



GOVERNMENT OFFICE
FOR THE NORTH WEST

Resources for Transport

11 September 2006

Jo Lappin

Resources for Transport – Aims

- **To explain the sources of funding for transport investment;**
- **To explain the scale of funding in NW where known, or the process for taking decisions;**
- **To explain the RFA prioritisation exercise and how it compares to the RTS prioritisation.**

Resources for Transport – Issues

- **Road – HA ‘national’ roads**
- **Regional Funding Allocations**
 - **HA regional roads**
 - **LTP major schemes**
- **Transport Innovation Fund (TIF)**
- **LTP integrated block**
- **Rail**
- **Other funding sources, including European Structural Funds**

Resources for Transport – Policy Context

- **PPS11- Annex B**
 - **Guidance on affordability**
 - **Priorities defined in broad terms**
- **White Paper ‘The Future of Transport’ July 2004**
- **Long term funding guideline for transport – WP Annex A**
 - **National spending rises from £13.4 bn in 2006/07 to £17.7 bn in 2014/15 (+32%)**
- **CSR 2007**
- **Eddington Review – looking at long term transport needs**
- **Investment and the importance of ‘making best use’**

Resources for Transport – HA ‘national’ roads

- **NW Schemes in the programme £335m:**
 - **M60 5-8 Widening : (Road open June 2006)**
 - **M62 J 6 Improvement : (next stage public inquiry Oct 2006)**
 - **M6 Carlisle - Guardsmill : (under construction. Due to open late 2008)**
 - **A5117 / A550 Deeside Park Junction Improvement : (next stage start of works October 2006)**
- **Most of the ‘national’ network improved or to be improved but need to ‘lock in the benefits’ and some pressure points remain**

Resources for Transport – Regional Funding Allocations

- **RFA exercise 2005/06 sought regional advice on spending priorities for transport, economic development and housing up to 2015/16. Advice submitted by NWDA and NWRA January 2006**
- **Included: HA ‘regional’ roads and LTP major schemes**
- **Excluded: Rail; revenue funding for public transport; LTP integrated block**
- **Funding allocations and planning assumptions for North West 2005/06 to 2015/16 (11 years):**
 - **£1.35 billion**
 - **about £115m pa**

Resources for Transport – Regional Funding Allocations

- **Government response 6 July. Broadly accepted the priorities agreed within the region. Confirmed schemes to start in next 3 years. Indicative list of schemes from 2009/10 to 2015/16**
- **DfT expect to fund 36 major road and public transport schemes in the North West up to 2015/16 totalling £1.27bn**

Resources for Transport – LTP Integrated Block

- LTPs for 2006/07 to 2010/11 submitted in March 2006, currently being assessed
- Indicative allocations for local authorities published. For the 5 year LTP2 period they are:
 - Greater Manchester £224.3m Merseyside £147.8m
 - Lancashire £66.1m Cheshire £43.8m
 - Cumbria £26.9m Blackburn w Darwen £9.3m
 - Blackpool £12.1m Halton £8.3m
 - Warrington £10.8m
- Total NW: £549m

Resources for Transport – Transport Innovation Fund (TIF)

- TIF announced in July 2004 White Paper; 2 strands – tackling congestion and improving productivity
- Resources available nationally
 - £290m in 2008/09
 - Rising to £2.5 billion a year by 2014/15
 - Indicative up to £200m pa for Congestion TIF – potentially more.
- TIF (Congestion):
 - GM awarded development funding in November 06;
 - Merseyside, Blackpool (and GM again) bid in July 06 for 2nd round of development funding. Decisions to be made in October 2006.
- TIF (Productivity) - DfT invited business cases for reinstatement of Olive Mount rail chord, Liverpool.

Resources for Transport – Rail 1

On-going planning process to identify investment priorities

- **Route Utilisation Strategies (Network Rail):**
 - **WCML RUS** anticipated date: April/May 2007
 - **NW RUS** “ “ Dec 2007/Jan 2008
 - **Freight RUS** “ “ April/May 2007

- **Regional Planning Assessment:**
 - **NW RPA: expected to be published Autumn 06**

Resources for Transport – Rail 2

- **High Level Output Specification (HLOS) for 2009-2014:**
 - **DfT to publish 30-year rail strategy summer 2007. Likely to cover capacity, environment, rolling stock and passenger interests issues;**
 - **At same time, HLOS issued by Government; ORR determines if it can be delivered within available funding; If so, ORR binds NR to deliver, if not Government revises HLOS.**
 - **HLOS will be cast in terms of outputs the railway is to deliver, not the inputs.**

