

**West of England Partnership
Joint Transport Executive Members Meeting
22 January 2009**

Transport Major Scheme Bid: Weston Package Phase 1

Purpose of Report

1. To inform Executive Members of the Major Scheme submission for the Weston Package Phase 1 [WP1], as described in this report and seek their views, prior to consideration of the bid by North Somerset Council Executive on 17 February 2009.

Background

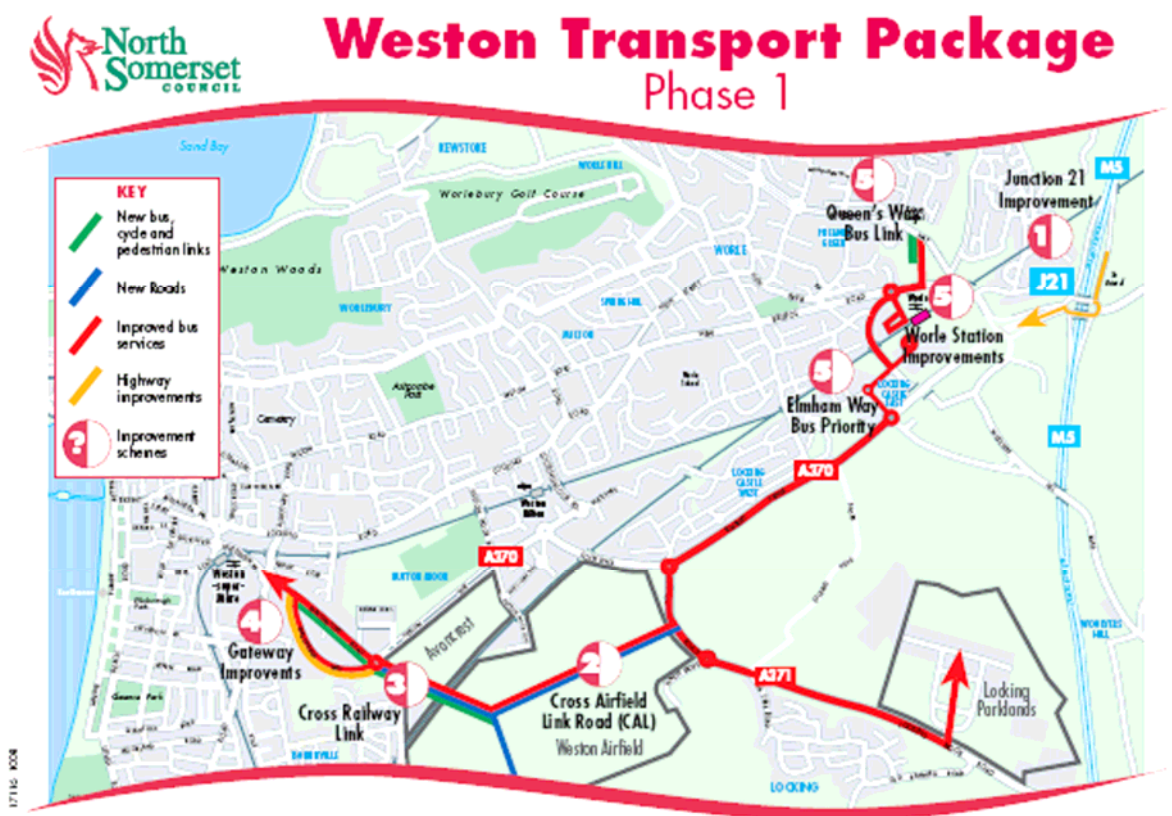
2. In the last two decades Weston-super-Mare has seen significant residential development on its eastern fringe; however, in the same period, it has seen a decline in its employment base, especially manufacturing. In consequence, whilst Weston has proven to be a popular place to live, many residents have had to commute to Greater Bristol for work.
3. The primary mode for this commute has been the private car, mainly via the M5 motorway and A370; this has resulted in significant congestion at M5 Junction 21 and contributes to problems at other junctions in the sub-region. Rail also provides an important service to commuters, but capacity and facilities on the current service leave room for improvement. The limited stop bus services between Bristol and Weston also contribute to meeting the demand for travel; these are already being improved by the Greater Bristol Bus Network major scheme.
4. Within Weston (excluding Junction 21), congestion on typical days is confined to a few key junctions along the A370; however, during school holidays periods, congestion levels increase as the town attracts significant numbers of visitors. This congestion not only applies to roads, but also train and bus services, which often run to capacity.
5. The demand for travel in Weston would significantly increase with the development proposed in the draft Regional Spatial Strategy; hence, WP1 seeks to address both existing and future transport problems and issues.
6. To deliver WP1 requires major scheme funding from the Department for Transport [DfT], supplemented by a local (i.e. not DfT) contribution of a least 10% of the total scheme cost. The DfT has very onerous and prescriptive guidance for promoters of major schemes; in consequence, significant time, funding and effort is required to develop major schemes to a standard that might be acceptable to DfT (and there is always a risk of bid failure).
7. The first requirement for a major scheme is that it is prioritised by a region. The South West Regional Assembly has already granted WP1 priority status through the first Regional Funding Allocation [RFA]; however, the RFA will be re-prioritised in February 2009 and a second list of schemes issued.
8. Thereafter, schemes have to go through the major scheme bidding process which

