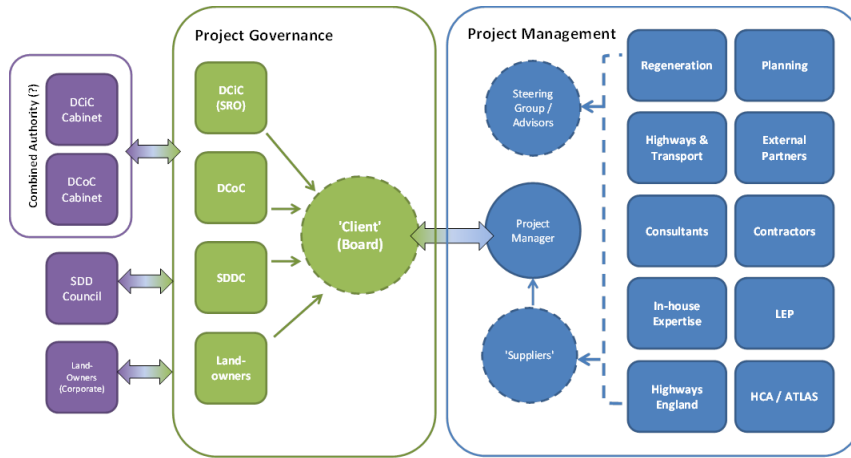
The project can be delivered using existing Highway Authority powers and highway land. Council cabinet approvals will be required to further develop the project.

b) Please list if applicable any outstanding statutory powers / consents etc. including the timetable for obtaining them.

N/A

B9. Management Case – Governance (Essential)

Please name those who will be responsible for delivering the project, their roles (Project Manager, SRO etc.) and responsibilities, and how key decisions are/will be made. An organogram may be useful here.



B10. Management Case - Risk Management (Essential)

All projects will be expected to undertake a Quantified Risk Assessment (QRA) and a risk register should be included. Both should be proportionate to the nature and complexity of the project. A Risk Management Strategy should be developed that outlines how risks will be managed.

Please ensure that in the risk / QRA cost that you have not included any risks associated with ongoing operational costs and have used the P50 value.

Has a QRA been appended to your bid? Yes No

Has a Risk Management Strategy been appended to your bid? Yes No

Please provide evidence on the following points (where applicable) with a limit of 50 words for each:

a) What risk allowance has been applied to the project cost?

Risk allowance will be applied as the detailed design progresses.

b) How will cost overruns be dealt with?

Detailed design will provide more robust assessment and allow for the development of a full risk register with mitigation. Additional funding may become available via accelerated development. The project is scalable to achieve the best value. The delivery will be procured through the East Midlands Highway Alliance, which ensures that early contractor involvement and value engineering exercises are integral to the design and delivery process. The EMHA processes also provide on-going risk identification, mitigation and resolution mechanisms.

c) What are the main risks to project timescales and what impact this will have on cost?

Main risk is unexpected complications with underground apparatus and potential drainage upgrades. The main cost implications would be on early design, the Council would need to access additional, funding from third-parties, to support the early progress of the project.

B11. Management Case - Stakeholder Management (Essential)

The bid should demonstrate that the key stakeholders and their interests have been identified and considered as appropriate. These could include other local authorities, the Highways England, statutory consultees, landowners, transport operators, local residents, utilities companies etc. This is particularly important in respect of any bids related to structures that may require support of Network Rail and, possibly, train operating company(ies).

a) Please provide a summary in no more than 100 words of your strategy for managing stakeholders, with details of the key stakeholders together with a brief analysis of their influences and interests.

All of our major projects have a communications plan as a core element of the project. A project of this type in a critical corridor will need to be clearly communicated and key stakeholders will be included not just as recipients of information, but as communication partners; as the links they have with their employees and supply chain partners will be essential.

The Council will also develop a strategy to inform road users, smaller businesses, and public transport operators and to provide information of the enhancements to sustainable transport that will be developed as the project progresses.

b) Can the project be considered as controversial in any way? Yes No

If yes, please provide a brief summary in no more than 100 words

We anticipate that the schemes will be generally well supported. However, there will be some local concerns relating to the widening of the existing carriageway.

c) Have there been any external campaigns either supporting or opposing the project?

Yes No

If yes, please provide a brief summary (in no more than 100 words)

There have been various approaches to the City Council over many years to encourage route improvements, from public transport operators, businesses and residents.

d) For large projects only please also provide a Stakeholder Analysis and append this to your application.

Has a Stakeholder Analysis been appended? Yes No N/A

e) For large projects only please provide a Communications Plan with details of the level of engagement required (depending on their interests and influence), and a description of how and by what means they will be engaged with.

Has a Communications Plan been appended? Yes No N/A

B12. Management Case – Local MP support (Desirable)

e) Does this proposal have the support of the local MP(s);

Name of MP(s) and Constituency

1 Yes No

2 Yes No

3 Yes No

Due to the recent elections we have been unable to obtain written support. We are seeking written support. We will provide these when they are available.

B13. Management Case - Assurance (Essential)

We will require Section 151 Officer confirmation (Section D) that adequate assurance systems are in place.

Additionally, for large projects please provide evidence of an integrated assurance and approval plan. This should include details of planned health checks or gateway reviews.

SECTION C – Monitoring, Evaluation and Benefits Realisation

C2. Please set out, in no more than 100 words, how you plan to measure and report on the benefits of this project, alongside any other outcomes and impacts of the project.

The following will be monitored:

Congestion assessments on the key links.

Junction efficiency assessments along the route.

Impacts on the Air Quality model

Improvements in public transport journey time and reliability

Indicators (to be agreed) supporting logistics and operational activities for key businesses

Growth in housing development

A fuller evaluation for large projects may also be required depending on their size and type.

SECTION D: Declarations

D1. Senior Responsible Owner Declaration

As Senior Responsible Owner for A5111 Transport Network Capacity Improvements I hereby submit this request for approval to DfT on behalf of Derby City Council and confirm that I have the necessary authority to do so.

I confirm that Derby City Council will have all the necessary statutory powers in place to ensure the planned timescales in the application can be realised.

Name: Nigel Brien

Signed:

Position: Head of Traffic and Transport

D2. Section 151 Officer Declaration

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

- has allocated sufficient budget to deliver this project on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs over and above the DfT contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties
- accepts responsibility for meeting any ongoing revenue requirements in relation to the project
- accepts that no further increase in DfT funding will be considered beyond the maximum contribution requested and that no DfT funding will be provided for this bid in 2020/21.
- confirms that the authority has the necessary governance / assurance arrangements in place and, for smaller project bids, the authority can provide, if required, evidence of a stakeholder analysis and communications plan in place
- confirms that if required a procurement strategy for the project is in place, is legally compliant and is likely to achieve the best value for money outcome

Name: Mark Taylor

Signed:

HAVE YOU INCLUDED THE FOLLOWING WITH YOUR BID?

Combined Authority multiple bid ranking note (if applicable)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
Map showing location of the project and its wider context	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Combined Authority support letter (if applicable)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
LEP support letter (if applicable)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Housebuilder / developer evidence letter (if applicable)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Land acquisition letter (if applicable)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
Projects impact pro forma (must be a separate MS Excel)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Appraisal summary table	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Project plan/Gantt chart	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A