



Version 2.3 (16/02/17)

Outline Business Case – for all projects requesting LCR Combined Authority Single Investment Fund (SIF) funding

Project name: PARKSIDE LINK ROAD & LAND ACQUISITION

SIF reference Number: SIF0011/SIF0062

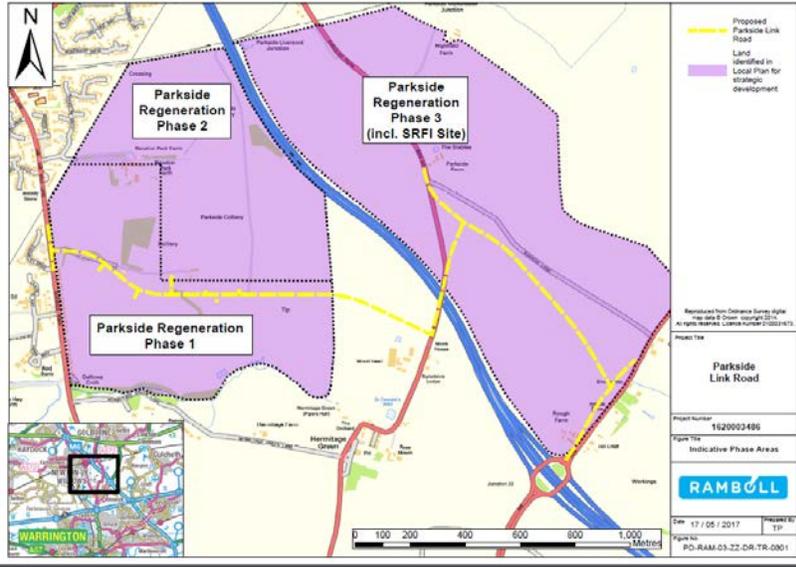
Headline project description:

Please provide a summary to explain your project (approx. 100 words)

The Project is located in the Borough of St. Helens adjacent to the M6 motorway. The provision of a 3.5 km link road of new single/dual carriageway and realigned highway, with junctions; will provide appropriate access from the M6 J22 and local road network to the proposed Parkside Regeneration development. The acquisition of land is required to deliver both the Parkside Link Road and facilitate the delivery of the Strategic Rail Freight Interchange (SRFI). The link road will include 3km provision for a cycleway/footway and accesses for future developments. The link road will also enable land to be brought forward for the SRFI development with 2,100 additional jobs, and increase potential developed floor space creating over 7,700 gross jobs. Overall the project will support the economic wellbeing of Liverpool City Region (LCR), its SuperPort and the Atlantic Gateway, as well as benefiting the local economy.

Applicant Details	
Applicant organisation:	St. Helens Council
Contact:	Mark Osborne
Job title/Position:	Principal Transport Policy Officer
Phone number:	Landline:01744 67 1616
Email address:	markosborne@sthelens.gov.uk
Postal address:	St. Helens Council, Town Hall Annex, Corporation Street, St Helens WA10 1HP
Company/Charity Registration Number (where applicable)	N/A
Registered Office (where applicable)	N/A
If a company, please confirm size	N/A



<p>Location of project: (LA, postcode) (please provide a location plan)</p>	<p>St Helens – WA12 8BF</p>  <p>Larger Plan can be found in Section 1: Supporting information.</p>						
<p>Other organisations involved in project: (please briefly explain roles)</p>	<p>Wider project partners include Langtree (Parkside West site is owned by a joint company between Langtree and St. Helens Council). They will be responsible for delivering the Parkside Regeneration development. Other partners are Highways England (interface of the new link road with Junction 22 on the M6); Warrington Council (local planning authority for section of the Parkside Link Road); Warrington/Wigan Councils (collaboration to develop the required case for an area wide mitigation package of infrastructure improvements); Network Rail (engagement to facilitate access/egress from the SRFI onto the wider rail network).</p>						
<p>Project theme: (Please select the main theme relevant to your project)</p>	<ul style="list-style-type: none"> • Transport • Regeneration, Development and Culture 						
<p>Please confirm whether the project has support from the relevant local authority – include a named officer</p>	<p>Yes – Mark Dickens, Senior Assistant Director – Development & Growth, St. Helens Council</p>						
<p>Total project cost</p>	<table border="0"> <tr> <td>Parkside Link Road (PLR)</td> <td>£ 32,000,000 (Transport)</td> </tr> <tr> <td>Land Acquisition (LA)</td> <td>£ 9,000,000 (Regeneration, Development and Culture)</td> </tr> </table>	Parkside Link Road (PLR)	£ 32,000,000 (Transport)	Land Acquisition (LA)	£ 9,000,000 (Regeneration, Development and Culture)		
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Land Acquisition (LA)	£ 9,000,000 (Regeneration, Development and Culture)						
<p>Grant/loan requested – capital or revenue</p>	<table border="0"> <tr> <td>PLR - Capital Grant of</td> <td>£ 23,800,000</td> </tr> <tr> <td>LA - Capital Grant of</td> <td>£ 4,050,000</td> </tr> <tr> <td>Capital Grant Total of</td> <td>£ 28,650,000</td> </tr> </table>	PLR - Capital Grant of	£ 23,800,000	LA - Capital Grant of	£ 4,050,000	Capital Grant Total of	£ 28,650,000
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Capital Grant Total of	£ 28,650,000						
<p>Has the project previously been considered by the LCR CA for SIF funding or other</p>	<p>No</p>						



funding bodies	
Please indicate whether any information in this form is considered is considered exempt from release under the Freedom of Information Act 2000. If so, please outline why	The project contains commercially sensitive information that if published would not enable St. Helens Council’s appointed Supplier to achieve competitive prices from the market for the construction work. St. Helens Council would have great difficulty in achieving a realistic price for acquiring the necessary land.

This Business Case application has been structured to be consistent with the guidance issued by HM Treasury regarding the preparation of business cases.

For transport projects of over £5 million, please submit a separate short report setting out the adjusted Benefit Cost Ratio (BCR) that the project will achieve. Please refer to the following DfT guidance note to local decision makers:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/267296/vfm-advice-local-decision-makers.pdf

In addition, please refer to webTAG guidance to demonstrate the present value of cost, assumed optimism bias and present value of benefits.

Where relevant, please summarise the results of the webTAG appraisal (approx. 200 words)

<p>Parkside Link Road Value for Money Appraisal</p> <p>The transport economic appraisal has been carried out using TUBA (version 1.9.7), incorporating all the latest economic parameter values contained in the latest Treasury estimates (December 2016). All costs and benefits are based in 2010 prices discounted to 2010 in line with standard Treasury guidance.</p> <p>Travel time benefits have been calculated from comparison of scenarios both with and without the Link Road included in the highway network. These benefits have been derived following detailed traffic modelling using SATURN following the recommended guidance in WebTAG.</p> <p>Modelled time periods included the Morning Peak Hour, Evening Peak Hour and Average Inter Peak Hour. These 3 time periods have been modelled for the Base Year (2015), assumed project opening year (2020) and assumed full development for the Design Year of (2030).</p> <p>The development scenarios assessed included Phase 1 operational in 2020 and Phase 2 and RFI site operational by 2030. Overall forecast traffic growth has been constrained to DfT Tempo7 growth, which accords with traffic growth assumptions incorporated within the LCRTM.</p> <p>Project costs input to TUBA are based on the latest 2017 price estimates and include 44% Optimum Bias. They include Land costs of £9m and Construction costs of £32m.</p>
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TUBA Appraisal Summary Table

	Option 3
	Costs (£m)
<i>Land Costs in 2017 prices</i>	<i>£9,000</i>
<i>Project Costs in 2017 prices</i>	<i>£32,000</i>
Analysis of Monetised Costs and Benefits	
Greenhouse Gases	£4,333
Economic Efficiency: Consumer Users, Commuting	£29,264
Economic Efficiency: Consumer Users, Other	£48,316
Economic Efficiency: Business Users and Providers	£109,871
Wider Public Finances (Indirect Taxation Revenues)	-£8,732
Value for Money Summary	
Present Value of Costs (PVC)	£35,514
Present Value of Benefits (PVB)	£183,052
Net Present Value (NPV)	£147,538
Benefit to Cost Ratio (BCR)	5.154

All costs in 2010 prices discounted to 2010

The Value for Money Report and The Parkside Traffic Modelling Report has been included in the Sections 2 and 3 – Supporting Information.