comprises 3 stages: programme entry (the stage being sought here); conditional approval and full approval. To achieve programme entry schemes have to demonstrate that they meet DfT appraisal criteria including value for money, risk and deliverability.

9. The local contribution referred to above must be secured by a scheme promoter to gain final approval. Until only a few months previously, it had been anticipated that this would be secured from developers; understandably, the recession has undermined this assumption and this is discussed further in a later section.
10. The draft Regional Spatial Strategy states that Weston-super-Mare would expand to provide some 10,000 new jobs and 9,000 houses in the period to 2026. The main objective of the WP1 is to support this employment-led redevelopment and the increase the town's self-containment.
11. WP1 is supported by the Joint Local Transport Plan. It would reduce congestion, improve accessibility to services, jobs and facilities, encourage use of public transport and, by associated provision for walking and cycling, will encourage healthier lifestyles.

The Proposal

12. DfT requires submission of a 'preferred' and a 'low cost' option. The total estimated cost of the preferred option is £67.6 million outturn (£50.3 million at 2008 prices), of which £33.9 million would be sought from the DfT; the remainder must come from local contributions. The total estimated cost of the low cost option is £14.1 million outturn (£11.5 million at 2008 prices), of which £11.7 million would be sought from the DfT and the remainder from local contributions.



13. Due to the impact of the recession on development, the bid for the WP1 preferred option would have two phases: (a) consists of the lower cost scheme elements (Junction 21, the Gateway and Worle station), and (b) the Cross Airfield Link and Airfield Bridge Link. This is subject to ongoing discussion with DfT. The constituent parts of the WP1 are described below.

Improvements to M5 Junction 21

14. Junction 21 is congested in peak periods and is a barrier to inward investment into Weston. WP1 would address the queues that currently develop in the evening peak period heading into Weston on both A370 and from the M5 (which can extend back onto the M5 running lanes).
15. The improvements would comprise:
 - widening a section of the southbound off-slip from 2 to 3 lanes;
 - marking 3 lanes around the J21 roundabout (which the existing bridge structures can accommodate);
 - widening a section the A370 to the B3440 diverge from 2 to 3 lanes; and
 - installing traffic signals on the A370 Congresbury and M5 northbound approaches.
16. The design suggests the scheme could be accommodated within existing highway authority land. The base cost of the scheme is estimated at £2.3m (outturn, including risk). The Highways Agency has indicated support for the scheme and a formal response is awaited at the time of writing.

The Cross Airfield Link [CAL]

17. The CAL would be a new strategic highway across Weston Airfield, between Winterstoke Road and the A371; the route is safeguarded in the North Somerset Local Plan. The scheme would improve access to existing and allocated employment areas on Winterstoke Road and would also enable the mixed use development of the Airfield itself, which is one of two large brownfield sites that would deliver the draft RSS allocations.
18. At the inception of work on WP1, it had been anticipated that the CAL would be delivered by the Airfield developer, Persimmon. A planning application for the CAL and employment sites on the Airfield was submitted and approved, subject to a section 106 agreement. Negotiations on the section 106 in the context of the declining economic situation revealed that the developer would not commit to completing the CAL before 2016, which is after the RFA window for WP1 (2011-2015).
19. Given that the CAL is essential for the Airfield Bridge Link (described below), the council investigated using the Regional Infrastructure Fund [RIF] to bring forward construction of the CAL into the RFA window. Initial discussions were based on the developer's construction cost estimate for the CAL of £7-8m (2008 prices), but cost estimates commissioned by the council estimated an equivalent figure of £15.5m. The outturn construction cost estimate is £22.1m (excluding risk).