Resources for Transport – Rail 3

- **Rail franchises providing services in North West:**
 - **Virgin West Coast**
 - **Trans-Pennine (First-Keolis) - £250m of investment incl new trains**
 - **Northern (Northern Rail)**
 - **Cross-Country (Virgin) – procurement process ongoing for replacement**
 - **East and West Midlands – procurement process on-going**
 - **Figures on public support in NW alone not available**

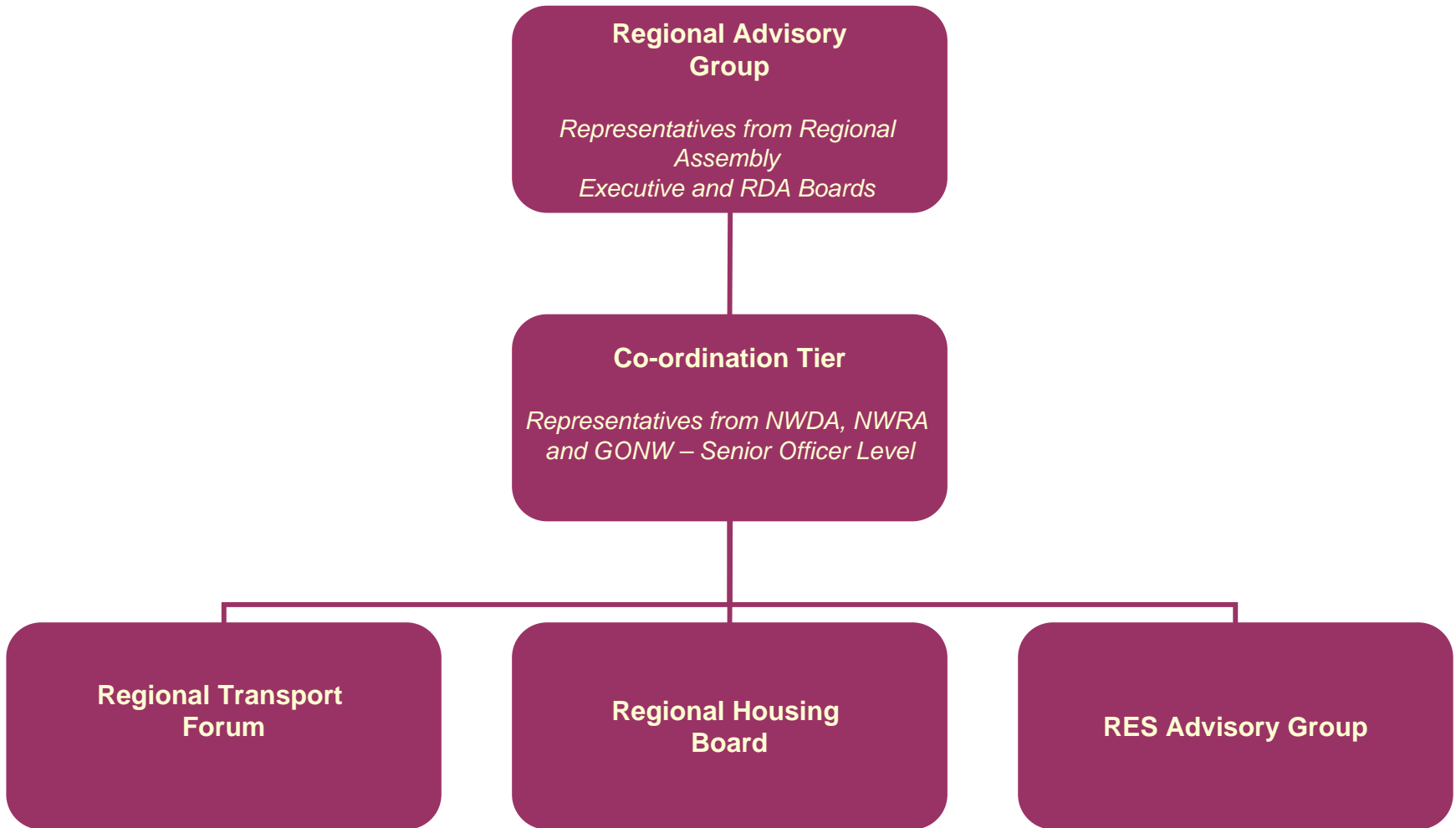
Resources for Transport – Other sources of funding

