

APPENDIX A LLEP BID DOCUMENT

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Ref:



Leicester & Leicestershire
Enterprise Partnership

PROJECT PIPELINE BUSINESS CASE

GUIDANCE NOTES & APPLICATION FORM

May 2016

Project name: Market Harborough Transport Strategy (Delivery)

Promoting organisation: Leicestershire County Council

LLEP Project Pipeline Business Case

Introduction

In November 2015 the Leicester & Leicestershire Enterprise Partnership began an Open Call process to capture projects from across the City and County to create a pipeline for funding opportunities. Projects were required to submit an online Expression of Interest (EoI) outlining their strategic fit and funding requirements.

Process

All projects submitted via the EoI have undergone an initial high-level review to evaluate their fit to the Strategic Economic Plan (SEP). Projects which align with the SEP are now being requested to complete the enclosed Business Case Application to enable more complete assessment work to be carried out. Completed business cases will be independently reviewed and enter into the Local Assurance Framework process. The timeline for this process is available on our website: <https://www.llep.org.uk/funding/open-call/>

Local Assurance Framework

The Local Assurance Framework governs the process for approving projects for funding. Decisions are made on the basis of a review of a business case by the Programme Board following independent appraisal. The key steps in the process are as follows:

1. Projects coming through the pipeline are assessed according to the requirements in the SEP.
2. Projects submit a business case, on a template which has been agreed by the Programme Board.
3. Business cases are independently reviewed and the Programme Board makes a decision on the projects to progress.
4. Projects are identified by the Programme Board for accessing project development funding.
5. The Resources Group identifies funding routes for projects and provides an agreement to fund.
6. Further information, if required, is sought from project sponsors.
7. On approval of the funding availability, projects begin the contracting process and then, based on annual funding, commence delivery which is monitored by the Programme Board.
8. Key learning on programme delivery is incorporated into the LLEP Programme to guide future resource allocation decisions.

The full LAF is available on our website: <https://www.llep.org.uk/strategies-and-plans/local-assurance-framework-laf/>

Submission

When completing the application please ensure that responses are completed in full but also comply with the maximum number of words for each section as indicated. All information must be submitted within the proforma. No additional documents will be accepted at this stage. **If a funding stream is identified for your project you may be required to submit additional information to support your application.** Invitation to complete a business case is not a guarantee of funding.

Please submit completed application forms to Cheryl Maguire (Cheryl.maguire@llep.org.uk) no later than **12pm, 6th May 2016**.

LLEP Project Pipeline Business Case Application

Basic Information	
Name of Project	Market Harborough Transport Strategy (Delivery)
Promoting Organisation	Leicestershire County Council
Contact name	Ann Carruthers, Assistant Director, Highways and Transport
Phone number and email	Phone: 0116 305 7966 Email: Ann.Carruthers@leics.gov.uk
Location of Project	Market Harborough, Leicestershire

Project Overview	
Provide a brief overview of the project (max 200 words)	<p><i>(Include information on the market need, why the market is not addressing this need, how the issue affects economic growth within the LLEP area and the outputs of the project.)</i></p> <p>Market Harborough is a thriving market town in the south east of Leicestershire; however, it faces significant growth pressures. A total of 1,500 dwellings are proposed in a Strategic Development Area to the west of the town before 2031. In order to ensure that the town's economy is not adversely impacted by traffic growth, Leicestershire County Council (LCC) and Harborough District Council (HDC) are jointly funding a transport study to develop a transport strategy that will support HDC's new Local Plan.</p> <p>The study will identify transport issues in the town and a package of infrastructure measures, in combination with complementary smarter choices measures, to facilitate growth, improve connectivity, support the economic performance of the town and ensure economic growth opportunities are exploited. The delivery of the measures will help to address congestion on key routes and junctions, maximising</p>