For development and housing projects please include a separate note providing an assessment of the project based on the DCLG Appraisal Guide ([https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/576427/161129 Appraisal Guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/576427/161129_Appraisal_Guidance.pdf)) or complete the separate template.

Where relevant, please summarise the results of the DCLG appraisal (approx. 200 words) or summary data from the template.

N/A

For skills capital projects please also complete the separate application form.

Purpose of the Outline Business Case

The purpose of the Outline Business Case (OBC) stage is to revisit and, where necessary, rework the Strategic Outline Case (SOC) assumptions and analysis in order to identify a preferred option which demonstrably optimises value for money. It also sets out the proposed commercial strategy, including procurement arrangements, demonstrates the project's affordability and outlines the management arrangements for the successful delivery of the project.

The OBC will determine whether a project should be invited to submit a Full Business Case (FBC) for Single Investment Fund (SIF) support. Following competition (pre-contract), the FBC will be required to select the service solution and to finalise post procurement arrangements.

Part 1 – Strategic Case

Please revisit and extend the Strategic Case set out within the SOC, answering the following questions:

Project Description and Update

1. Please restate the brief description of the project, including its objectives, key deliverables, for what aspect funding is being sought and the details of the wider programme or package of investments that the project sits within (if applicable). (approx. 750 words)

1.1 Project – Context

Located midway between Liverpool and Manchester, St. Helens enjoys a strategic position at the heart of the North West.

Following the decommissioning of Parkside Colliery during the 1990's, there has been significant interest from both the private and public sector in bringing the site and adjoining land forward for employment and distribution use. The site benefits from a strategic location adjacent to the M6 and M62. Parkside Regeneration is a joint venture between St. Helens Council and developers Langtree (JV). It is proposed to transform the derelict Parkside Colliery site located on the south-eastern edge of Newton-le-Willows (west site), into a new employment park.

In addition, there is a further aspiration to develop land to the east of the M6 J22 as a Strategic Rail Freight Interchange (SRFI) that has the potential to receive trains from all directions and will serve intermodal flows on West Coast Mainline and Chat Moss line. Development of the SRFI is anticipated to bring in £125m a year of new economic activity to the Borough, with over 2,100 additional jobs created. Improvements to highway infrastructure have been identified in

the Parkside Logistics and Rail Freight Interchange Study¹ as a key element in ensuring the functionality of the future SRFI.

Parkside Regeneration, a joint venture between St. Helens Council and developer Langtree, are developing a masterplan for the site that could increase the potential development floorspace, creating over 7,700 gross jobs based on HCA Employment Density Guide 2015 values.

1.2 Project Description

The Parkside Link Road comprises mainly of a new 3.5km single carriageway 7.3 metres wide, with a short section of dual two lane carriageway on the A579. The road scheme will provide direct access to the Parkside Regeneration site from new signalised junction on the A49 in the west, to the motorway network at Junction 22 of the M6 in the east, via new junctions with the A573 Parkside Road and the A579 Winwick Lane. In addition, it will provide access to the land to the east of the M6 J22 enabling future development of the proposed SRFI development. The new road will form a strategic link to the network utilising the existing A573 Parkside Road overbridge crossing over the M6, enabling access to sites on both the east and west of the M6 and improving connectivity through the region. There will be provision for Non-Motorised Users (NMU) in the form of a 3m wide footway/cycleway adjacent to the carriageway, plus several site access points to the SRFI and employment park.

This project also includes the purchase of land to the east of the M6 (North of J22) to enable the delivery of the Parkside Link Road and the SRFI development.

Site Location Plan is included in Section 1 – Supporting information.

1.3 Project Objectives

The objective of the Parkside Link Road Project is to deliver enhanced public highways access between the Parkside site and to the strategic and local networks, improving connectivity for future commuters who will work at the site as well as improving the efficiency of freight movements to and from the site. This project will support the development of the site and help the LCR to deliver more efficient logistics and development in close proximity to existing and proposed national sea, road and rail infrastructure supporting the LCR Growth Plan objectives SuperPort and the Atlantic Gateway.

The specific project objectives have been identified as follows:

- Enhanced highways access between the Parkside site and both the strategic highway networks

¹ AECOM (2016) Parkside Logistics and Rail Freight Interchange Study



- Enhanced highways access between the Parkside site and both the local highway networks
- Improving connectivity for future commuters who will work at the site as well as improving the efficiency of freight movements to and from the site
- Deliver more efficient logistics and development in close proximity to existing and proposed national sea, road and rail infrastructure supporting the LCR Growth Plan objectives
- Serve and allow for optimum alignment of the Strategic Rail Freight Interchange

“Parkside site” refers to the Parkside Regeneration Phase 1, Phase 2 and Phase 3 developments, as outlined in the site location plan.

Programme

The project can be delivered within the required delivery period, as outlined in the Proposed Delivery Programme; Detailed Programme can be found in Section 4 - Supporting Information. Construction could begin during Summer 2018 with completion early 2020.

Key Deliverables

The key deliverables of the link road consist of the following elements:

- **2.2 kilometres** of carriageway comprising 1.2km single 10.8m wide carriageway (7.3m +3.5m turning lane) and 1km single 7.3m wide carriageway
- **0.2 kilometres** of realigned and upgraded single carriageway (A573 crossing over the M6)
- **0.4 kilometres** of new dual carriageway from Jct 22 to our new roundabout
- **0.25 kilometres** of new single carriageway from roundabout tying back in to Winwick Lane
- **0.5 kilometres** (2 x 0.25km) of new single carriageway realignment of Parkside road to tie in new offline roundabout
- **1.5 kilometres** of 3m wide footway/cycleway adjacent to the Link road within the development plus spatial provision on both sides for provision of future construction
- Several site access points provided to enable development of the Parkside Regeneration site and SRFI
- 2 No Roundabouts
- 2 No Signalised Junctions

M6 Junction 22 – Highways England are committed to delivering minor improvements to Junction 22 but these should not impact on the delivery of the Parkside Link Road. In addition, Highways England is also committed to upgrading the length of the M6 that passes the development to a

'Smart Motorway'. Again, this should not impact on the delivery of the Link Road or future developments within Parkside.

St. Helens Council has commissioned property consultants to provide professional advice in relation to the valuation of the land and the acquisition process. Any subsequent land acquisition shall be at Market Value in line with RICS guidance and avoid the need for implementing a costly and lengthy Compulsory Purchase Order.

2. Please provide an update on how the project has progressed since the SOC was prepared, including any key changes that have occurred. Where relevant, please indicate what RIBA Design Stage has been reached. What changes, if any, have there been since the SOC (approx. 200 words)

Since the SOC was approved, the Parkside Link Road has been the subject of engineering appraisal and a route options study.

Six alternative route options have been identified and assessed in accordance with WebTAG and measured against the Project Objectives. The outputs, together with other contributing factors, informed the decision in identifying the preferred route to go forward for OBC. Refer to PD-RAM-03-00-DR-TR-0001 Preliminary Webtag Appraisal of Route Options in Section 5 – Supporting Information.

The preferred route, the Yellow route, was selected to progress for OBC based upon the WebTag assessment and as it met the project objectives to provide access to land either side of the M6 north of J22, together with facilitating potential future developments such as the SRFI. It is believed that the Yellow route as identified offers genuine potential for a robust business case, providing access to developing land and accommodating HGV movements in the local area.