- **Government support for local transport**
 - **Revenue Support Grant**
 - **Bus Services Operators Grant**
- **Local authority contributions to major schemes**
- **Planning conditions**
- **Potential revenue streams from road pricing**
- **Private sector investment in bus, rail, ports, airports etc**

Resources for Transport – RFA Process

- **NWDA, NWRA and GONW agreed process to deliver Regional Funding Allocations**
- **Commitment to stakeholder engagement identified as key principle**
- **Three tiered governance arrangement (thematic/technical; co-ordination and leadership/advisory)**
- **Government Office acted as facilitator**

RFA Governance Arrangements



Resources for Transport – RFA Stakeholder engagement

- **Consultation sessions held on methodology with all sub regions, MPs and NWRA Executive Board Members**
- **Project Advisory Group formed to steer development of assessment criteria**
- **Results disseminated to regional meeting of stakeholders**

Resources for Transport – RFA Prioritisation Criteria

- **NWRA Regional Policy Criteria**
 - **Draft RSS, RES 2003 & Action for Sustainability**
- **RFA Sub-Regional Policy Criteria**
 - **LTP2 objectives for 9 NW Local Transport Authorities**
- **Value for Money & Deliverability**
 - **DfT guidance on Major Schemes , vfm and cost benefit analysis, CFIT guidance on Affordable Mass Transit, CPRE & Transport 2000 Paper on ‘Valuing the Small: Counting the Benefits**

Resources for Transport –

1a: Regional Policy Criteria

ECON1. WILL THE SCHEME IMPROVE INTERNATIONAL, NATIONAL AND REGIONAL TRADE CONNECTIONS?	ENV1. WILL THE SCHEME PROTECT OR ENHANCE PLACES AND BUILDINGS OF HISTORIC, CULTURAL AND ARCHITECTURAL VALUE?	SOC1. WILL THE SCHEME HELP DELIVER SUSTAINABLE GROWTH IN URBAN AREAS / URBAN RENAISSANCE?
ECON2. WILL THE SCHEME IMPROVE BUSINESS COMPETITIVENESS?	ENV2. WILL THE SCHEME PROTECT OR ENHANCE DESIGNATED AREAS OF NATURAL ENVIRONMENTAL VALUE?	SOC2. WILL THE SCHEME HELP DELIVER SUSTAINABLE GROWTH IN RURAL AREAS / RURAL RENAISSANCE?
ECON3. WILL THE SCHEME SUPPORT BUSINESS CLUSTERS, AS SPECIFIED IN RES 2003?	ENV3. WILL THE SCHEME HELP PROTECT OR ENHANCE LOCAL AIR QUALITY?	SOC3. WILL THE SCHEME IMPROVE ACCESSIBILITY TO KEY SERVICES AND FACILITIES FOR ALL, INCLUDING HEALTH, JOBS, EDUCATION, RETAIL & LEISURE?
ECON4. WILL THE SCHEME SUPPORT REGIONAL EMPLOYMENT SITES?	ENV4. WILL THE SCHEME HELP ENHANCE LAND QUALITY?	SOC4. WILL THE SCHEME SUPPORT ACCESS TO ASSISTED AREAS AND EUROPEAN FUNDING ELIGIBLE AREAS?
ECON5. WILL THE SCHEME IMPROVE THE PERCEIVED IMAGE OF ITS LOCALITY, BOTH WITHIN THE REGION & EXTERNALLY?	ENV5. WILL THE SCHEME LIMIT CO2 EMISSIONS AND SUPPORT EFFORTS TO COMBAT GLOBAL WARMING?	SOC5. WILL THE SCHEME SUPPORT HOUSING RENEWAL INITIATIVES?
ECON6. WILL THE SCHEME SUPPORT EXISTING & PROMOTE NEW TOURISM AND RECREATION LOCATIONS?	ENV6. DOES THE SCHEME MAKE BEST USE OF EXISTING RESOURCES?	SOC6. WILL THE SCHEME IMPROVE ROAD SAFETY?