	<p>the capacity of the highway network, improving journey time reliability and improving connectivity to key services.</p> <p>The scheme will help to support the employment growth in the wider Market Harborough area which will be defined within the town's new Local Plan. The scheme links with the Strategic Economic Plan's Growth Programme for Market Towns and Rural Leicestershire (GP1). It also supports reducing congestion which was identified as an issue in two Sector Growth Plans.</p>	
Key dates	Project Start date	Project End date
	April 2017	March 2021
<p>Brief commentary to demonstrate that it will be commenced by the stated date. <i>(max 200 words)</i></p>	<p><i>(Outline the status of the project and any milestones to demonstrate it will be commenced by the above stated date.)</i></p> <p>In recognition of the importance of this intervention, a transport study has already been commissioned which will identify the issues and range of potential transport measures as part of the process of developing a transport strategy for Market Harborough. The study will feed into Harborough District Council's Local Plan in May 2016.</p> <p>The project milestones for the project are outlined below:</p> <ul style="list-style-type: none"> • 2015/16 – Study work • 2016/17 – Preliminary Design • 2017/18 - Consultation / Detailed Design • 2018/19 – Implementation • March 2021 – Completion 	

Detailed Assessment

The objective is to provide detailed evidence to demonstrate that the project has a clear rationale, it will deliver economic growth benefits resulting from further investment, it is

affordable with a clear funding strategy and delivery issues are understood.	
Strategic Case: demonstrate that there is a clear rationale for intervention.	
S1. Problems, Barriers to Growth and Rationale for Intervention	
Explain the aim of the project. <i>(max 200 words)</i>	<p><i>(Ensure that this identifies specific economic concerns)</i></p> <ol style="list-style-type: none"> 1. To improve accessibility to employment and education as well as for health care and retail. 2. Reduce congestion on the transport network, particularly at key junctions, and minimise the future traffic impacts of developments in and around the town. 3. To support planned housing, employment and retail growth in the wider Market Harborough area, including approximately 1,500 dwellings to the north west of the town.
Explain the underlying barriers to economic growth that the project will address. <i>(max 200 words)</i>	<p><i>(E.g. barriers to business efficiency and innovation, barriers to labour market mobility, barriers to inward investment, constraints to delivery of new employment land where market demand exists, new housing etc.)</i></p> <p>Market Harborough is a thriving market town however; it faces significant growth pressures, with approximately 3,000 extra dwellings proposed in the town before 2031. This growth will worsen existing traffic conditions. There is currently congestion on the transport network in a number of areas in the town which is predicted to worsen in the future. The key junctions affected by congestion are:</p> <ul style="list-style-type: none"> • Welland Park Road / Northampton Road / Springfield Street; • Sainsbury's / Springfield Street; • Clarence Street / Rockingham Road / St Marys; • Gores Lane / Rockingham Road; and • A6 / Dingley Road. <p>The study work has identified that Improvements to the network, in combination with measures to encourage more sustainable travel behaviour, are needed in order to ensure that the planned growth can be delivered and the town's economy is not adversely impacted by traffic growth.</p>

<p>Explain the impact of not addressing these barriers. (max 200 words)</p>	<p><i>(Briefly explain the impact of not addressing the barriers stated above)</i></p> <p>Without addressing the traffic issues within the town centre through the combination of highway improvements, walking and cycling improvements, delivered in combination with a series of complimentary softer measures, the area will continue to suffer from congestion which will ultimately limit the delivery of housing. In addition, it is likely that Market Harborough will become less attractive to developers, reducing housing and economic growth might be reluctant to invest in the area, reducing housing and economic growth in the area.</p> <p>Failing to address town centre congestion will stifle growth, leave the town centre poorly connected and prevent economic growth opportunities from being exploited.</p>
<p>S2. Objectives of project</p>	
<p>Describe the specific objective(s) of the project. (max 200 words)</p>	<p><i>(Objectives should be specific, measurable and achievable. These must also be clearly related to the objectives of economic growth)</i></p> <p>Precise and quantifiable objectives will be determined at the detailed design stage; however, the scheme aims to reduce congestion, improve journey time reliability, as well as increasing the uptake of and accessibility by sustainable modes. Importantly these changes will also lead to an improvement in health and wellbeing. Experience of delivering similar schemes in Loughborough and Coalville have demonstrated a 7.6% increase in walking and cycling and a 2.5% reduction in car traffic.</p>
<p>Please identify (tick) which objective(s) below will be supported by the project and briefly explain.</p>	
<p>Provide employment support.</p>	<p><i>(briefly explain how, max 100 words)</i></p> <p>The scheme will help to support employment growth in the wider Market Harborough area which will be defined within the town's new Local Plan.</p>
<p>Assist skills development.</p>	<p><i>(briefly explain how, max 100 words)</i></p> <p>The improvements to connectivity within the town will improve access to further and adult education</p>