A similar exercise has also been undertaken to establish a preferred alignment for the new link road junction with the A579. This considered a signalised junction, a roundabout and dualling the A579 from the junction to J22.

A Design Options Report will be produced later detailing the proposed options and assessment of all the routes considered.

Core elements of the preferred Yellow option for OBC are identified below and on the drawing PD-RAM-03-00-DR-TR-0001 Preliminary Webtag Appraisal of Route Options presented in the Section 5 – Supporting Information.

- New signalised junction at A49 into the west site
- Freight route, designed to DMRB standards through colliery site, with provision for internal access and NMU provision for pedestrian and cycle links
- Signalised junction connecting link road to A573 Parkside Road
- Roundabout connecting A573 Parkside Road and new link road east of the M6



- Offline roundabout connecting new link road with A579 Winwick Lane
- Dual carriageway connecting above roundabout with M6 Junction 22

Land required to develop the Link Road, Parkside Regeneration and the SFRI site has been identified. Land owners have been identified and, where land acquisition is required to secure the delivery of the project, negotiations are currently ongoing led by St. Helens Council.

Strategic Alignment

3. Which of the LCR Growth Strategy objectives and ambitions does this project address? (approx. 100 words)

The **Liverpool City Region Growth Strategy** highlights the vision for the Liverpool City Region (LCR) to build on core strengths and capacity for innovation to create a truly global and competitive City Region at the heart of the Northern Powerhouse.

This project will deliver not only industrial and commercial development opportunities attracting and retaining investors and skilled workers, but will also create a strategic link to the local highway network delivering improved accessibility to the surrounding region. In addition, the Link Road will facilitate the potential development of the Parkside SRFI, a unique opportunity to improve transport links across a number of modes.

The project will assist in supporting the LCR Growth Strategy mission to attract and develop more businesses and to create more sustainable employment and high value jobs.

The project will assist with creating the opportunity for additional jobs, increasing the number of businesses in the region, increasing GVA and seeking to support reducing unemployment in accordance with the Strategy's aspirations.

4. How will this project contribute to achieving the key investment priorities of the SIF Prospectus? (approx. 150 words)

According to the SIF Prospectus, transport infrastructure projects should *“contribute to identified Growth Strategy transport priorities and to the realisation of the economic potential of key strategic locations”*. The project will contribute towards achieving the key transport priorities of *becoming a global logistics hub for Northern UK and Ireland and maximising new spaces and places of potential economic opportunity* as demonstrated below.

The Parkside Link Road will enable the full development of the Parkside Regeneration Development, providing new economic opportunities at a site with excellent connectivity to the local and strategic highway network. The Link Road will also enable the full potential of the Parkside SRFI, which will become the LCR's flagship logistics development, and a nationwide best-in-class example in multi-modal goods distribution with direct rail access from all directions.

Parkside is clearly a 'key strategic location' for the LCR's freight and logistics sector because of its unique location on the doorstep of the West Coast Main Line, Chat Moss Line, M6 and M62, providing a benefit to the strategic highway network though improving access across the region.

5. Which other local and national strategies will the project contribute to and how? (approx. 300 words)

The **National Policy Statement for National Networks (NPS)** sets out Government policies for both nationally significant road and rail infrastructure projects for England. It will deliver national networks that meet the country's long-term needs; supporting a prosperous and competitive economy and improving overall quality of life, as part of a wider transport system. This means:

- Networks with the capacity and connectivity and resilience to support national and local economic activity and facilitate growth and create jobs
- Networks which support and improve journey quality, reliability and safety
- Networks which support the delivery of environmental goals and the move to a low carbon economy
- Networks which join up our communities and link effectively to each other

In relation to railways, the need for an expanded network of SRFIs in the UK and states the railway network must:

"provide for the transport of freight across the country, and to and from ports, in order to help meet environmental goals and improve quality of life"

The **National Planning Policy Framework** is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision taking. For plan making, this means local planning authorities should positively seek opportunities to meet the development needs of the area.

It also specifically supports the development of rail freight terminals to help achieve sustainable development and states that local authorities should develop strategies for the provision of viable infrastructure necessary to support sustainable development, including large scale facilities such as rail freight interchanges.

The **Transport for the North Freight and Logistics Report** focuses on the increased use of rail freight through improved availability of train paths and development of rail freight interchanges. Parkside is specifically recognised by the Report as a potential site for a SRFI in the North West.

The **Liverpool City Region's 'A Transport Plan for Growth'** identifies three transport priorities:

- Growth
- Low Carbon
- Access to opportunity

These have been established to support and enable wider strategic priorities of which one is freight and logistics.

By taking long-distance HGV traffic off congested motorways and moving freight traffic to a more sustainable form of transport such as rail, Parkside supports both transport and strategic priorities.

The **St. Helens Local Plan Core Strategy (2012)** and its replacement emerging **St Helens Local Plan 2018-2033 Preferred Options** contains policies which identify that the Parkside site and immediately adjacent land is a strategic location with potential to facilitate the development of an SRFI. It states that the Council believes a deliverable and viable SRFI can be developed on the site.

The emerging **St. Helens Local Plan 2018-2033 Preferred Options – Spatial Vision**, contains a vision which will set out how the Borough and the places within it should develop. It should be locally distinctive, realistic and in the best interests of local people, businesses and the environment.

The Parkside Development site and specific Strategic Policies that mention it by name are:

Policy LPA04: A Strong and Sustainable Economy

Policy LPA04.1: Strategic Employment Sites

Policy LPA 10: Development of Strategic Rail Freight Interchange

The proposed Parkside Link Road will contribute and support the above policies through improving local connectivity, delivering employment opportunities and facilitating the opportunity for developing the SRFI site.

Case for Intervention

6. Please provide evidence of need or demand for the project. (approx. 300 words)

6.1 Need and demand for the Parkside Link Road and Land Purchase

The full potential of the Parkside Regeneration Development on the west side as an employment hub, and the prospective development of a future SRFI, is currently undermined by the lack of highway access to either site. The site is located in close proximity to the M6 and



M62 motorway however, the local network is consistently congested during AM and PM peak periods around Winwick and J9 M62 resulting in delays to journey times. There is additional congestion on the highway network in Lowton at the series of signalised junction on the A580, and the A49 through Newton-le-Willows which is also congested during peak periods. In order to be the next 'Strategic Site' in the North West, Parkside requires its own direct access to the M6 or significantly improved access via the A49. The catalyst of any development is the Parkside Link Road as it provides direct access to the M6 via Junction 22. However, there are significant costs to developing such significant new infrastructure both in constructing the road link and land acquisition. Both cannot be borne by the private sector alone. The benefits both in employment opportunities and the consequential social improvements within the locality are linked to public sector investment. Providing the link road will deliver wider opportunities as it should reduce traffic in Winwick and Hermitage Green though providing a feasible alternative route to the strategic highway network.

The JV of Langtree and St. Helens Council propose to transform the derelict Parkside Colliery site located on the south-eastern edge of Newton-le-Willows (west site), into a new employment park – Parkside Regeneration. Together with the proposed SRFI, over 7,700 jobs gross are anticipated to be created.

In addition, the project supports the recent local investment in Newton-le-Willows railway station and the development of local green transport initiatives by St. Helens Council funded by the LCR Local Growth Fund.

6.2 Need and demand for the Parkside SRFI

As part of the **2016 Parkside Logistics and Rail Freight Interchange Study**, a market demand and supply assessment was undertaken, combined with stakeholder engagement. The assessment showed that there is sufficient demand for an SRFI in the North West. In comparison to other current and potential SRFI sites, the Parkside site scores well on investment criteria metrics. No other sites in the catchment area have the potential to receive trains from all directions. Stakeholders were also very positive about the site's feasibility as a SRFI.

