

Large Local Major Schemes

Bid for construction funding – December 2017

All bids for construction funding within DfT's Large Local Major Schemes programme must be supported by

- (a) A completed bid template (Part One)
- (b) A checklist to highlight where key information can be found in the OBC (Part Two)
- (c) an Outline Business Case (OBC) as defined in the Department's [Transport Business Case](#) Guidance and any Annexes as necessary

The pro-forma (b) details some key items we would expect to be included within the OBC in a large majors bid. In summary the OBC should be submitted when a preferred option with a defined scope has been identified, detailed costings and appraisal have been undertaken, and a firm delivery plan is in place for construction.

Once business cases are received in each round we will decide which will receive funding for construction. It is a competitive process and we are looking for the schemes that will offer the best returns, will meet our key objectives and can be delivered quickly.

We will be assessing schemes across the five cases and will be considering the following questions in particular.

Strategic

- How clear, robust and well evidenced is the strategic case?
 - How clearly are the objectives set out?
 - How robust was the options assessment process
- To what extent will the scheme address key national strategic priorities, for example access to international gateways, HS2 connections, and the following objectives
 - to ease congestion and provide upgrades on important national, regional or local routes
 - to unlock economic and job creation opportunities
 - to enable the delivery of new housing developments

Value for Money

- What is the scheme's overall value for money taking into account monetised and non-monetised benefits
- How strongly do the benefits align with the scheme's stated objectives?

Financial

- How robust are the cost estimates?
- What is the promoter's contribution to scheme costs?
- What is the private sector or other third party contribution to overall scheme costs and how firm is that guarantee?
- To what extent is the scheme genuinely unaffordable via other funding streams?

Management

- How soon will the project be delivered?
- How robust and realistic is the plan for delivery?

Commercial

- How robust is the commercial and procurement strategy?

Large Local Major Schemes: Bid for construction funding

(December 2017 round)

Part One: Bid Template

Scheme Name	MetroWest Phase 1
Lead LEP	West of England Local Enterprise Partnership
Promoting Authority	The four West of England Councils; Bath & North East Somerset, Bristol City, North Somerset & South Gloucestershire and the West of England Combined Authority.
Contact Please provide a contact name for enquiries relating to this bid	Name: James Willcock Email: James.Willcock@n-somerset.gov.uk Phone: 01934 426414

1. Introduction

MetroWest Phase 1 will deliver a strategic enhancement to the West of England's local rail network. The scheme will increase the UK passenger rail network by 14 kilometres, deliver two new stations and enhance the service frequency for 16 existing stations, across three local lines. MetroWest Phase 1 forms part of the MetroWest Programme which aims to establish a 'Metro' local rail network similar to comparable city regions, through targeted investment in strategic rail corridors, including existing lines, freight only lines and dis-used lines. The scheme principle objectives and supporting objectives are set out in Chapter 1 the Strategic Case.

2. Scheme cost (£000s)

	Preparation costs (between OBC and start of construction)	Land purchase	Construction costs	TOTAL
Base cost	12,751	3,179	65,105	81,035
Risk	0	0	20,221	20,221
Inflation	0	0	4,814	4,814
TOTAL	12,751	3,179	90,140	106,071

Notes

1. Please note the risk cost should be as generated by a QRA and should **not** include optimism bias
2. Please do **not** include
 - a. any costs prior to completion of the OBC
 - b. Part 1 claims

c. Evaluation and monitoring

3.	4. Funding request and profiling (£000s)								
	2017/18 Q4	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total	% total
Requested funding from DfT	0	0	0	20,043	26,886	0	0	46,929	44.2%
LA contribution									
Bath & North East Somerset	0	121	168	0	0	0	0	289	
Bristol City	0	241	336	0	0	0	0	577	
North Somerset	0	402	560	0	5,860	0	0	6,822	
South Gloucestershire	0	40	56	0	0	0	0	96	
West of England CA	0	0	0	0	5,860	0	0	5,860	
Total (Excl WoE LEP)	0	804	1,120	0	11,720	0	0	13,644	12.9%
Third Party contribution									
WoE LEP	945	4,019	12,318	28,216	0	0	0	45,498	42.9%
Total	945	4,823	13,438	48,259	38,606	0	0	106,071	100%

4. Affordability

Please provide a brief summary of why the scheme would be unaffordable other than via this bid to the large majors fund, with particular reference to your LEP's guideline threshold.

The WoE Authorities have already spent £10.116M of preparation costs leading up to the submission of the Outline Business Case and this funding bid.

The Authorities have examined all possible sources of local funding within the West of England including Local Growth Funding (LGF) and Economic Development Funding (EDF), West of England Combined Authority Funding and Council reserves. In respect of Council reserves these are very limited due in part to the sustained period of reduction in central Government revenue funding for local Government since 2010. Given the outlook of further reduction in local Government revenue support, no funds are available from Council reserves.

In respect of LGF and EDF these funds are already fully committed to high priority schemes. An allocation in principle and subject to a successful bid to the Large Local Major Scheme fund of West of England Combined Authority Funding of £5.860M has been made (December 2017), bearing in mind there are issues and constraints with this funding source. The lead Authority for MetroWest Phase 1 North Somerset Council (within which most of the scheme infrastructure is to be delivered) is not part of the West of England Combined Authority (WECA). WECA comprises of the Bath & North East Somerset, Bristol

City and South Gloucestershire Council areas. MetroWest Phase 1 is a cross boundary scheme, and the proportion of the scheme (on a mileage basis) within WECA is relatively modest.