		opportunities in the town.
Provide business support.	✓	<i>(briefly explain how, max 100 words)</i> The proposed transport scheme will improve connectivity and accessibility to the town centre supporting local businesses and shops. The scheme will reduce congestion as well as improving journey time reliability and connectivity in Market Harborough town centre, boosting the attractiveness of the town to shop in, work in and do business in. In addition, the scheme will improve accessibility to jobs and training as well as supporting local businesses, an issue highlighted in five of the sector growth plans as a barrier to economic growth.
Creation of infrastructure. (housing/ transport/ regeneration)	✓	<i>(briefly explain how, max 100 words)</i> The scheme provides the following transport infrastructure measures: <ul style="list-style-type: none"> • Improvements at congestion-affected junctions; • Potential re-routing of traffic; • Rationalising of parking controls; • Improvements to cycle routes, pedestrian crossings and bus stops; and • Public realm improvements such as 'gateway' enhancements and improved links with the rail and bus station.
Provide commercial property development.		<i>(briefly explain how, max 100 words)</i> The scheme will help to support the employment growth in the wider Market Harborough area which will be defined within the town's Local Plan. The Local Plan is currently being developed by Harborough District Council.
S3. Strategic Fit with Local Priorities		
Will the intervention support policies in the Strategic Economic Plan, Sector Growth Plans or other Local Plans ?		<i>(Keep brief. Explain how – including evidence of where requirements for intervention are identified in SEP, Sector Growth Plans or Local Plans)</i> The scheme objectives have been defined to align with the LLEPs strategic aims to:

	<ul style="list-style-type: none"> • Deliver Growth Area and Transformational Priorities; • Maximise economic potential; • Provide critical infrastructure and investor certainty; • Provide sustainable transport and access to jobs; • Unlock substantial areas of land for housing development and investment; • Develop strengths in key sectors; and • Provide high quality residential, commercial and industrial accommodation. <p>The project links with the SEP's Growth Programme for Market Towns and Rural Leicestershire (GP1). In addition, the proposed scheme aims to support getting staff to work which was identified as an issue in five of the eight Sector Growth Plans and also to reduce congestion which was identified as an issue in two Sector Growth Plans.</p> <p>The scheme will help to support the employment growth in the wider Market Harborough area which will be defined within the town's Local Plan. The Local Plan is currently being developed by Harborough District Council.</p>
<p>S4. Engagement and Consensus</p>	
<p>Outline support from key stakeholders for the proposed solution / your approach to seeking consensus.</p>	<p><i>(e.g. Local Authority, HCA, local education providers, local businesses)</i></p> <p>Key stakeholder workshops were held in July 2015 and attended by: the Chamber of Trade and Commerce; local businesses the Civic Society; Sustrans and a number of other organisations. The workshop informed the initial direction of the study and has provided a starting point for further investigation and the identification of the work stream requirements. Harborough District Council has indicated their support for implementation of the strategy.</p> <p>Further consultation is taking place to reach a consensus with key stakeholders and to develop the initial scheme designs.</p>
<p>Economic Case: demonstrate that the project will best deliver existing and future needs, with clear outputs, outcomes and economic impacts.</p>	