20. This cost increase undermined the scheme's RIF viability. It was also apparent that the council would have to carry the risk of repaying the RIF loan and of securing the section 106 contribution from the developer. In consequence, the use of RIF was not pursued.
21. On a visit to Weston in late 2008, DfT officials asked about including the CAL in the WP1 bid. In the light of this and the abortive RIF, further work was undertaken to develop a phased WP1 bid, whereby the CAL and associated Airfield Bridge Link (described below) would come forward as a later second phase of WP1, with the other WP1 scheme components described in this report coming forward in the RFA1 window of 2011-2015.

Airfield Bridge Link [ABL]

22. The main railway creates a barrier between the proposed urban extension and the existing town; the ABL reduces this. The ABL would be a new all purpose highway link over the main railway line between the CAL and the A370 Gateway (see below).
23. The ABL and the CAL would be used by a new bus service running between the town centre, the Gateway, the Airfield and the major redevelopment site at Locking Parklands (which is being promoted by SWRDA and English Partnerships). This service would be funded by pump-priming developer contributions until it becomes commercial viable. Discussions with bus operators are ongoing.¹
24. South of the railway the land is owned by the Airfield developer, Persimmon, which has expressed support for the scheme thus far. North of the railway, the land is a former tip site; the council is the freeholder and a developer has a long-term lease and has been seeking a retail/employment mixed use re-development, which could incorporate the ABL.
25. Discussions with Network Rail have confirmed the requirements for the ABL, which do have an impact on the cost of the scheme. The other impact on scheme cost are the ground conditions; both the natural ground conditions and the tip raise settlement issues that would require piling-based construction. The basic construction cost is estimated at £17.7m (outturn, excluding risk).
26. As stated above, because of its link with the CAL, the ABL would proceed in a second phase of WP1.

The A370 Gateway

27. The Gateway is the area between the town centre, Weston's suburbs the proposed urban extension; it is dominated by retail and business activities and accessed by a sub-standard one-way gyratory system, with two traffic lanes in each direction.
28. The WP1 scheme would widen Marchfields Way to allow two-way traffic, whilst the other part of the gyratory, Winterstoke Road, would be remodelled as a two-way access road with better priority for buses and cyclists. The westbound A370

¹ It had been anticipated that this new bus route would also serve a Park and Ride site for the town, but analyses indicated that Park and Ride would not be commercially viable under the current town centre car parking regime.

approach to the Drove Road roundabout would be widened from 2 to 3 lanes to enable a bus lane. The scheme would facilitate redevelopment of the Gateway.

29. The majority of land required for the scheme is owned by the council; there is a small area of former gas works land that could be required, but the WP1 would facilitate access to this site and aid redevelopment.
30. The basic construction cost is estimated at £3.5m (outturn, excluding risk).

Worle Station

31. Facilities at Worle station need improving to serve ongoing developments and the proposed urban extension. A new access to the south (or down) platform has been constructed and is due to open shortly. WP1 would add to this and includes:
 - A new car park, bus interchange and cycle parking on council-owned land on the south side;
 - Upgraded bus interchange facilities in the north-side car park;
 - Two bus priority measures on approaches to the station; and
 - Better passenger facilities on the station itself.

The proposals have been developed with rail industry partners, Network Rail and First Great Western, which are supportive of WP1.

32. One of the bus priority measures would be a new bus link between the Sainsbury's bus terminus at Queensway and the B3440 New Bristol Road. This would enable several Weston bus services to be extended to terminate at Worle station (north side); discussions are ongoing with bus operators to confirm the commercial viability of this proposal.
33. The other bus priority scheme would be a southbound bus lane on Elmham Way, with the requisite width provided carriageway widening on the western (district centre) side. The bus lane would benefit a new bus service between the Locking Parklands redevelopment site, the district centre and Worle station (south side). The service would require pump-priming developer funding in its initial years of operation.
34. The basic construction cost is estimated at £3.4m (outturn, excluding risk).

Total Scheme Costs and Funding

35. The total outturn scheme costs are shown below for the preferred and low cost options.

Item	£m outturn	Preferred Option	Low Cost Option
Preparatory costs incurred before final approval*		£5.7m	£1.6m
Land acquisition (purchase cost estimates)		£0.5m	£0.5m
Construction costs		£50.4m	£10.1
Quantified Risk Layer (est)		£11.0m	£1.9m
Total		£67.6m	£14.1m
Local contribution		£25.7m	£1.4m
Local preparatory costs (60%)*		£3.4m	£1.0m
Bid to DfT		£38.5m	£11.7m

*Preparatory costs have to be secured locally, but up to 50% of eligible preparatory costs can be reimbursed by DfT in arrears for successful bids. The above assumes a 40% return, the un-reimbursed 60% counting towards the local contribution.

