

Transport for the North Scrutiny Committee Meeting – Item 4

Subject: Strategic Development Corridors Update

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Sponsor: Peter Molyneux, Major Roads Director

Meeting Date: 24th January 2019

1. Executive Summary:

- 1.1 The draft Strategic Transport Plan (STP) identified seven Strategic Development Corridors (SDCs) where evidence indicates delivery of transformational growth is dependent on bringing forward major road and rail investment. These corridors complement Northern Powerhouse Rail (NPR), Integrated and Smart Travel and the three Strategic Road studies to inform TfN's Long Term Investment Programme.
- 1.2 This report focuses upon the four multi-modal corridors, for which work is nearing completion on Strategic Programme Outline Cases (SPOCs) for each corridor:
 - Connecting the Energy Coasts
 - Central Pennines
 - West & Wales
 - Southern Pennines
- 1.3 This paper outlines the process TfN has followed in developing the Strategic Programme Outline Cases (SPOCs), including technical assurance of the SPOCs, engagement with partners and with key stakeholders.

2. Recommendation:

- 2.1 It is recommended that the Scrutiny Committee note the progress made, and the processes followed, to ensure that TfN has both adhered to best practice and fully engaged partners in decision making throughout the development of the Strategic Programme Outline Cases for each corridor.

3. Issues:

3.1 Strategic Programme Outline Cases (SPOCs)

The SDC business cases have been developed to a level of detail approaching a conventional 'single-scheme' Strategic Outline Business Case (SOBC) but take a programme level approach for each corridor.

3.2 The Strategic Programme Outline Cases provide robust evidence of the strategic need for substantial transport investment within each SDC and demonstrate value for money for the programme of transport proposed interventions.

3.3 Developed in line with HM Treasury (HMT) Green Book guidance, the SPOCs cover the five elements of a public sector business case, (Strategic, Economic, Financial, Management and Commercial), with most of the focus on the strategic and economic dimensions at this early stage.

3.4 Evidence provided by the SPOCs has informed the development of TfN's Long Term Investment Programme and provides a sound evidence base upon which TfN and partners can take forward investment plans and support bids for funding, for example from the recently announced Major Road Network fund.

3.5 In line with best practice, building upon the core objectives of the STP, TfN partners and stakeholders participated in identifying and agreeing the objectives for the SDCs. These were then used at the first stage of assessment to categorise and sift potential transport interventions.

3.6 Further sifting and optioneering of interventions was then completed utilising Regional Traffic Models (developed for Highways England), the Northern Rail Model (developed by TfN and consultants) and with additional input on freight using the GB Freight Model.

3.7 The SPOCs detail a full programme of potential transport interventions within each SDC including estimated cost assumptions for the road and rail schemes. Cost assumptions have been developed to a level of definition appropriate to this stage of work, using industry standard cost benchmarking, and to a methodology endorsed by the SDC technical assurance group, including representatives from TfN Transport Authority partners, Department for Transport, Network Rail and Highways England. The cost of the strategic outline programme of interventions is reported in each SPOC, under the financial dimension.

3.8 However, at this early stage of appraisal, due to technical challenges with the transport modelling tools currently available, it has not been

possible to fully demonstrate the transformational benefits of the transport interventions. Therefore, following agreement with partners, including DfT, transport schemes that have a strong strategic case but that are not adequately represented by the transport models currently available, have not been included in the economic appraisal. Put simply this means that the economic dimension within each SPOC avoids comparing the total cost of the full programme against only a partial assessment of the benefits.