E1. Investigation of Options	
<p>Demonstrate that a range of options has been considered. Why is this solution the best option? What are the impacts of doing nothing? (max 200 words)</p>	<p><i>(Keep brief. Overview of options and why alternatives were discounted, why is the market not meeting the need? What will happen without an intervention?)</i></p> <p>A transport study is underway which will identify the issues and range of potential transport measures as part of the process of developing a transport strategy for Market Harborough. The study will consider a range of potential infrastructure and complimentary 'soft' transport measures.</p> <p>Alternative improvement options will be considered as the scheme is refined further, assessing them against the scheme's objectives. As part of the consultation and detailed design process scheme options will be reviewed and where appropriate the scheme design revised.</p>
E2. Outputs: specific deliverables from the project	
<p>Describe the outputs from the Project. (max 200 words max)</p>	<p><i>(Be specific – e.g. hectares of land remediated, length of new road, people into jobs, businesses supported and leverage etc.)</i></p> <p>The scheme is currently in the early stages of development with further refinement of the measures, design work and stakeholder engagement/consultation required. As such the exact outputs of the scheme will be determined following this additional work.</p> <p>It is anticipated that the likely outputs will be:</p> <ul style="list-style-type: none"> • Improvements at congestion-affected junctions; • Potential re-routing of traffic; • Rationalising of parking controls; • Improvements to cycle routes, pedestrian crossings and bus stops; and • Public realm improvements such as 'gateway' enhancements and improved links with the rail and bus station.
E3. Outcomes: what the project will achieve	
<p>Describe the outcomes from the project. (max 200 words)</p>	<p><i>(Be specific – e.g. floorspace unlocked, no. of new homes unlocked, increased public transport mode share etc. Ensure clear link to outputs above.)</i></p> <p>The outcomes of the scheme include:</p> <ul style="list-style-type: none"> • Unlocking 3,000 new homes;

	<ul style="list-style-type: none"> • Improved accessibility to employment, education and services, • Reduced congestion on the local transport network; • Increased journeys by public transport; and • Increased proportion of journeys by active modes.
E4. Impacts: unlocking sustainable economic growth	
<p>Will the intervention unlock new jobs? Quantify no. of jobs and GVA if possible.</p>	<p><i>(Clearly explain no of jobs unlocked or created by the intervention, explain approach to estimation, clearly link to the outputs and outcomes above.)</i></p> <p>The scheme will help to support the employment growth in the wider Market Harborough area. The areas designated for employment will be defined within the town's Local Plan which is currently being developed by Harborough District Council. The scheme will help to sustain the strong economic performance of Market Harborough, in contrast to many other market towns in the county, in accordance with the Strategic Economic Plan's Growth Programme for Market Towns and Rural Leicestershire (GP1).</p>
<p>Will the intervention unlock new housing? Quantify no. of houses and wider benefits if possible.</p>	<p><i>(Clearly explain no of houses unlocked or delivered by the intervention, explain approach to estimation, clearly link to the outputs and outcomes above.)</i></p> <p>The scheme will directly support the development of approximately 1,500 proposed dwellings in the Strategic Development Area to the west of Market Harborough. The scheme will unlock these development sites by improving access, making them more appealing to potential homeowners as well as prospective businesses.</p>
<p>Identify further economic effects. Quantify GVA effects if appropriate.</p>	<p><i>(E.g. business efficiency, agglomeration or labour market mobility. Briefly explain other economic impacts, explain approach to estimation, clearly link to the outputs and outcomes above.)</i></p> <p>The scheme will improve connectivity within Market Harborough, reducing congestion and increasing journey time reliability. This will help to sustain the strong economic performance of Market Harborough in the past 10 years, in contrast to many other market</p>

	<p>towns in the county, and in accordance with the Strategic Economic Plan's Growth Programme for Market Towns and Rural Leicestershire (GP1). It will also help to support housing and employment growth as the Local Plan is developed by Harborough District Council.</p> <p>Improvements to cycle routes, pedestrian crossings will encourage the use of active modes of travel, helping to realise health benefits.</p> <p>Precise quantifiable economic benefits will be derived from the Leicester and Leicestershire Integrated Transport Model (LLITM) as outputs from the study are taken forward and developed.</p>
<p>E5. Wider Impacts: social inclusion, wellbeing and environmental sustainability</p>	
<p>Will particular groups of people be affected by the intervention? Will the impact be positive or negative? Please explain.</p>	<p><i>(Keep brief. Based on geographical location and/or demographic segments. Identify key groups who will benefit from the intervention, and identify key groups who could be impacted negatively. Include disadvantaged groups in this assessment.)</i></p> <p>The scheme is currently in the early stages of development with further refinement of the measures, design work and stakeholder engagement/consultation required. Consequently the exact impacts of the scheme and which user groups are affected will be determined following this additional work.</p> <p>The scheme is expected to have a positive impact due to the reduction in congestion, and improvements to accessibility to jobs and services. The scheme benefits would be concentrated on people and businesses in the wider Market Harborough area.</p> <p>As part of the scheme delivery process the County Council will ensure that any necessary Equality and Human Rights Impact Assessments are undertaken.</p>