36. At the inception of WP1 it was anticipated that the local contribution would be secured from developer contributions, especially in respect of the CAL; however, the recession has made this assumption very problematic. At the time of writing, about £1.2m (2008 prices) has been secured from completed or ongoing developments, but the short-term prospects for further contributions are not good.
37. In consequence, North Somerset Council is discussing options with the DfT. The Council is proposing that the bid for the WP1 preferred option would have two phases: (a) consists of the low cost option (Junction 21, the Gateway and Worle station), and (b) the CAL and ABL. At the time of writing, the council is awaiting a response from DfT to its proposal.
38. A costed risk log is being maintained and reappraised as further design work and investigations are progressed; a full Quantified Risk Assessment is being undertaken that will confirm the Quantified Risk Layer shown in the above table. This limits the amount DfT would pay in the event of the scheme cost increases; that is, 50% of the Layer, with the other 50% borne locally. If costs increase over and above the scheme cost plus the Quantified Risk Layer, these are wholly borne locally.
39. To achieve Programme Entry from DfT it is necessary to achieve a benefit to cost ratio (BCR) of at least 2.0. Initial modelling for WP1 suggested BCRs in excess of this, but more recent results have reduced this and raised some concerns. Work on challenging scheme composition and construction costs to meet the DfT criteria is ongoing. Similarly, DfT is scrutinising the modelling methodology used and its feedback is due at the time of writing.
40. It should be noted that the specification and scope of the project has changed

significantly since the original RFA funding proposal of £13m (outturn) was made in 2006. A revised scope and cost (£19m) was informally submitted to the Region at the RFA Refresh in Spring 2008. Since then, the inclusion of the CAL and increased cost estimates for the ABL have seen costs increase considerably.

41. The increased costs and reasons for them will be reported to the Regional Assembly and its support sought for the proposed bid as set out in this report.

Risk Assessment

42. A full Quantified Risk Assessment is being undertaken, but to-date the some of the main risks are considered to be:
 - Impact of recession;
 - Lack of local funding for preparatory costs;
 - Local of local funding for the 10% local contribution;
 - DfT delay in decisions;
 - General Election (delays DfT decisions, changes transport priorities);
 - Ground conditions (ABL and CAL).

Timetable

43. Subject to approvals, it is proposed to submit the bid for programme entry in February 2009 or as soon as possible thereafter. It is expected that the DfT will take up to 6 months to consider the bid, so if successful, an outline timetable would be as follows:
 - September 2009, commence work on bid for conditional approval;
 - September 2010, submit bid for conditional approval to DfT;
 - January 2011, commence work on bid for final approval;
 - September 2011, final approval and construction start;
 - Scheme completed 2014/15.

Consultation

44. Consultation with key stakeholders has been undertaken throughout the development of WP1, primarily through the Weston Advisory Group, which meets every 2-3 months and whose membership includes elected members, major land owners, business representatives, SWRDA, public transport operators, the Highways Agency and officers. The Group has consistently voiced support for WP1.
45. An elected member workshop was undertaken in July 2008; in principle, members were supportive of WP1.
46. Public consultation was undertaken in Autumn 2008. The consultation was web-based and advertised in North Somerset Council's magazine, which is distributed to all households and businesses in North Somerset, as well as through the local media. The feedback received was generally positive.

47. The response of organisations with specific interest in the various WP1 scheme components is described later in the report.
48. Consultation with statutory groups is being undertaken at the time of writing.

Other Options Considered

49. A wide range of potential schemes were drawn up, drawing on work undertaken previously (e.g. the 'A New Vision for Weston' and the 'Weston Area Development Framework') and new ideas. Each scheme was initially evaluated to determine whether:
 - it met the Package objectives;
 - it met DfT criteria for major schemes;
 - would be deliverable in the project timescale; and
 - would be affordable through the Regional Funding Allocation.
50. Schemes that did not go forward into WP1 are not by implication 'poor' schemes, they just did not meet the above criteria. Such schemes could be progressed by other means, such as the JLTP annual funding block, developer funding and/or future major scheme bids.
51. DfT major scheme guidance requires the appraisal of a so-called 'low cost' option. In the case of WP1, the low cost option comprises all the above scheme components except the CAL and ABL.

Recommendation

That members give their views on the Major Scheme submission for the Weston Package Phase 1 [WP1], as described in this report, prior to consideration of the bid by North Somerset Council Executive on 17 February 2009.

Background Papers

2006 Joint Local Transport Plan
A Vision for Weston
Weston Area Development Framework
North Somerset Local Plan
Draft Regional Spatial Strategy

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