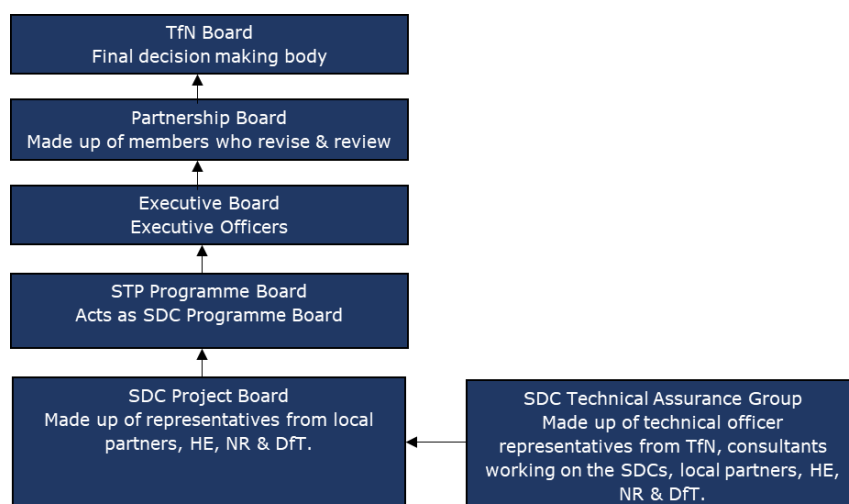
- 3.9 The economic appraisal for each SDC demonstrates value for money for the programmes of both road and rail interventions. This is without including the wider economic benefits from transformational changes in land use employment and housing.
- 3.10 Following publication of the STP and Long-Term Investment Programme, TfN plan to take forward further work utilising the improved modelling tools currently being developed. These will better represent the transformational impact of the full Investment Programme and support TfN and partners in sequencing schemes into development and delivery phases.
- 3.11 In addition to the SPOC each SDC will have a number of supporting technical documents, these include an Environmental Appraisal Report, Options Assessment Report, Stakeholder Engagement Report and Futures Report considering the implications of future technologies and changes in travel behaviour.
- 3.12 The SPOC, and Executive Summary and supporting evidence documents will be published on TfN's website.
- 3.13 The modelling and appraisal work carried out to support the SDCs has necessarily been innovative and, as mentioned in paragraph 3.8, encountered challenges over the summer of 2018. TfN requested an extension of the contract period from 31 August 18 to 31 March 2019 to deal with these challenges as they took longer to deal with than the original programme anticipated.
- 3.14 This resulted in an increase in costs to each of the first three SDC commissions. At the time of commissioning, TfN had recognised the potential for this occurrence and allowed sufficient headroom in the financial envelope for delivery of this work to cover the increase in cost.
- 3.15 This can be summarised as an increase in cost as follows:
Connecting Energy Coasts –£46,499
Central Pennines –£72,974
West & Wales - £85,817
This is allowed for in our Revision 2 budget.

SDC Governance

- 3.16 TfN partners have been fully engaged and have contributed to the development of the SDC studies, through Project Boards for each corridor. Project Board membership includes representatives from all local transport authority partners, DfT, Network Rail, Highways England and, where appropriate, representatives from adjacent regional transport bodies such as Welsh Government and Midlands Connect, and the National Parks. Programme level oversight has been through the STP Programme Board.

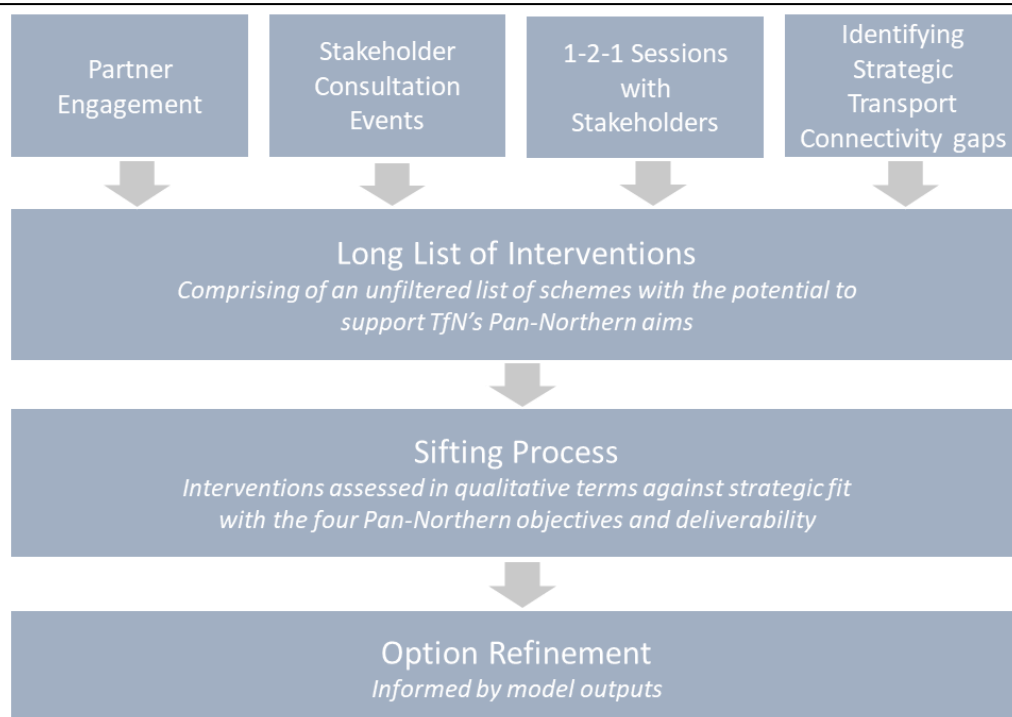
A technical assurance group involving DfT, and open to involvement of partners, has provided guidance and technical assurance of the SDC studies as they have developed.