How will the intervention impact on the natural and built environment ? Please explain.	<p><i>(Keep brief. Include specific impacts on quality of place and identify key impacts on landscape, biodiversity, watercourses, townscape, noise, air quality.)</i></p> <p>The scheme is currently in the early stages of development with further refinement of the measures, design work and stakeholder engagement/consultation required. As such the impacts of the scheme on the natural and built environment will be determined following this additional work.</p>
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Financial Case: demonstrate adequate consideration of costs and funding strategy. You will be expected to deliver the scheme within the cost profile when agreed. Confirmation will be required that any cost overruns will be met by the project sponsor.

F1. Total Project Cost

What is the total cost of the project? Explain the approach to costing.	£14.9 million	<p><i>(Brief explanation of how costs have been estimated and price base)</i></p> <p>The estimated total cost for delivering the scheme's infrastructure and smarter choices measures over a five year period is £14.9 million.</p> <p>Of the total scheme costs £11.7m is allocated for the delivery of the infrastructure measures and a further £3.2m on the complimentary smarter choices elements of the scheme. These costs have been estimated based on the costs of the delivery of schemes of a similar scale in Leicestershire; however, the scheme is currently in the early stages of development with further refinement of the measures, design work and stakeholder engagement/consultation required. An accurate estimation of costs will be determined following this additional work.</p>
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F2. Funding Requirements and Match Funding

What is the total funding requirement being requested?	£10.5 million	<p><i>(Set out assumptions)</i></p> <p>The total funding requirement is £10.5 million and is based on the estimated cost of delivering the scheme less the £4.4 million matched funding.</p>
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What is the total match funding that will be provided? Indicate sources.	£4.4 million	<p><i>(Set out the potential sources and contribution amount of match funding. Include in-kind contributions)</i></p> <p>The total matched funding for the scheme is £4.4 million. Matched funding comes from a number of S106 developer contributions, in addition to the Department for Transport's (DfT) Access Fund.</p> <p>A total of £0.6m has been secured to date from S106 contributions from developers. A further £1.4m contribution is anticipated from the Strategic Development Area to the north west of the town. An additional £2.4m is being sought towards delivery of the smarter choices measures from the DfT's Access Fund later in 2016, with the remaining £0.8 million for these measures coming from S106 contributions.</p>
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F3. Financial Profile

Briefly outline the expenditure profile for the project. Project costs should exclude recoverable VAT.	<i>(Present a financial breakdown over years for delivery. This will show total project costs; an expenditure profile; sources and magnitude of match funding (and current status). See example below:)</i>
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<i>Funding Source</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>Future Years</i>	<i>Total:</i>
	2017/18 (£m)	2018/19 (£m)	2019/20 (£m)	2020/21 (£m)	2021/22 (£m)	2022 onwards	(£m)
LEP	£0.2	£4.3	£3.0	£3.0			£10.5
Private sector match (confirmed)			£0.3	£0.3			£0.6
Private sector match (unconfirmed)					£1.4		£1.4
Public sector (confirmed)							

Public sector <i>(unconfirmed)</i>							
Other funding <i>(confirmed)</i>							
Other funding <i>(unconfirmed)</i>		£0.8	£0.8	£0.8			£2.4
Total:	£0.2	£5.4	£ 4.1	£3.8	£1.4		£14.9