The **SuperPort Land Availability Market Assessment** calculated that the city region had sufficient land available for logistics in the short term but identified a requirement for an additional 400ha of land to be made available over the next 20 years to maximise the opportunities created by SuperPort. Parkside can provide around 8% of this requirement, making a significant contribution to the city region's land requirement.

7. Please explain what barriers/problems the project will address and/or the opportunities it will unlock. (approx. 300 words)

As discussed in 6.1 above, the full potential development opportunity of the sites is currently



restricted due to access. Access to the proposed SRFI site east of the M6 relies on a single access junction which connects to the single-carriageway Parkside Road. This route also serves a number of residential properties, connecting these properties with local services and facilities. The existing site access arrangement is unsuitable for supporting a major distribution and employment hub such as Parkside SRFI. Similarly, development on the Parkside Regeneration site is constrained by existing access via the A49 and capacity issues throughout this section of the highway network.

If improved connectivity by road is achieved, the overall deliverability of the sites will be enhanced through enabling the Parkside Regeneration development and development of the first phase of the SRFI will be able to come forward, delivering a number of significant benefits. This includes over £125m new economic activity and over 2,100 additional jobs. The SRFI site will continue to support the LCR Growth Plan, SuperPort and the Atlantic Gateway². Long term growth prospects of the site are also enhanced by the fact that no other sites in the catchment area have the potential to receive trains from all directions.

In addition, Parkside Regeneration, a joint venture between St. Helens Council and developer Langtree, are developing a masterplan for the site that could increase the potential floorspace for use, creating in total about 7,700 gross jobs based on HCA Employment Density Guide 2015 values.

Without the construction of the Parkside Link Road, the above jobs and GVA could not be fully realised with only a small phase 1 development (100,000 sq.m) on the west of Parkside served from the A49 (Winwick Road) being achievable. Also, development would be limited in the type and scale limiting its full potential. Without the Link Road, the further development of the Parkside Regeneration site could not be made due to limited existing road capacity and Parkside East would not be developed for a SRFI or logistics use at all.

8. State why the project public sector funding is required. What market failures will the project address? (approx. 300 words)

The development of Parkside Link Road will enable the full development of the Parkside Regeneration site, and the SRFI. In addition the link road will assist with improving vehicle movements within the region and local area, as demonstrated in the SATURN model.

There is a clear 'public interest' case for the development of Parkside as an SRFI: it will contribute to the LCR's Growth Plan, create over 2,100 additional new jobs and take large numbers of long-distance HGV movements off congested motorways. However, if the development of Parkside were left entirely to the market, the up-front infrastructure and land costs are considered to be

² <http://www.thisisparkside.co.uk/>



prohibitive. The economic viability assessment and cash flow forecasting in the **2016 Parkside Logistics and Rail Freight Interchange Study** showed that a break-even point would only be reached by 2044 or even later, depending on different development options; clearly not a timescale that will encourage the private sector to invest without public sector support.

In addition, the Parkside Regeneration development will be constrained by local highway capacity unless significant improvements are made to the local highway network. Again, the significant cost of this investment is considered too restrictive to make this an attractive venture to the private sector.

Stakeholder Involvement

9. Who are the main beneficiaries of the project? (approx. 150 words)

There are significant concentrations of deprivation and lower levels of residents in employment in St. Helens and wider LCR when compared to wider averages. The main benefits are the creation of employment opportunities in close proximity to such areas. This can overcome some of the barriers to labour market participation (eg awareness of employment opportunities, access and transport). There is an opportunity that residents of these areas can seize these opportunities and, with some further labour market support that may be required to enable the uptake of employment by economically inactive residents, can be optimised.

Construction of the link road will provide at least 406 jobs including training via Construction Skills and Apprenticeships. Whilst these jobs are temporary to the location, workers will gain transferrable skills and there will be further opportunities during the construction of the Parkside Regeneration and SRFI developments for these to be used.

The **Parkside Logistics and Rail Freight Interchange Study**³ has identified that the local authorities around the site, St. Helens, Warrington and Wigan, have a labour market that is attractive to the industrial and distribution industry; 7.7% of St. Helens workforce are engaged in the transport/storage sector compared to 4.5% regionally. Efficient, safe and direct access to the national and regional transport network for this site is therefore of vital importance.

Located at the centre of the UK adjacent to the M6 and the M62, the link road will unlock the development site for the future delivery of a SRFI with Network Rail and logistics hub, supporting economic growth for the LCR and the adjacent area of Greater Manchester.

In addition, there is improved resilience for the strategic and local roads network, for the communities within Winwick and Hermitage Green they would benefit by a reduction in traffic. Newton-le-Willows would have better access to the M6 and M62.

³ AECOM (2016) Parkside Logistics and Rail Freight Interchange Study

10. Who are the main stakeholders and what stakeholder consultation has taken place to date / will be undertaken? Please provide evidence (e.g. letters of support) that the key stakeholders are supportive of the project. (approx. 200 words)

The project has been developed internally within St. Helens Council and approved. Delegated decision powers have been used to progress the project to Outline Business Case stage where, following confirmation of funding, consultation will be taken with the stakeholders.

The Parkside Link Road is contained in the **St. Helens Plan 2018-20** which outlines the consultation approach of St. Helens Council and has been developed with the Local Strategic Partnership.

St. Helens Council, Warrington Borough Council and Langtree are the main stakeholders currently involved as part of developing the SOC and OBC, either by progress meetings or informal consultation. Informal discussions have already been undertaken with land owners, several consultees and stakeholders to inform the project. It is proposed to undertake further formal and informal consultation with statutory and non-statutory consultees and individuals as the project progresses.

Further consultation will be held with:

- St. Helens Council (Relevant Officers and Departments)
- Warrington Borough Council (Relevant Officers and Departments)
- Wigan Metropolitan Council (Relevant Officers and Departments)
- Development Control Archaeologists for Merseyside and Cheshire
- Natural England
- Merseyside Environmental Assessment Service (MEAS)
- Highways England
- Joint Venture – St. Helens Council and Langtree Developers
- Environment Agency
- Historic England
- Local Land Owners
- Local Councillors, local businesses and general public

A series of public information exhibitions are planned for the project and will be undertaken by St. Helens Council as part of the planning process.

Highways England and the Joint Venture have provided letters of support which can be found in Section 6 – Supporting information. In addition, Warrington Borough Council has verbally expressed support of the project.

Strategic Risks, Constraints and Dependencies

11. Describe any constraints that could affect the successful delivery of the project in line with its identified objectives (e.g. Government policy or regulation). (approx. 200 words)

The project seeks to enhance highways access between the Parkside site (Phases 1, 2 and 3) and both the strategic and local network. It seeks to improve connectivity for future commuters and freight movements, delivering efficient logistics and development opportunities. The project will serve and allow for optimum alignment of the SRFI.

If planning is not permitted by either St Helens Council or Warrington Borough Council, as local planning authorities, the project would not be able to deliver this objective. Consultation has been undertaken to reduce this risk and ensure that the project is delivered collaboratively with both Local Planning Authorities and appropriate stakeholders.

As identified in Q5 previously, the project is in accordance with local and national strategies, aiming to improve both rail and infrastructure within the region. The project will be developed in accordance with relevant policies and procedures to ensure maximum compliance.

A detailed project risk register and a construction risk register has been produced; this identifies potential risks in delivering the project, the consequences and probability and applies a quantitative cost.

12. Set out any actions or developments required of others that the success of the project is dependent on (i.e. external influences on the project). What are the key success factors (approx. 200 words)

St Helens Council owns the Parkside Regeneration site with its joint venture partners Langtree. St Helens Council are also in the process of securing land for the SRFI development and to support the delivery of the Parkside Link Road.