North Somerset Council also increased its local contribution to the scheme in November 2017, adding a further £5.860M, funded via its Medium Term Financial Plan. These two additional allocations increased the local contribution including LGF via the WoE LEP from £47.421M to £59.141M. This equates to a local contribution of 56% with the remaining 44% being sought from the DfT.

Finally, the scheme cost and indeed the total local contribution is above the DfT's threshold of £59M minimum scheme cost for the WoE (as set out in DfT Guidance) for consideration of Large Local Major Scheme Funding.

5. Value for Money

Please provide a short description of your assessment of the value for money of the scheme including your estimate of the Benefit Cost Ratio.

This should cover both monetised and non-monetised costs and benefits. The full assessment, as set out in the Value for Money Guidance should be provided in the OBC. Valuation of any dependent development, should be reported here, separately from the central value for money evidence and supporting evidence, and a full description of the approach taken should be included in the OBC.

The table below sets out the Value for Money Statement for the scheme.

Criteria	Description
Value for Money/Value for Money when Wider impacts are included	High
NPV	£140.35 million
Initial BCR	2.45
Adjusted BCR (With Wider Impacts)	3.48
Summary of the benefits and costs	<ul style="list-style-type: none"> • Rail transport user benefits (around 82% of the total benefits excluding wider impacts) • Highway transport user benefits (21% of total excluding benefits excluding wider impacts) • Wider Economic Impacts £74.0 million • Option Values £25.5m <p>Operating costs are more significant than capital costs in the economic case, though not by much (56% operating cost versus 44% capital cost).</p>
Significant non-monetised impacts	No significant non-monetised impacts. The most significant non-monetised impact is a moderate beneficial impact on journey quality. Other impacts are either slight beneficial (physical activity, access to services), slight adverse (historic environment, biodiversity, severance) or neutral.
Key risks, sensitivities and	<ul style="list-style-type: none"> • Operating cost assumptions - potential scope for

Criteria	Description
uncertainties underlying the appraisal	<p>greater synergies with existing services to reduce staffing and maintenance costs</p> <ul style="list-style-type: none"> • Rail demand forecasts, in particular future year growth in demand at new and existing stations • Future year fare assumptions
Significant social distributional impacts	Analysis indicates that scheme impacts are relatively evenly distributed across income, social and user groups. User benefit distributional impact is moderate beneficial, noise and air quality are minor adverse, other impacts are all neutral.
Benefit to Cost Ratio	3.48 (Adjusted)
Value for money category	High

6. Delivery

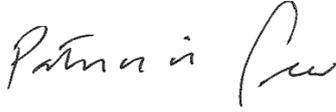
Please state the estimated delivery milestones as below, assuming DfT Programme Entry is granted in May 2018. Please amend/add to milestones as necessary.

Submission of planning application	June/July 2018
Determination of planning decision	Nov/Dec 2019
Publication of scheme orders/CPOs (see section 7 below)	Feb 2020
Completion of Public Inquiry	April 2019
Confirmation of all statutory orders and consents	Feb 2020
Completion of procurement	Feb 2020
Full Business Case submitted to DfT	March 2020
Start of Construction <i>(assume 2 months from FBC to funding commitment)</i>	May 2020
Scheme open to public	Dec 2021 *

Note: If planning consent, scheme orders, CPOs or a public inquiry are not required please insert 'n/a' and provide an explanation in Section 7 below

* MetroWest Phase 1 will be delivered in two stages with Stage A in 2020 introducing half hourly services on the Severn Beach and Bath Spa lines with the possible extension to Westbury and Stage B in 2021 seeing the reopening of the Portishead Line.

7. Orders and consents	
Do you envisage that CPOs will be necessary? <i>If not please explain here or insert appropriate reference to relevant OBC paragraph.</i>	Yes CPOs will be dealt with as part of the Development Consent Order
Are other statutory/highways orders required that would normally require a Public Inquiry (e.g. Side Roads Orders, Transport and Works Act Order). Please specify	Yes a Development Consent Order is required
What other statutory orders/consents are required? (e.g. heritage, environmental consents)	Habitats Regulation Assessment is required
If CPO and other orders are required does your timetable assume that there will be a public enquiry? <i>If not please explain here or insert appropriate reference to OBC document</i>	Yes its programmed from Oct 2018 to April 2019

8. Declarations	
<i>Lead LEP officer</i> I confirm that this bid has the full support of the West of England Local Enterprise Partnership and hereby submit it to DfT on the LEPs behalf for consideration.	
Name: Patricia Greer Position: Chief Executive Phone: 0117 3701955 Email: patricia.greer@westofengland-ca.gov.uk	Signed: 
<i>Section 151 Officer declaration</i> As Section 151 Officer for the West of England Combined Authority I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that <ul style="list-style-type: none"> - the West of England councils have allocated sufficient budget to deliver the scheme on the basis of its proposed funding contribution - the West of England councils accepts responsibility for meeting any costs of delivering the scheme over and above the DfT contribution requested, including potential cost overruns, and the underwriting of any third party contributions - the West of England councils accepts that no further increase in DfT funding will be considered beyond the maximum contribution requested 	

Name: Tim Richens

Position: Director of Investment & Corporate Services

Phone: 0117 3701958

Email: tim.richens@westofengland-ca.gov.uk

Signed:



Please email this completed form to:

LT.plans@dft.gsi.gov.uk

by **midday 22nd December 2017**

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.

We would prefer it if annexes are separated out into individual pdf documents.