Figure 1 describes TfN's governance, including the SDC studies.



- 3.17 The SDCs have included substantial public and private sector stakeholder engagement. Workshops were held across the north with a wide range of participants including; local transport authorities and operators, key businesses, ports and airports, LEPs and environmental bodies. This helped to identify issues and opportunities in each corridor and to develop a long list of proposed transport interventions. These interventions were subsequently assessed and refined to establish the Strategic Outline Programme Case.

Figure 2 summarises the staged approach to development of the SOP.



- 3.18 Work on the remaining three corridors – East Coast to Scotland (rail), North West to Sheffield City Region (rail), and Yorkshire to Scotland (road) - has also progressed, with completion of an option assessment report (OAR) for the Yorkshire to Scotland Corridor, and TfN participation in the Network Rail East and West Coast Mainline studies. Outputs of this work have informed TfN's Investment Programme. Work on these corridors aligns with that of our delivery partners, Network Rail and Highways England, and will be progressed as part of the further development of Investment Programme schemes during the next business year.

4. Options Considered:

- 4.1 Options appraisals have been carried out during the development of the SPOCs.

5. Considerations:

- 5.1 Environmental considerations have been an integral part of the SDC work and taken into account in the options appraisals carried out during the development of the SPOCs.

6. Preferred Option:

- 6.1 Scrutiny Board note the approach to completion of the SPOC executive summary documents.

7. Appendices:

7.1 No Appendices

List of Background Documents

Strategic Transport Plan – Draft for Public Consultation (Transport for the North, January 2018)

HMT Green Book – Central Government Guidance on Appraisal and Evaluation.

Required Considerations

Please confirm using the yes/no options whether or not the following considerations are of relevance to this report.

Equalities:

Age	Yes	No
Disability	Yes	No
Gender Reassignment	Yes	No
Pregnancy and Maternity	Yes	No
Race	Yes	No
Religion or Belief	Yes	No
Sex	Yes	No
Sexual Orientation	Yes	No

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact Assessment will be carried out during later stages of business case development in relation to individual interventions	Owen Wilson / Karen Sanderson/Simon McGlone	Peter Molyneux

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment	Sustainability / Environmental impacts have been considered at a level of detail appropriate to this early stage of work . Full impact assessments will be carried out in relation to individual interventions as further work is carried out.	Owen Wilson / Karen Sanderson/Simon McGlone	Peter Molyneux

Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
Legal	<i>TfN Legal Team</i> has confirmed there are no legal implications.	Rosemary Lyons	Sasha Wayne

Finance

Yes	No
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Consideration	Comment	Responsible Officer	Director
Finance	TfN Finance Team has confirmed that there is budget provision for completion of the SDC studies.	Gareth Sutton	Iain Craven

Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	TfN HR Team has confirmed there are no resource implications.	Stephen Hipwell	Dawn Madin

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	A risk assessment has been carried out and the key risks are included in the corporate risk report.	Haddy Njie	Iain Craven

Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
Consultation	As described in the report work on the SDCs included substantial stakeholder consultation	Owen Wilson / Karen Sanderson/Simon McGlone	Peter Molyneux