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F4. Project Development	
<p>Identify any revenue costs associated with development of the project (max 200 words)</p>	<p><i>(Please provide details of revenue project development costs that could enhance and accelerate the delivery of the projects i.e. quantity surveying, design etc. Please identify committed revenue and gaps)</i></p> <p>Revenue funding is required to deliver the following aspects of the scheme:</p> <ul style="list-style-type: none"> • Preliminary design; • Consultation; • Detailed design; • Procurement of contractors; • Soft measures; and • Monitoring and evaluation. <p>Preliminary design of the scheme will be carried out following completion of the Market Harborough Transportation Strategy. Revenue funding is required to carry out the preliminary design work, carry out consultation on the design, the detailed design work and in order to initiate and participate in the process of procuring contractors to deliver the infrastructure measures.</p> <p>Based on similar previous schemes it is estimated that approximately £2.5m of revenue funding is required to deliver these components of the scheme, which will be delivered through the matched funding. No further on-going revenue funding is required.</p>
<p>Delivery & Commercial Case: demonstrate that Project will be delivered by the stated completion date.</p>	
<p>D1. Partnerships for Delivery</p>	
<p>Identify partners involved in the project and demonstrate shared commitment to delivery.</p>	<p><i>(e.g., Local Authorities, Local Education Providers, Government Agency, Local Planning Authorities, LTAs, etc. Identify their specific roles in the Project/Programme & include reference to agreements / joint working protocols if appropriate.)</i></p>

	<p>Leicestershire County Council (LCC) will lead on the delivery of the project, working collaboratively with the Harborough District Council and Harborough's Business Improvement District.</p> <p>All partners are committed to the delivery of this project in order to facilitate the delivery of strategic growth proposals. Letters of support for the bid have been received from Harborough District Council and Harborough's Business Improvement District.</p>
<p>D2. Effective Governance</p>	
<p>Briefly explain proposed governance structure, including reference to partners if appropriate.</p>	<p><i>(Who is responsible for the delivery of the project? Is there a nominated Senior Responsible Owner? What is the management structure?)</i></p> <p>Leicestershire County Council is the accountable body for this scheme and has a strong record of successfully delivering major transport schemes. The structural arrangements for governance will be based on the existing successful model which has been used in the development of the Market Harborough Study to date, in collaboration with Harborough District Council.</p> <p>LCC is the promoter and will provide project management, design and constructions services as appropriate</p> <p>The main contractor for the construction of the key junction infrastructure will be procured through the Midlands Highways Alliance Medium Schemes Framework.</p>
<p>D3. Scalability</p>	
<p>Is the project scalable? <i>(max 200 words)</i></p>	<p><i>(Can the project be scaled to reduce risk/funding required? If so how?)</i></p> <p>Yes, the project is scalable. As the project consists of several elements it would be possible to deliver the scheme over a longer timeframe, although this is likely to be less cost effective than the proposed schedule.</p>

	Alternatively one or more elements of the scheme could be delayed or removed from the scheme.
D4. Capacity and Risk Management	
Briefly explain the most significant risks to overall delivery of the project, including financial and commercial risks, and proposed mitigation.	<p><i>(E.g. resource capacity within the promoting organisation, uncertainties on business cases, requirements for statutory planning processes and negotiations with 3rd parties etc, cost overruns. Identify proposed mitigation measures.)</i></p> <p>As with any major transport project, there are a number of potential risks to the delivery of the scheme such as:</p> <ul style="list-style-type: none"> • Some third party land is required in order to develop a number of schemes, this may require a Compulsory Purchase Order (CPO) process to acquire the land causing potential delay; • Diversion of statutory undertaker apparatus; and • Potential cost overruns. <p>These risks will be mitigated through the development of a risk management strategy, in accordance with Leicestershire County Council's Project Management standards and informed through the delivery team's experience in the delivery of previous major schemes. Measures to reduce risk include:</p> <ul style="list-style-type: none"> • Early Contractor Involvement (ECI) process with the principal contractor to ensure a robust cost estimate as the programme is developed; • Initial discussions with landowners have taken place with regard to land acquisition; • Comprehensive consultation and communication with key stakeholders impacted by the works; • Early engagement with statutory undertakers; and • Use of the Midlands Highways Alliance Medium Schemes Framework to procure construction contract.