Heart of South West Local Transport Board

Minutes of Meeting 10.00 9th February 2016, The Council House, Plymouth

Attending:

Adam Chambers	LEP Strategic Investment Panel
Adam Luscombe	Torbay Council
Alexis Field @	Highways England
Andrew Ardley	LTB Secretariat
Chris Sanders	Independent Transport Advisor (ITA)
Cllr Andrew Leadbetter*	Devon County Council
Cllr David Fothergill*	Somerset County Council
Cllr Robert Excell *	Torbay Council
David Whiteway	Torbay Council
Ian Beavis	Independent Transport Advisor (ITA)
Ian Harrison	Independent Transport Advisor (ITA)
Jamie Hulland	Devon County Council
Cllr Mark Coker* (Chair)	Plymouth City Council
Mel Sealey	Heart of SW LEP Programme Management Office
Cllr Mark King	Torbay Council
Mike O'Dowd Jones	Somerset County Council
Nick Engert	Heart of SW LEP*
Paul Barnard	Plymouth City Council
Philip Heseltine	Plymouth City Council
Sally Farley	Plymouth City Council
Steve Flaxton	Plymouth City Council
Sunita Mills	Somerset County Council
Tim Jones*	Heart of SW LEP

* Denotes voting Board member
@ Non-voting board member

1. Apologies

Dave Black, Devon County Council
Chris Garcia, Heart of SW LEP
Paula Hewitt, Somerset County Council
Paul Hickson, Heart of SW LEP
David Northey, Network Rail

2. Minutes of meeting held on 7th December 2015

These were agreed as a true record of the meeting with one clarification:
- Item 8, Forder Valley Link Road scheme: Plymouth City Council originally bid for £26.158m, but accepted a £3.6m reduction to £22.558m so that both M5 J25 and Forder Valley Link Road would fit in the £35.5m funding envelope awarded in GD2

Tim Jones asked that a report showing the risk status of current Growth Deal schemes be brought to future meetings.

3. A379 Newcourt Junction (Exeter): Programme Entry Business Case (Paper A)

Jamie Hulland introduced this scheme. It was a simple junction improvement scheme designed to access new employment and housing as well as improving access to and from the current Sandy Park rugby stadium and conference centre. The improvement was centred around the provision of new right turn in and right turn out facilities from the Sandy Park access road from the A379 dual carriageway. The alternatives were very poor including several traffic signals and a diversion into the Newcourt area to turn round.

The scheme had a very high Benefit Cost Ratio (BCR). Half of the benefits were for business travel. The scheme had low environmental impacts.

The anticipated scheme cost was £2.67m with Exeter City Council expected to contribute £1.025m (subject to approval by its Executive the same day) with a further contribution from Devon County Council. £240k of quantified risk had been allocated within this sum but with no further Optimism Bias given the advanced nature of the design. Further savings may be achieved by working closely with the developer. The tender process will be from May to August 2016 with construction expected to be from September to January.

Ian Harrison gave the ITA's response to the business case. This was a relatively straightforward scheme although the benefits were sensitive to the level of growth. Further work was required to assess the risk of impacts in the inter-peak period.

Board members raised and debated a number of questions including:
- The level of optimism bias
- Changes in costs
- The relationship with other development proposals
- The impact on Exeter City's CIL programme
- The level of commercial viability to fund infrastructure

The Board unanimously agreed the following recommendations:

1) ***Approve the A379 Sandy Park Junction improvements, Exeter as part of the LTB 2015 - 2021 Programme;***
2) ***Approve a financial contribution of up to £1.00m, conditional upon there being no significant change to the scheme, its benefits, or the agreed outputs by 2021 of***

270 house completions and 325 jobs between this stage and the completion of design, procurement and final value for money assessment.

3) ***Note that if the final scheme cost after procurement is significantly lower than the current estimate then the financial contribution from the Local Transport Board will be correspondingly reduced.***

4) Torquay Gateway: Final Approval Business Case (Paper B)

Ian Harrison introduced this item. This was simply the final approval stage with the scheme having gone through the tender process and finalised design. There were no changes to either the costs or benefits compared to the programme entry approval. The scheme remained very high value for money and contracts had already been awarded.

Board members raised a number of questions and points including:

- Future proofing the benefits through demand management e.g. at Torbay Hospital
- Making the most of the planned Edginswell station

Board members unanimously agreed the following recommendations:

1) ***that the Local Transport Board confirm their continued support for the Torquay Gateway improvement through a contribution of £3.440m***

5) Derriford Transport Scheme: Final Approval Business Case (Paper C)

Ian Harrison introduced this item. The scheme cost had increased from £12.72m to £13.29m including Optimism Bias of £301,000 and a quantified risk of £561,000. Plymouth City Council had agreed to meet the increase in scheme cost. There were no changes to the benefits. The revised BCR was 4.86 which remained very high value for money.