This project will require planning permission from both St Helens Council and Warrington Borough Council (WBC). It is recognised that WBC will benefit from the Parkside Link Road in that it will remove local traffic from the hamlet of Hermitage Green and the village of Winwick. Also, when the developments such as SRFI and Parkside Regeneration come 'on stream', Liverpool City Regions will benefit from employment opportunities as well as the wider economic benefits and employment opportunities to the adjacent local authorities.

Key factors to success include engagement with local landowners to secure the required land, consultation with local stakeholders including WBC and Wigan Council, Highways England and Environment Agency.

Part 2 – Economic Case

Please revisit and extend the Economic Case set out within the SOC, answering the following questions:

Options considered

13. Please describe the options that have been considered in identifying the preferred way forward. The should include a minimum of four options:

- a. A baseline option representing the do nothing, do minimum or status quo, providing the counterfactual against which all intervention options can be compared;
- b. An option that sets out a less ambition intervention to achieve the core project objectives;
- c. The proposed option, as described in Part 1 (project description); and
- d. An alternative option(s) that has a different combination of benefit, risk and cost due to variations in the project's scale and/or scope.

Along with a description of the main options, identify the relative advantages and disadvantages of each option.

Six alternative routes for the Parkside Link Road were identified and assessed, as demonstrated in the drawing in Section 5 – Supporting Information. These six high level options were assessed based on WebTAG objectives and Scheme Objectives and a preferred route for OBC has been identified.

Options considered at the OBC stage are as follows.

Option 1 - Do Nothing – No Funding Required

In developing the proposed project, consideration was given to doing nothing with the possibility that the private sector would purchase the land and deliver improvements. The site has been promoted by various parties (Railtrack and Prologis) for 15 years and the upfront capital cost to deliver the site has been a major stumbling block. Past development at the site has been limited due to the infrastructure and land requirements indicating that public sector intervention is required.

Option 2 - Do Something Access from the A49 – Total Cost £18.5m

A do something option to develop the Parkside Regeneration site with access from the A49 has been proposed. This would enable the first phase of the Parkside Regeneration development to be constructed with improved access via the A49 (Ref 'Phase 1' PD-RAM-03-ZZ-DR-TR-0001 Indicative Phase Area, Section 1 - Supporting Information). However, this would place excessive

demand on the current A49 requiring significant highway upgrades which, pro-rata to the first phase, would be an excessive capital investment in respect to the floorspace provided. This would risk delivery of the rest of the Parkside Regeneration site as there would not be enough capital generated from a first phase and it would require additional funding.

Option 3 - Do Something Preferred Option – Yellow Route – Total Cost £41m

The preferred option Yellow Route has been selected to progress for OBC as it meets the project objectives to provide access to land either side of the M6 north of J22. This will facilitate potential future developments. It is believed that this option offers genuine potential for a robust business case, providing access to developing land and accommodating HGV movements in the local area all at realistic chance of successful delivery. This option utilises the existing bridge over the M6, thereby reducing risk in delivery.

Option 4 - Do Something Alternative Option – Total Cost £42m

The alternative option was presented in the SOC as the *Do Something 3 – Preferred Option*. This option included a link road and box tunnel under the M6. The link road would only provide access to the development and would not be considered as a strategic link road. The proposal was preferred as it provided the lowest capital investment for the floorspace that can be provided. It also allowed for both sides of the Parkside site to be developed at the same time. A box tunnel under the motorway is more cost effective than a bridge while the link road is designed to enable the maximum land to be developed. However, following consultation with Highways England it has been established that there is no requirement for a new bridge.

Options	Description	Advantages	Disadvantages
Option 1	Do Nothing	No funding required	Would not facilitate future development at Parkside Regeneration site, or SRFI site. No improvement to local highway network. Does not meet the Project Objectives.
Option 2	Access from A49 (Winwick Road)	Would facilitate Phase 1 of Parkside Regeneration Development	Would not enable development of Phase 2, or SRFI. Increased traffic on existing network. Does not meet the Project Objectives.



Options	Description	Advantages	Disadvantages
Option 3	Preferred Option (Yellow Route)	Would facilitate all phases of development Improvement to local highway network Meets the Project Objectives.	Substantial Funding required. Land purchase required.
Option 4	Alternative Option (Brown Route)	Would facilitate all Phases of the Developments. Meets the Project Objectives.	Substantial Funding required. Land purchase required. No direct western link to A49. Box tunnel under M6, Highways England likely to raise concerns, when Option 3 causes less impact on their network. Costs and SIF grant greater than Option 3.

14. Set out the overall public sector cost and amount of SIF support requested (in constant prices (i.e. excluding inflation) and discounted in line with HM Treasury guidance) under each option (this should include both the gross and net cost allowing for public sector loan repayments and/or other public sector revenues).

The table below summarises the total public sector costs under each of the short-listed options, along with the required SIF support. The costs have been discounted at 3.5% in line with HM Treasury guidance and exclude inflation.

(Constant prices, discounted, £000s)	Public sector cost - gross	Public sector cost - net	SIF support - gross	SIF support - net
Option 1	-	-	-	-
Option 2	12,614,924	12,614,924	10,891,116	10,891,116
Option 3	33,076,863	33,076,863	25,438,050	25,438,050
Option 4	38,527,657	38,527,657	30,792,337	30,792,337

Estimating Benefits

15. For each option, please populate the following table with expected tangible outputs - periods are in Financial Year (FY). Please state whether the outputs are direct or indirect. If indirect, explain how the project is enabling the delivery of these outputs. (approx. 250 words).

Rows should be added to the table to incorporate all principal outputs of the project and additional options, where relevant. Include outputs only in the year when they will be first generated.

The principal outputs of the project will include the creation of new employment opportunities, the development of new and upgraded carriageway, new cycleway, the construction of new commercial floorspace and the facilitation of private sector investment. The transport related outputs of the project are considered to be direct. Similarly, the employment, floorspace and investment outputs of the project associated with the development of the SRFI site to the east of the motorway are identified as direct.

It is important to note that the outputs reported in this form do include the benefits associated with the SRFI itself. These are expected to be significant, as highlighted in the Parkside Logistics & RFI Study produced by AECOM on behalf of the Council, see Section 7 – Supporting Information.

Expected tangible outputs / outcomes	Direct or indirect	Total	2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 22	Future years
Employment (full-time equivalent)								
Option 1	Direct	-	-	-	-	-	-	-
Option 2	Direct	1,327	-	-	-	1,327	-	-
Option 3	Direct	6,952	-	-	-	1,327	-	5,624
Option 4	Direct	5,624	-	-	-	-	-	5,624
Employment (full-time equivalent) – construction (person years)								
Option 1	Direct	-	-	-	-	-	-	-
Option 2	Direct	235	-	212	23	-	-	-
Option 3	Direct	406	-	244	162	-	-	-
Option 4	Direct	419	-	251	168	-	-	-
Total length of newly built roads (km)								
Option 1	Direct	-	-	-	-	-	-	-
Option 2	Direct	0.75	-	0.7	0.05	-	-	-
Option 3	Direct	3.5	-	2.1	1.4	-	-	-
Option 4	Direct	2.6	-	1.56	1.04	-	-	-
Total length of newly built cycleways (km)								
Option 1	Direct	-	-	-	-	-	-	-
Option 2	Direct	0.75	-	0.7	0.05	-	-	-



Expected tangible outputs / outcomes	Direct or indirect	Total	2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 22	Future years
Option 3	Direct	1.5	-	0.9	0.6	-	-	-
Option 4	Direct	-	-	-	-	-	-	-
Commercial floorspace facilitated (sq m)								
Option 1	Direct	-	-	-	-	-	-	-
Option 2	Direct	92,900	-	-	-	92,900	-	-
Option 3	Direct	486,600	-	-	-	92,900	-	393,700
Option 4	Direct	393,700	-	-	-	-	-	393,700
Investment in site (£m)								
Option 1	Direct	-	-	-	-	-	-	-
Option 2	Direct	73.5	-	-	-	73.5	-	-
Option 3	Direct	426.3	-	-	-	73.5	-	352.8
Option 4	Direct	352.8	-	-	-	-	-	352.8

16. Explain below how the project is delivering the outputs/outcomes and the methodology, assumptions and evidence used to calculate them (approx. 250 words).

