

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)*: Suffolk County 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: Dave Watson, Transport Strategy Manager

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

Contact telephone number: 01473264822 **Email address:** dave.watson@suffolk.gov.uk

Postal address: Endeavour House
8 Russell Road
Ipswich
IP1 2BX

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: N/A

Contact telephone number: N/A **Email address:** N/A

Postal address: N/A

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:

<https://www.suffolk.gov.uk/roads-and-transport/transport-planning/grant-and-funding-applications-for-transport-improvements/>

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.

Mid Suffolk District Council are the local planning authority and as such have an interest in the overall development of the site. The development is part of MSDC's local plan and they would like to see it brought forward. If successful, MSDC will contribute towards scheme costs.

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 - **Regeneration benefits can be realised when the local area has gained better connection to the main road, the A140. This is expected to attract more investment to the local area, with more commercial, business units and residential dwellings being built.**

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

a) What is the problem that is being addressed?

There are approximately 126 hectares of undeveloped land remaining at Eye Airfield. Mid Suffolk District Planning Policy for the Airfield indicates that this could be developed for employment to bring forward approximately 3,000 FTE jobs. However, highway improvements will help to facilitate unlocking this site as there is insufficient capacity at the junctions to support delivery of new development.

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

A number of alternative junction designs have been proposed and considered. The preferred design requires least land acquisition, provides efficient access to the development site and is cost effective.

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.

Unlocking the site would result in 3,000 FTE jobs, with the potential for land to also be used for residential development. Mid Suffolk District Council have received various enquiries from potential developers regarding the site - including an insurance company, 2 feed mills (£20 million investment each), commercial b1/b2 business, and a £70 million plus investment in new state of the art processing plant increasing from 300 employees to 700.

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?

There is an agreement in principle with the landowner, see attached email, with detailed discussions ongoing

- 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)?

If funding for the Eye Airfield junction improvements is not secured, the delivery of the scheme - and consequent growth - will be put at risk until the necessary funding can be secured. The do minimum option is equivalent to current conditions.

- 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.

There are no AQMAs within the area and no other environmental constraints have been identified.

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	1314	2440
Local Authority contribution	563	1046
Third Party contribution	0	0
TOTAL	1877	3486

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.

SCC will contribute £1.61m from its Integrated Transport Block over the two-year period. At present, no s.106 has been allocated as this will be negotiated with developers after the land has been unlocked by the junction improvements and new link route.

- 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.

None

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.
- A description of the key risks and uncertainties;
- 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

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

The junction improvement scheme at the A140 Eye area will significantly reduce the delays at the existing junctions, providing better access for existing and future development traffic to the main highway network. The main benefits of the schemes are journey time savings for road users and accident saving benefits as a result of reduced conflicts at the junctions. The schemes are also expected to positively impact on the local economy by helping to unlock development. Significant developments are planned for the area, including 600 new dwellings and 231,000 sqm of industrial development floorspace.

Significant Positive Impacts and VFM (quantified using WebTAG principles):

Travel Time Savings for Business Users:	£8.3m*
Travel Time Saving for Commute and Other Users:	£3.9m*
Accident Savings:	£ 4.0m*

* Note all benefit calculations exclude future development traffic – these values improve when development traffic is included (see Economic Case Technical Annex for details).

Development Benefits include enabling of 600 dwellings and 231,000 sqm of industrial floorspace – leading to increased GVA of circa £57m over 5 years (see Economic Case Technical Annex for details).

No significant dis-benefits have been identified.

A full AMCB is provided in the Economic Case Technical Annex.

Value for Money: The analysis gives an initial BCR of 2.7, with benefits accruing to existing road users through reduced travel time in the main and some accident savings. The benefits have been calculated by assessing junction performance (using industry standard operational assessment software – ARCADY and PICADY) in the do-minimum and do-something and calculating changes in delay. The analysis takes no account of wider re-routing which may reduce the scheme benefits or the impact of some traffic travelling slightly further in the do-something, but this is off-set by using conservative assumptions about appraisal period (30 years) and forecast growth (excluding all but fully committed future development traffic).

Further benefits, in terms of improved accessibility to, and enabling of, further development will be delivered by the scheme. A BCR has been calculated including potential developments which is **3.8**. No significant dis-benefits have been identified for the scheme. The analysis carried out is proportionate for a scheme of this size and type and demonstrates the scheme will deliver **High Value for Money**.

Key Risks/Uncertainties

No reassignment effects have been included in the analysis – only impacts of junction delays have been assessed;

Impact of potential future development traffic has not been assessed in the core BCR;

Traffic forecasts are based on 2017 counts factored to 2020 opening year using TEMPro 7.2, including committed development trips to enable do-minimum and do-something junction assessments.

An Economic Case Technical Annex is provided that gives details of the analysis supporting the Economic Case.

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

Has a **Project Impacts Pro Forma** been appended? Yes No N/A

Has a description of data sources / forecasts been appended? Yes No N/A

Has an **Appraisal Summary Table** been appended? Yes No 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.

N/A

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

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:

Local air quality has not been assessed in detail. There is expected to be some mixed impact, as local air quality will be improved when the delays at the junctions are significantly reduced from the new roundabouts, particularly during the AM and PM peak however as the new layout involves slightly longer travel this will be offset to an extent; the impact is judged (conservatively) as neutral.