There would be external contract management and supervision. A small piece of land at Wiliam Prance Road remained to be acquired. This had however been considered as one of the value management solutions and did not prevent a start of works.

Board members raised a number of questions and issues including:

- Interaction with the Forder Valley Link Road scheme (Growth Deal 2)
- Demand management and future proofing

Board members unanimously agreed the following recommendation:
That the Local Transport Board confirm their continued support for the Derriford Transport Scheme improvement through a contribution of £10.16m

6) Retained scheme management process (Paper D attached)

Ian Harrison introduced this paper. The purpose was to clarify the process for retained schemes, the only current one of which is in the Heart of South West area was the Forder Valley Link Road scheme in Growth Deal 2.

DfT guidance now makes it clear that the final decision will rest with the minister. The funding will still however be paid to the LEP through the Growth Deal settlement.

The LEP / LTB can apply their own assurance process if they wish. The DfT will approach the LEP to see if it is content with the proposed final scheme. For Forder Valley Link Road this is expected to be in 2017. The LTB will be asked to advise the LEP in advance.

Board members discussed a number of issues including:

- The impact of devolution proposals
- How the Tiverton EUE scheme could be funded given that funding had been provided for two schemes but three were expected to be delivered
- Noting that DfT did not require optimism bias to be included for retained schemes

7) Forder Valley Link Road (Plymouth): Business Case (Paper E)

Ian Harrison introduced this scheme. The main elements of the scheme had been introduced to the Board at two previous meetings. The main points to note included:

- Plymouth CC had sought an independent view of the predicted costs of the scheme and these were generally similar
- Novorossiysk Road widening made sense in traffic terms but did represent an expansion of the scheme
- Further work had been done on the case for the climbing lane. The road had a 1 in 10 gradient for much of its length. There was a relatively high predicted percentage of HGVs and buses at around 10%. Taking this into account the climbing lane appeared to be value for money with a BCR of 7.6 based on the costs supplied
- The ITA had also looked at the need for the pedestrian and cycle facilities on both sides of the road over the 170m viaduct given the additional cost. Taking into account factors such as cyclists speed downhill he felt that the proposed facilities were justified.
- The ITA did however feel that it was possible for the overall corridor width to be narrower

Board members raised a number of questions and issues including:

- The status of original feasibility designs
- The level of optimism bias and risk including the impact of flooding
- The fact that DfT had already given the scheme programme entry by default

Board members agreed the following resolution unanimously:

- ***It is recommended that the LTB confirm support for the Forder Valley Link Road scheme and up to £22.5m of funding subject to the final business case***

8) Highways England funding streams

Alexis Field gave a presentation on the Highways England funding streams known as Designated Funds. The current round of funding was available until 2021. It was aimed at ‘beyond business as usual’ schemes.

The main four funds across England were Environment (£100m), Cycling / Safety / Integration (£250m), Innovation (£150m) and Growth and Housing (£100m). It was noted that the improvements didn’t have to be directly on the network, only that they

benefitted it. Each fund had a series of Key Performance Indicators to measure outputs.

The majority of the cycle funding had now been committed including a new bridge in the Plymouth area. HE was working closely with car manufacturers on the innovation fund. Options included developing Wi-Fi availability along road corridors to enable communications with vehicles. The main fund of principal interest to the LEP was Growth and Housing. A number of schemes had already been developed with local authorities in the area including:

- Turks Head, Honiton (now approved)
- Tithebarn Link Phase 2 Link, Exeter
- Forder Valley Link Road, Plymouth
- A386 Mannadon Junction, Plymouth
- A38 Deep Lane Junction, Sherford / Langage
- Sherford – Langage cycle route

The LEP was now being invited to comment on the suitability of the above by the end of March 2016 and suggest any additional schemes.

9) Growth Deal 3 Update

Ian Harrison gave a brief update on Growth Deal 3 funding. There was still no clarity on this yet from Government although further information was expected in the near future.

Separately, DfT revenue funding had been secured to provide support in working up transport schemes generally and in particular developing cases for sustainable transport schemes.

The Government had also announced the Local Majors Fund for large local transport schemes. This would have a budget of around £475m from 2019/20.

10) Growth Deal 1 Update

Papers had been circulated indicating the latest status of business cases for Growth Deal 1 schemes.

11) Next Meeting

It was agreed that the next LTB meeting would be held in June. The secretariat would circulate potential dates.