The outputs/outcomes set out in the table above are principally related to the extent to which each option unlocks the development opportunities at the Parkside Regeneration site and SRFI site. The construction of the proposed link road, as described under Option 3, is required to enable both phases of the Parkside development and the SRFI development to come forward. The costs of building the link road are such that the development would not be viable without public sector support and therefore no outputs are reported under the do nothing option (Option 1). Under Option 2, the A49 works would only allow for the development of Phase 1 of the Parkside Regeneration site, whereas under Option 4 the link road and box tunnel would enable Phase 2 of the Parkside development and the SRFI development, but not Phase 1.

The outputs/outcomes of the project, under each of the alternative intervention options, have been estimated on the following basis:

- **Employment (full-time equivalent)** – in order to estimate the number of jobs that might be accommodated on-site as a result of the Parkside and SRFI site developments, assumptions have been made as to the quantity and type of commercial floorspace provided under each option and the expected employment densities (see Question 17). The jobs created through the operation of the SRFI itself have not been assessed as part of this analysis.
- **Construction employment (person years)** – the number of person years of construction employment generated as a result of the project has been calculated based on the expected construction spend under each option divided by an average spend per year of employment, derived from labour coefficients sourced from guidance produced by the

HCA. The construction spend estimate has only taken account of the construction of the Link Road (or A49 works under Option 2) and not the construction of new employment floorspace. Therefore, the project will support further construction jobs as the sites are developed out.

- **Length of newly built road/cycleways** – the transport related outputs of the project have been based off engineering appraisal and a route options study, as described previously within this form.
- **Commercial floorspace** – development schedules have been produced for the Parkside Regeneration site and SRFI site. It should be noted that the current configuration of both sites is indicative and is likely to continue to evolve. It is anticipated that Phase 1 of the Parkside Regeneration site will be complete by around 2020 and Phase 2 will be complete by 2024. The SRFI site is expected to be operational by 2030.
- **Investment in the site/facilitated** – based off the development schedules, an estimate has been made of the private sector investment that will be involved in the construction of new employment floorspace on both the SRFI site and the Parkside Regeneration site.

17. What are the main outcomes/impacts that each option is expected to generate? Please explain how each option will generate or contribute to increased economic activity (as measured using Gross Value Added (GVA)) and employment. This could include indirect and longer term benefits – although if these are identified please indicate whether and how much additional public funding would be required to generate them (approx. 750 words)

As set out above, the proposed link road would enable the development of the SRFI site and allow development to take place at the Parkside Regeneration site, leading to productive economic use on the site for the first time since Parkside Colliery closed in 1993. Both these developments present key strategic opportunities for St. Helens and the Liverpool City Region, meeting a regional requirement for logistics floorspace and attracting additional investment and economic activity to the area. In doing so, the redevelopment proposals are expected to generate a range of economic benefits for the local and wider economy.

The key economic benefits are expected to include:

- Employment created by the construction phase of the proposed development and through the operation of businesses that locate to Parkside and the SRFI site (primary effects)
- Additional economic activity resulting from supply linkage and income multiplier effects (secondary effects)

- Broader indirect and induced impacts of the project in relation to generating additional economic activity and supporting other developments, including unlocking the full economic potential of SuperPort
- A range of wider impacts, particularly in terms of business competitiveness and helping tackle some of the socio-economic issues facing the area

In terms of the employment impact of the project, it is anticipated that the redevelopment of the Parkside Regeneration site and occupation of the logistics space created will, once the construction of the link road has commenced, be a relatively rapid process given the market pressure for additional B8 space on the M6/M62 corridors in the North West and the recent opening of Liverpool2. The site has long been seen as having the potential to create jobs and GVA for the local economy, having previously been a strategic site for the Northwest Regional Development Agency.

The subsequent development of the SRFI site will further enhance St. Helens' role as a key strategic location for freight and logistics companies, supporting the growth of the City Region economy. In particular, there is an identified shortage in the M62 Corridor and City Region of B8 warehousing and logistics space, which could limit the potential opportunities emerging from the new Liverpool2 container terminal, Atlantic Gateway and SuperPort. The development of the Parkside Regeneration site and SRFI site both help to address this issue, as well as providing multimodal transport links to aid in the growth of the freight and logistics sectors.

The emerging proposals for the two sites have identified the potential to bring forward approximately 486,600 sq m of employment floorspace, under Option 3. Option 2 would only enable 92,900 sq m of floorspace to be developed, whereas Option 4 would facilitate the development of 393,700 sq m. Although consideration is being given to the mix of uses on the Parkside Regeneration site, at this stage it has been assumed that all of the floorspace will be for B8 use. An average employment density of 70 sq m per full-time equivalent job has been applied to the floorspace estimates to calculate the expected gross employment impact under each option (see the table below) – again, it should be noted that this does not take account of the jobs that would be generated through the SRFI itself.

Gross Employment Impact			
	Option 2	Option 3	Option 4
Employment floorspace created (sq m)	92,900	486,600	393,700
Gross FTE jobs	1,327	6,952	5,624

The assumption of 70 sq m per full-time equivalent job is at the bottom-end of the range identified in HCA's employment densities guide. However, the guide recognises that *“as logistics becomes more specialised both a greater number of employees and range of skills are required to*

operate a modern facility". Research undertaken by Prologis supports this suggestion, with survey data indicating that the employment density across its portfolio of distribution centres has increased from an average of 77 sq m per employee in 2010 to 69 sq m per employee in 2014.

In order to assess the net additional employment impact, along with the GVA impact and value for money of the alternative options, adjustments have been made to take account of deadweight, leakage, displacement and multiplier effects. The additionality adjustments applied to each option are set out in Question 21 below. The assessment of GVA has been estimated on the basis of both a per annum and overall cumulative impact, with the following assumptions applied:

- An average GVA per employee figure of £51,000 has been applied to the estimates of net additional employment, in line with national research on the logistics sector
- The GVA impact associated with each job is expected to persist for ten-years, albeit with an allowance for decay of 10% each year, consistent with appraisal guidance

Given GVA is a work-place based measure, it could be argued that in calculating the GVA impact, the net additional job estimates should have been adjusted to no longer account for leakage. However, to be prudent and to reflect the location of the project (with the potential for a relatively large proportion of supply chain impacts to be 'leaked' outside of the City Region), an allowance for leakage has been retained.

The table below sets out the net additional employment and GVA impact under each of the intervention options, along with the value for money of each option based on the public sector cost per job and benefit cost ratio (BCR). In calculating the public sector cost per job and BCR, an allowance for optimism bias of 44% has been applied to the project costs. From the table it can be seen that Option 3 provides the best value for money. The cost per job and BCR under Option 3 also compares favourably with benchmarks for transport and physical regeneration projects.

Net Additional Impact and Value for Money			
	Option 2	Option 3	Option 4
Net additional FTE jobs	930	4,872	3,942
Net additional GVA per annum	£47.4m	£248.5m	£201.0m
Net additional cumulative GVA impact	£213.0m	£912.1m	£699.1m
Public sector cost per net additional job	£19,531	£9,777	£14,075
Benefit Cost Ratio	11.7:1	19.1:1	12.6:1

As has been highlighted above, the benefits of the SRFI itself have not been assessed as part of this analysis. However, these benefits have the potential to be significant, both in terms of the environmental benefits of shifting freight from road to rail (Section 7 - Supporting Information) and, importantly, the economic benefits of supporting the further growth of the logistics sector in

the City Region. These benefits will be further considered as part of the Full Business Case. It is expected though that the value for money associated with Option 3, and Option 4, would be greater still once the wider economic benefits of the SRFI are taken into account.