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

Yes No N/A

- Please supply further details:

The quality aspect of tenders has a requirement to detail how the project promoter will meet the Council's commitment to 'Raising the Bar', a skills incentivising scheme encouraging employers to offer high quality apprenticeships and graduate internships.

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	December 2018
Completion of A140 'On Line' work	June 2018
Opening date	September 2019
Completion of works (if different)	N/A

- 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)

Lowestoft Northern Spine Road - Budget: £6.62m; Spend £6.61m, Forecast Opening: 1/5/15; Actual Opening: 26/3/15.

Travel Ipswich - Budget: £21.6m; Spend: £21.6m, Forecast Opening: 28/8/14; Actual Opening: 15/9/15. The delay was caused by amending the programme to minimise disruption to the public and the Christmas embargo.

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.

None

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

Land dedication agreements are being negotiated with two land owners and we have agreements in principle. Discussions are at an advanced stage with a third land owner with the aim to conclude by end of year (2017).

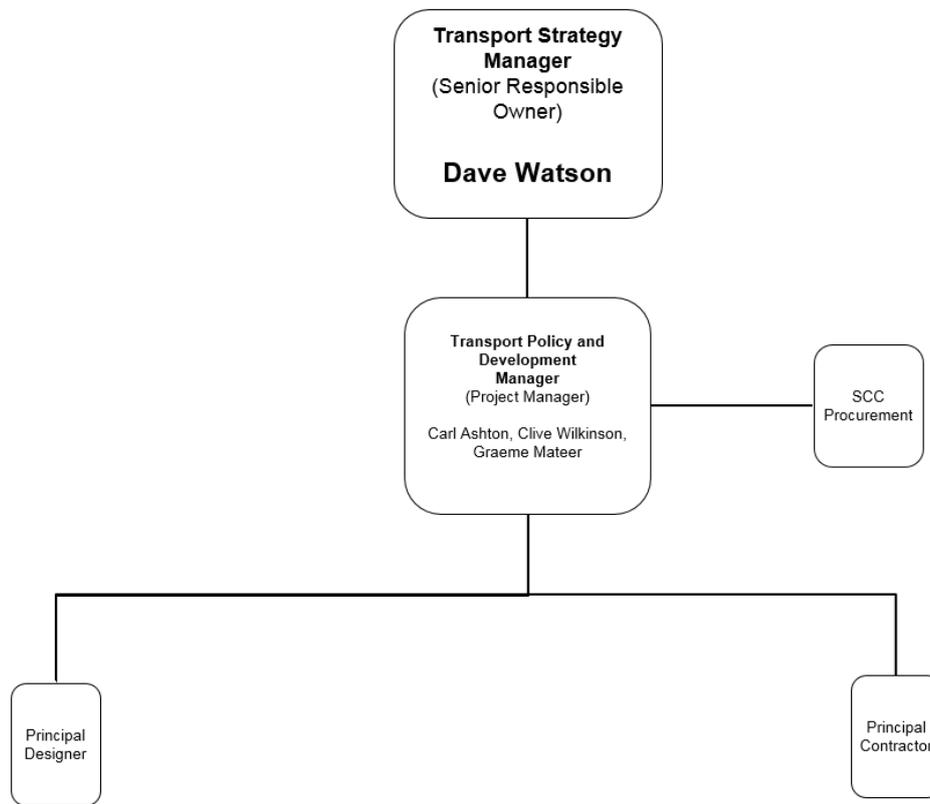
B9. Management Case – Governance (Essential)

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.

See organogram below. Dave Watson will be the Senior Responsible Owner and will be the visible owner of the project to whom the PM reports. Dave will be responsible for ensuring that the project meets its objectives and delivers the projected benefits.

The PM is responsible for the day to day delivery of the project and will ensure that the project proceeds to time, cost, quality and scope, ensuring risks are mitigated and benefits delivered. The PM will also provide financial assurance.

The Principal Designer and Contractor names will be confirmed at procurement stage.



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?

A QRA has been undertaken and a P50 value calculated through a Monte Carlo Simulation, resulting in an 11% total risk and contingency pot being included in the scheme costs. This 11% equates to a Total Risk & Contingency value of £532,563

How will cost overruns be dealt with?

Cost overruns that occur in preparing the scheme, prior to construction, will be managed through the agreed governance structure and associated change controls adopted by the SCC Project Board. Any construction cost overruns will be managed by SCC through the conditions of contract adopted for the appointment of the Contractor.

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

Notable risks to project timescales relate to discharging of planning conditions, failure to obtain land by agreement, protected species licencing and suitability of site won material. The impact on cost will be mitigated through advanced reporting, stakeholder liaison and through further risk reviews at key stages throughout scheme development

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.

Planning permission will be sought from Mid Suffolk District Council. Local businesses and residents will be consulted and updated throughout the works. Appended is an example framework of the consultation process used.

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

N/A

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 has been an A140 improvements campaign supported by the local MP.

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 Dr Dan Poulter, Central Suffolk & North Ipswich

Yes

No

2

Yes

No

3

Yes

No

etc.

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.

N/A

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.

As part of the project, we will develop a benefits realisation & monitoring plan. From the project objectives and the outcomes of the business case, we will develop a set of measurable benefits & impacts to enable the monitoring of the scheme post-implementation. This will include benefits and impacts such as land developed, job creation and housing as well as other traditional benefits such as enhanced journey times. We will also establish a baseline to be monitored against, prior to the implementation of the scheme

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