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MINUTES FROM GFIRST LEP



GFirst Local Enterprise Partnership

Board Paper – February 2018

Agenda Item (Title)	Gloucester South West Bypass (Llanthony Road) Improvements - Project Approval
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Supporting Papers	Gloucester South West Bypass (Llanthony Road) Improvements: Full Business Case and Due Diligence Assessment Report Further information on the scheme, including public share displays and the Full Business Case (following its consideration by the LEP Investment Panel) can be found on the scheme website: http://www.gloucestershire.gov.uk/roads-parking-and-rights-of-way/major-projects/gloucester-south-west-bypass-gswb-llanthony-road-widening/
Confidentiality	Open - Parts of the Business Case are confidential and are therefore not published.
Purpose	For the Full LEP Board to consider the recommendation to approve Growth Deal funding of £2m for the Gloucester South West Bypass (Llanthony Road) Improvements project, based on the due diligence report and investment panel recommendation.
Summary	The £7.3m South West Bypass (Llanthony Road) Improvements project consists of a number of highway and junction improvements on the A430 Llanthony Road in Gloucester. The improvements seek to reduce congestion on a key link connecting the A40 to junction 12 of the M5, bypassing the center of Gloucester. The scheme will resolve two existing pinch point issues along the Gloucester South West Bypass which causes queues and delays currently and are forecast to get worse in the future with anticipated traffic growth. Congestion such as that experienced on the Gloucester South West Bypass acts as an economic dis-benefit to Gloucestershire due to its impacts on productivity. Every hour spent in traffic congestion is time that could otherwise be spent achieving productive outputs. According to Atkins estimates, the cost of delays on roads in Gloucestershire in 2005 were equivalent to £50m-£100m per year in GVA equivalence ¹ .

¹ Atkins. 2008. Economic Costs of Congestion in the Regions.

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	<p>It is expected that the corridor will continue to grow as a major route for people visiting Gloucester and, in recent years, Gloucester Quays and Gloucester Docks have seen significant private investment for both residential and commercial schemes. Such continued investment is significantly more likely if the transport infrastructure does not create a barrier or capacity constraint.</p> <p>The proposed scheme is expected to have a positive impact on the surrounding area, and has the potential to have a major impact upon existing and planned developments. It will future proof the route to accommodate future development which will increase demand on the corridor.</p> <p>The key economic benefit of the scheme therefore relates to the journey time savings that the scheme will achieve, estimated to amount to a ca.4 minutes saving during the peak periods. The calculation of journey time savings for the users of this scheme equated to a present value of £67m to the local economy over a 60 year appraisal period, with a benefit to cost ratio of 12 to 1. The scheme is therefore considered to represent very high value for money^[1].</p>
<p>Implications, impacts or risks</p>	<p>A summary of the Business Case assessment undertaken and the issues identified is given in the accompanying assessment report.</p> <p>Planning permission and demolition consent is required for the scheme to be implemented. It is recommended that this should be in place ahead of the release of any LEP funding (expected in May 2018).</p> <p>It is still to be determined whether listed building consent is required for the scheme to be implemented. If this is required it is recommended that this consent should also be in place ahead of the release of any funds (expected in July 2018).</p> <p>To ensure an appraisal approach proportionate to the scale and nature of this scheme it was agreed at the appraisal specification stage that some elements of the environmental appraisal of this scheme could be deferred until after the Final Business Case alongside the development of final designs as long as any risks associated with this were considered and costed within the risk assessment. It is recommended that this environmental appraisal (to be completed by March 2018), as well as any subsequent permits or approvals (if required) will be included as milestones in the funding agreement. It is also recommended that a condition is included within the funding agreement so that funding can be clawed back as required should such approvals be rejected.</p> <p>GCC Cabinet approval is needed to confirm GCC commitment to their element of the scheme funding, the funding of any cost increases and future ongoing</p>

^[1] This value is based upon outputs from a local traffic model of the corridor developed for the AM and PM peaks only. This model covers the Gloucester SW Bypass and adjoining roads only and has a fixed trip assignment and therefore does not consider the impacts of traffic which may be induced or reroute to the corridor from alternative routes. The Do Minimum scenario against which the scheme impacts are tested is also considered to potentially over-estimate levels of queuing traffic in the future, therefore the benefits of the scheme may also be somewhat overstated. Other minor issues were also identified with the calculation of scheme costs. The potential scale of these identified impacts was assessed against the very high reported BCR and it was determined that the scheme would still represent high value for money despite the issues identified.

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	<p>maintenance. Funds should not be released until this is confirmed (due April 2018).</p>
Decision required	<p>The Board is asked to:</p> <ul style="list-style-type: none"> a) Approve the offer of a formal funding award of £ 2M, post due diligence and business case assessment, for the Gloucester South West Bypass (Llanthony Road) Improvements project. b) Approve the preparation of the final funding agreement for the Gloucester South West Bypass (Llanthony Road) Improvements project c) Confirm the special conditions to be associated with the funding agreement in line with the recommendations below
Recommendations	<p>That the Board include the following conditions within the funding agreement before any funds are transferred :-</p> <ul style="list-style-type: none"> a) Planning permission and demolition consent is required for the scheme to be implemented. It is recommended that this should be in place ahead of the release of any LEP funding (expected in May 2018). b) Listed building consent is obtained if required (expected in July 2018) The remaining elements of the environmental appraisal (to be completed by March 2018), as well as any subsequent permits or approvals (if required) will be included as milestones in the funding agreement and a conditions is to be included, that funding can be clawed back as required should such approvals be rejected. c) GCC Cabinet approval confirming GCC commitment to their element of the scheme funding (due April 2018).

For further information points raised in this Board paper, please contact Neil Hopwood
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