18. Please explain the other wider **quantifiable benefits (including social and environmental effects) that each option will generate. (approx. 250 words)**

In addition to the employment and GVA impacts highlighted above, the proposed link road will have important wider **transport benefits**. An assessment of transport economic benefits has been undertaken (Section 2– Supporting Information) for Option 3. The monetised economic benefits based on transport modelling outcomes show that the project under Option 3 produces an initial indicative BCR of 5.2:1 from Present Value of Benefits of £183.1m (2010 prices, discounted to 2010) and a cost to public accounts of £35.5m (2010 prices, discounted to 2010). According to DfT guidance and criteria⁴, the BCR of 5.2:1 for the project under Option 3 represents High Value for Money.

Along with the transport benefits of the project, the development of the Parkside Regeneration site and SRFI site will also help to address a number of the **socio-economic** issues prevalent within the surrounding area and wider City Region. There are significant concentrations of deprivation and lower levels of residents in employment in parts of St. Helens and the City Region when compared to wider averages. The creation of employment opportunities in close proximity to such areas can overcome some of the barriers to labour market participation (eg awareness of employment opportunities, access and transport). While there is no certainty that residents of these areas will seize these opportunities, it is anticipated that further labour market support will be provided, in conjunction with partners such as St. Helens Chamber of Commerce, such that the uptake of employment by economically inactive residents can be optimised.

The growing demand for a broader range of skills within the logistics sector presents opportunities for improving the pathways to work and career advancement, supporting people into decent, secure and well-paid jobs and helping to tackle the barriers to both gaining employment and progression to higher wage occupations. Data from the **Annual Survey of Hours and Earnings** has shown that average salaries within the logistics sector are already above the national average (£28,000 compared to £20,000). A new Northern Logistics Academy for St. Helens College has recently been completed that will provide specialist transport and logistics training to help ensure that students gain the skills employers are looking for. The Academy will prepare both young people and adults for a career in the logistics sector, with the aim of creating pathways into

⁴ Value for Money Assessment: Advice Note for Local Transport Decision Makers, Department for Transport https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/267296/vfm-advice-local-decision-makers.pdf

employment through the development of traineeships, apprenticeships and higher qualifications to support the expected growth of the sector.

Beyond the direct impacts associated with the development of the Parkside Regeneration site and SRFI site, the project will also play an important role in supporting the wider **economic growth** of the City Region, through facilitating the provision of B8 space and providing stronger strategic linkages, as described in Question 16. By doing so, the project will complement development elsewhere, including the delivery of SuperPort and the objectives for Atlantic Gateway.

Regarding **environmental benefits**, the creation of a SRFI at the site will, over the longer-term, facilitate a shift of freight from road to rail and this will deliver associated benefits in terms of air pollution and noise effects for communities living close to the strategic road network in the area, especially the M6. These benefits have not been calculated through this exercise as the plans for the SRFI are still being developed but this is an area of positive effects that could be presented at a later date and will be considered as part of the monitoring and evaluation of the project.

19. Where one or more of the intervention options is expected to result in other, less tangible wider benefits that are difficult to quantify, undertake a weighting and scoring assessment of the **qualitative** benefits associated with each option. Please explain each weight and score.

A weight (0 to 100) should be applied to each wider benefit, reflecting its relative importance, with a score (1 to 10) given to each option in terms of how well it delivers the benefit in question. The respective weights and scores should then be multiplied together to provide a total weighted score.

Rows should be added to the table to incorporate all key wider benefits of the project

Reflecting the above wider benefits, the alternative options have been assessed on the basis of the following:

- Transport benefits
- Socio-economic benefits
- Economic growth
- Environmental benefits

It can be seen from this analysis that Option 3 would be expected to generate a significantly higher level of wider benefits than Option 2.



Weighting and Scoring of the Qualitative Benefits									
Wider benefit	Weight	Option 1		Option 2		Option 3		Option 4	
		Score	Weight x score						
Transport	30	0	0	5	150	9	270	8	240
Socio-economic	20	0	0	6	120	8	160	7	140
Economic growth	30	0	0	6	180	9	270	8	240
Environment	20	0	0	3	60	7	140	6	120
Total	100	-	0	-	510	-	840	-	740

20. How does the project respect the principle of sustainable development? In particular how does the project maximise positive environmental impacts or mitigate potential negative impacts (with regard to the “polluter pays” principle where appropriate)?

An Environmental Impact Assessment will be undertaken, the results of which will be reported in an Environmental Statement (ES) to be submitted in support of the planning application. The ES will consider the impact of the project on Air Quality, Cultural Heritage, Landscape and Visual Effects, Ecology, Geology, Materials, Noise and Vibration, and Water. The ES will record all significant beneficial and adverse, direct, indirect and cumulative environmental effects of the preferred option for the proposed project including effective and sustainable mitigation measures and identification of residual effects. The design of mitigation and enhancement measures will be appropriate to the site and surrounding area.

The design of the project will be developed to minimise the impact on the local environment. It will seek to minimise the volume of material removed from the site and use existing materials to form landscaping to mitigate against visual and noise impacts if required.

The project will be designed and constructed in accordance with relevant guidance, legal requirements and best practice to protect the natural environment. Ecology surveys will be undertaken to ensure that any ecological constraints, including legally protected species or notable species, are known at an early stage and that the project is designed to minimise the impacts on water, land and biodiversity.

The construction works will be undertaken in a sustainable manner using ‘Best Practice’ methods, maximising recycling and minimising waste.



It is proposed to deliver the project via CEEQUAL, minimising waste, ensuring resource efficiency, improving project management and demonstrating a public commitment to sustainability.

CEEQUAL aims to deliver improved project specification, design and construction of civil engineering works. CEEQUAL rewards project and contract teams in which clients, designers and contractors go beyond the legal and environmental and social minima to achieve distinctive environmental and social performance in their work. In addition to its use as a rating system to assess performance, it also provides significant influence to project or contract teams as they develop, design and construct their work, as it encourages them to consider the issues in the question set at the most appropriate time.

21. How will you ensure that equality between men and women as well as gender perspective are taken into account and promoted throughout the preparation and implementation of the project?

What steps will you take to ensure accessibility for persons with disabilities are taken into account throughout the preparation and implementation of the project?

In light of the Equality Act 2010 how does your proposed project further the following aims:-

- The need to eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act.
- The need to advance equality of opportunity between people who share a protected characteristic and people who don't.
- The need to foster good relations between people who share a protected characteristic and people who don't.

The project will be delivered in accordance with St. Helens Council Comprehensive Equality Policy 2014–18 as amended by succeeding legislation. For a full copy of their policy refer to Section 8 – Supporting information.

The project will deliver a new link road which will seek to improve accessibility to employment opportunities, helping support greater equality of opportunity for all regardless of gender, disability, or character.