Resources for Transport –

1b: Sub-Regional Policy Criteria

<p>ECON7. WILL THE SCHEME REDUCE DELAYS ON LOCAL JOURNEYS BY IMPROVING RELIABILITY AND REDUCING CONGESTION?</p>	<p>ENV7. WILL THE SCHEME MINIMISE THE IMPACT OF TRANSPORT ON RESIDENTIAL COMMUNITIES IN TERMS OF NOISE AND SEVERANCE? (AIR QUALITY IS CONSIDERED UNDER ENV3).</p>	<p>SOC7. WILL THE SCHEME IMPROVE FEELINGS OF PERSONAL SAFETY AND SECURITY?</p>
<p>ECON8. DOES THE SCHEME SUPPORT INCREASED LEVELS OF LOCAL EMPLOYMENT ACTIVITY IN TOWN AND DISTRICT CENTRES?</p>	<p>ENV8. WILL THE SCHEME MINIMISE THE NEED TO TRAVEL BY CAR?</p>	<p>SOC8. DOES THE SCHEME SUPPORT THE REGENERATION OF DEPRIVED AREAS? (HOUSING RENEWAL IS COVERED UNDER SOC5)</p>
<p>ECON9. WILL THE SCHEME SUPPORT CONNECTIVITY WITHIN THE SUB-REGION?</p>	<p>ENV9 WILL THE SCHEME ENHANCE THE INTEGRATION OF ALL FORMS OF TRANSPORT IN A SUSTAINABLE MANNER?</p>	<p>SOC9. WILL THE SCHEME CONTRIBUTE TO IMPROVING PUBLIC HEALTH THROUGH INCREASED LEVELS OF WALKING AND CYCLING?</p>

Resources for Transport –

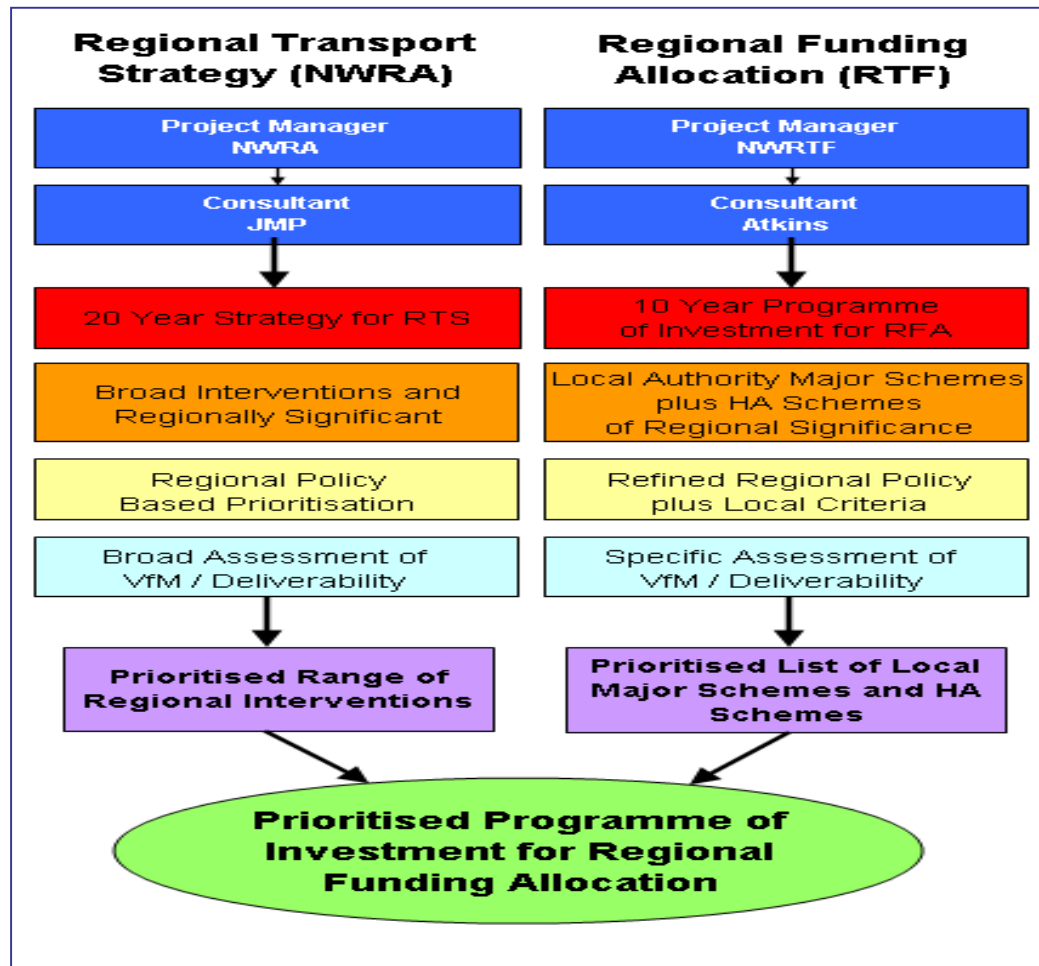
2: Deliverability Criteria

<p>VFM1. IS THE SCHEME LIKELY TO HAVE A HIGH BCR? A KEY DFT REQUIREMENT IS THAT A PROJECT DEMONSTRATES VFM.</p>	<p>DEL1. WHAT IS THE SCHEME'S STATE OF READINESS? IS IT READY TO BE IMPLEMENTED?</p>
<p>VFM2. IN THE ABSENCE OF THE SCHEME GOING AHEAD, WOULD PRESENT TRANSPORT FACILITIES BE UNDERMINED?</p>	<p>DEL2. IS THE SCHEME TYPE LIKELY TO BE DELIVERABLE WITHIN THE 10 YEAR INVESTMENT PROGRAMME?</p>
<p>VFM3. IS THE PRIVATE SECTOR FUNDING CONTRIBUTION LIKELY TO BE LARGER THAN THE PUBLIC SECTOR CONTRIBUTION?</p>	<p>DEL3. WHAT IS THE AFFORDABILITY OF THE SCHEME TO THE REGION? (DOES THE ANNUAL COST OF THE SCHEME COMPRISE MORE THAN 30% OF THE INDICATIVE ANNUAL RFA? DOES THE TOTAL COST OF THE SCHEME COMPRISE MORE THAN 30% OF THE 10 YEAR RFA?)</p>
<p>VFM4. DOES THE SCHEME HAVE SYNERGY WITH EXISTING OR PROPOSED SCHEMES?</p> <p>(WOULD THIS SCHEME GENERATE ADDITIONAL BENEFITS OR IMPROVE THE VIABILITY OF OTHER SCHEMES?)</p>	<p>DEL4: HAS CONSULTATION ON THE SCHEME DEMONSTRATED ITS PUBLIC ACCEPTABILITY?</p> <p>DEL5: ARE THERE ANY OTHER GENERAL RISKS TO DELIVERY, FOR EXAMPLE, LIKELIHOOD OF A PUBLIC INQUIRY?</p>

Resources for Transport – RFA Sensitivity Testing

- **Different weightings applied, including:**
 - **Equal weighting to Econ/ Env / Social criteria**
 - **50% weighting to Economy**
 - **50:50 VfM / Deliverability vs Policy Fit**
 - **60:40 VfM / Deliverability vs Policy Fit**
- **Cross referencing:**
 - **Against known sub-regional priorities**
 - **Between scores for similar schemes - consistency in scoring**
 - **Highest and lowest scoring schemes re-assessed**

Overview of Regional Prioritisation



Resources for Transport – RFA vs. RTS

- **RFA Prioritisation is for actual Major Schemes over the next 10 years**
 - **More detailed consideration of Value for Money and Deliverability**
- **The RTS Prioritisation is based mostly on Broad Interventions and looking at a 20 year strategy**
 - **Value for Money and Deliverability not explicitly addressed**
- **Some difference in the prioritisation results, but large degree of consensus in top quartile**

Quartile 1			
Scheme	Promoting Authority	Scheme Type	RTS Quartile
A34 Alderley Edge and Nether Alderley Bypass.	Cheshire	Highway	
A556 (M6 to M56) Improvement.	Highway Agency	Highway	Q2
Access to Port of Liverpool Improvement.	Highway Agency	Highway	Q3
Ashton Northern Bypass Stage 2.	Greater Manchester	Highway	
Bidston Moss Viaduct (Junction 1 of the M53 motorway)*	Merseyside	Maintenance / Upgrade	Q1
Blackpool and Fleetwood Tramway Upgrade – Phase 1.	Blackpool	Public Transport	Q1
Bolton Town Centre Public Transport Strategy	Greater Manchester	Public Transport	
Completion of Heysham to M6 Link.	Lancashire	Highway	Q2
Crewe Green Link Road (Southern Section)**	Cheshire	Highway	Q4
Crewe Rail Gateway.	Cheshire	Public Transport	Q3
East Lancashire Rapid Transit.	Blackburn with Darwen	Public Transport	Q1
Edge Lane/Eastern Approaches.	Merseyside	Highway	Q1
Glossop Spur.	Greater Manchester	Highway	
Greater Manchester Authorities Highway Retaining Walls Strengthening Scheme.	Greater Manchester	Maintenance / Upgrade	
Greater Manchester Urban Traffic Control (GMUTC).	Greater Manchester	Maintenance / Upgrade	
Hall Lane Strategic Gateway.	Merseyside	Highway	Q1
Leigh-Salford-Manchester QBC.	Greater Manchester	Public Transport	
M60 JETTS QBC.	Greater Manchester	Public Transport	Q1
M60 Junction 24 Denton Interchange.	Highway Agency	Highway	Q4
Mersey Gateway.	Halton	Highway	Q1
Merseytram Line 1	Merseyside	Public Transport	Q1
Metrolink Extensions.	Greater Manchester	Public Transport	
Rochdale Interchange.	Greater Manchester	Public Transport	
SEMMMS Relief Road Scheme.	Greater Manchester	Highway	Q3
Silver Jubilee Bridge Major Maintenance Scheme.	Halton	Maintenance / Upgrade	Q1
Thornton to Switch Island Link.	Merseyside	Highway	
*Bidston Moss Viaduct: Full Maintenance option assumed.			
**Crewe Green Link Road is funded by the NWDA/Private sector. Not seeking RFA funding			
Blackburn with Darwen		Cumbria	
Cheshire		Halton	

Quartile 2			
Scheme	Promoting Authority	Scheme Type	RTS Quartile
A5225	Greater Manchester	Highway	Q4
A55/A483 Chester Business Park Junction Improvement.	Highway Agency	Highway	Q4
A635 Park Parade Improvements, Ashton-under-Lyne.	Greater Manchester	Highway	
A66(T) Penrith to Temple Sowerby Bypass.	Highway Agency	Highway	Q4
A685 Kirkby Stephen Bypass.	Cumbria	Highway	Q4
Altrincham Interchange.	Greater Manchester	Public Transport	
Carlisle Southern Relief Road.	Cumbria	Highway	Q3
Central Station	Merseyside	Public Transport	Q1
Chester and City Centre Improvements.	Cheshire	Environmental Improvements	Q2
Fylde Coast Sub-Regional Transport Study- M55 to Norcross Link.	Lancashire	Highway	Q3
M62 – A57 Barton Moss Link Road.	Greater Manchester	Highway	
Manchester - Marple Tram - Train or Busway.	Greater Manchester	Public Transport	
Merseytram Line 2	Merseyside	Public Transport	Q1
Middlewich Eastern Bypass.	Cheshire	Highway	Q4
Northwich Vision – Town Centre Regeneration Transport Strategy.	Cheshire	Environmental Improvements	Q4
Oldham Eastern Busway.	Greater Manchester	Public Transport	
Oldham Road/Queens Road/Alan Turing Way - Junction Improvement.	Greater Manchester	Highway	
Salford Central Upgrade	Greater Manchester	Public Transport	
Stockport Interchange	Greater Manchester	Public Transport	
Stockport to Bredbury Busway.	Greater Manchester	Public Transport	
West Cumbria – Development of Strategic and Urban Cycle Networks.	Cumbria	Cycle Route	Q2
Wigan Inner Relief Road.	Greater Manchester	Highway	
Yellow School Buses.	Greater Manchester	Public Transport	
Additional Railway Rolling Stock.	Greater Manchester	Rail	Q1
Halton Curve.	Halton	Rail	Q2
Olive Mount Chord	Merseyside	Rail	Q2
St Helens Central-Junction Rail Link.	Merseyside	Rail	
Lancashire		Highways Agency	
Merseyside			
Warrington			

Resources for Transport – RFA Expenditure Profile – Q1

Split of Investment (Quartile 1)

- **Public Transport** 43%
- **Highway** 52%
- **Maintenance/Upgrade** 5%

Resources for Transport – Further sources of information

- **The Future of Transport. July 2004 (DfT website)**
- **Regional Funding Allocations Guidance. July 2005 (DfT website)**
- **Regional Funding Allocations – Atkins Final Report. January 2006**
- **Regional Funding Allocations Advice from the North West. January 2006 (NWRA/NWDA website)**
- **Regional Funding Allocations Government response 6 July (DfT website)**
- **Transport Innovation Fund Guidance. Jan 2006 (DfT website)**
- **DfT briefing note on the development of the High Level Output Specification. (DfT website)**