22. Please explain the level of ‘additionality’⁵ associated with the benefits under each intervention option at both the LCR level and the UK level. Reference should be made to the Homes and Communities Agency’s Additionality Guide⁶. (approx. 300 words)

In order to assess the additionality of the proposed project, under each of the alternative intervention options, consideration has been given to the following factors:

- **Leakage** – for the purposes of this assessment, a leakage rate of 40% at the City Region level has been applied. This reflects travel to work data from the Census 2011, as well as skills-level, gravity-based modelling that has been developed as part of work to support the Phase 1 Parkside proposals. In relation to Phase 1, consideration has been given to putting in place an employment framework, working with local partners such as St. Helens Chamber, to maximise employment opportunities for local people. Such a framework could also be applied in the subsequent phases of development.
- **Displacement** – the Parkside proposals have the potential to displace some activity from other competing developments in St. Helens and the wider City Region. However, it is anticipated that the level of displacement will be low. The **St. Helens Employment Land Needs Study (October 2015)** identified a requirement for between 177 and 214 hectares of employment floorspace, while independent research undertaken on behalf of the Liverpool City Region LEP suggested there would be a requirement for over 800 hectares of land for logistics and associated manufacturing operations within the Liverpool City Region and adjacent areas over the next 20 years. Parkside was listed as a key site in potentially meeting this demand. Given the above, a displacement rate of 20% has been assumed at the Liverpool City Region level.
- **Multiplier effects** – as well as the creation of new jobs on-site, the project proposals will generate additional economic activity in the wider economy. For example, the attraction and retention of new businesses has associated consequences in terms of generating additional employment through the supply chain (indirect effects). The direct and indirect effects of new investment also generates additional employee spend on local goods and services, supporting further job creation (induced effects). In order

⁵ Additionality is the extent to which activity takes place at all, on a larger scale, earlier or within a specific designated area or target group as a result of the public sector intervention. In order to assess the net additional impact of the project the following factors will need to be considered: **Leakage** - the proportion of outputs that benefit those outside of the project’s target or reference area or group; **Displacement** - the proportion of project outputs accounted for by reduced outputs elsewhere in the target area; **Substitution** - this effect arises where a firm substitutes one activity for a similar one (such as recruiting a jobless person while another employee loses a job) to take advantage of public sector assistance; **Multiplier effects** - further economic activity associated with additional local income and local supplier purchases; and **Deadweight** - output which would have occurred without the project – this is assessed through the reference case i.e. the do nothing option.

⁶ <https://www.gov.uk/government/publications/additionality-guide>

to take into account the potential indirect and induced multiplier effects associated with the project, reference has been made to the HCA and BEIS additionality benchmarks. The additionality guidance produced for BEIS suggests that a suitable composite multiplier at the sub-regional (Liverpool City Region) level is around 1.46.

- **Deadweight** – in the absence of public sector funding for the improvements to the A49 (Option 2) or the construction of the Parkside Link Road (Option 3 and Option 4), it is considered that no alternative development activity would come forward on the Parkside Regeneration site or SRFI site, at least within the foreseeable future. The up-front infrastructure costs are too prohibitive for the market to develop the sites without public sector support. This is evident in that the Parkside Colliery site has remained vacant since the Colliery closed in 1993. Therefore, deadweight is assumed to be zero.

23. Explain how the intervention will ensure that inputs are at a minimum cost given the required quality. For example, will the final costs be identified following a competitive procurement process? (approx. 150 words)

The Parkside Link Road will be procured through the National SCAPE Framework. SCAPE is a public sector owned built environment specialist. It offers a suite of OJEU compliant frameworks and innovative design solutions that are available to public bodies in the United Kingdom. St Helens Councils Procurement Policy is provided in Section 9 - Supporting Information.

It is a public sector organisation and can support the entire lifecycle of a project. It removes the need to go out to full tender. It encourages collaborative working and early contractor involvement (ECI) so that project design and delivery can be influenced, progressing rapidly to the construction stage. The forms of tender will be New Engineering Contract Option C Target Price (Pain/Gain).

Principles of the SCAPE Framework:

- Ability to conduct pre construction dialogue with the constructor
- Client nominated or contractor nominated design team
- The Framework has been through OJEU tender satisfying requirements of EU Procurement Directives
- Open book costing ensuring Value for Money can be demonstrated
- All sub contract work subject to competitive tendering
- Full risk management
- Performance monitoring
- Target cost pricing with pain and gain

Key Benefits:

- Reduced procurement timescales
- Local Authority owned Framework
- Cost certainty and cost management
- Pre-construction dialogue
- Commitment to sustainable development
- Culture of Trust and Engagement

The Scape Key Performance Indicators will be used for this project as per Schedule 6 of the Framework Agreement. The KPIs are designed to measure different things including:

- Our product performance, eg environmental performance, design quality, defects
- Our project performance, eg predictability of time, cost, health & safety, local spend
- Our organisational performance, eg our respect for people, staff survey results
- Our relationship performance, eg customer satisfaction, supply chain satisfaction

A full review of Key Performance Indicators will be undertaken with St. Helens Council by the Regional Champion during the Pre-Construction Stage of the contract.

Data will be collated and provided to the Scape Framework Core Team to upload onto the electronic 'Firefly' database operated by Scape on a monthly basis.

There are 21 standard Scape Key Performance Indicators per project that are monitored diligently by Scape. The Firefly system is an online cloud based system that requires extensive input from the main contractor each month to ensure that they achieve pass standard on all of 21 project KPIs listed as follows. It is through this process that St. Helens Council will have confidence in the costs provided and the high quality level of service received in delivering the project.

Key Performance Indicator (KPI)	No. of KPIs	Minimum Pass Standard
Predictability of Time and Cost KPIs (applicable to both Pre-Construction and Construction Stages)	4	0% change against contractor predictions in Scape Gateway Forms (excluding client change)
Health and Safety	1	Zero RIDDOR
Fair Payment Terms	1	Client to Contractor 14 days (+7) Contractor to Tier 2 Supply Chain 19 days (+7), Tier 2 to Tier 3 Supply Chain 23 days (+7). Min pass standard: 100% compliance



Key Performance Indicator (KPI)	No. of KPIs	Minimum Pass Standard
Customer Satisfaction KPIs (applicable to Pre-Construction stage and Construction stage)	6	Service, Product, Value for Money, Whole Life Performance, Provision of Cost Information, Defects Min pass standard - a score of 8/10 against each one
Supply Chain Satisfaction	1	A score of 8/10 across 10 or more questions
SMEs	2	85% of supply chain to be SMEs 85% of total project spend to be with SMEs
Waste Diverted from Landfill	1	95% total non-hazardous waste to be diverted from landfill.
Energy Monitoring	1	Energy use recorded and monitored
Considerate Constructors Scheme	1	Maintain a score of 40/50
Local Labour	1	20% from within 10 miles 40% from within 20 miles 75% from within 40 miles
Local Spend	1	20% from within 10 miles 40% from within 20 miles 75% from within 40 miles
Employment and Skills Plan	1	Targets are banded dependent on the value of the project and performance against these targets must be achieved as part of the stringent Scape KPI monitoring/auditing process.

For the land acquisition, St. Helens Council Estates Management Services will purchase the land. They have an extensive portfolio property in excess of £200 million and are responsible for the delivery of major regeneration projects including the acquisition of strategic land and property interests. The Council has commissioned property consultants to provide professional advice in relation to the valuation of the land and the acquisition process. Any subsequent land acquisition shall be at Market Value in line with RICS guidance and should avoid the need for implementing a costly and lengthy Compulsory Purchase Order.



Risk Analysis

24. Please complete the Risk Register in the table below, identifying the main risks associated with each option and overall risk score. Please explain the basis for the risks scores under each option. (approx. 200 words)

Against each risk, a score should be given to the probability (P) of the risk arising – ranging from very high (a maximum score of 5) to very low (a score of 1). The impact (I) of each risk should also be assessed, using the same scoring range as has been used for probability (i.e. a range of 1-5). The overall risk score (S) is calculated by multiplying the probability score by the impact score (giving a maximum score for each risk of 25, representing an extreme risk).

Rows should be added to the table to incorporate all principal risks of the project.

Risk Register												
Key risk	Option 1			Option 2			Option 3			Option 4		
	P	I	S (Pxl)									
Land Purchase	2	4	8	1	1	1	2	4	8	2	4	8
Political Uncertainty	3	3	9	4	4	16	2	3	6	4	3	12
Stakeholders	2	3	6	2	3	6	1	3	3	2	3	6
Total score	-	-	23	-	-	23	-	-	17	-	-	26

Option 1 – Do Nothing. There are risks for a private developer associated with this option, assuming that a new private investor would be required to purchase the land and deliver associated improvements. It is believed this option would require political support to assist in its delivery and therefore this is considered a potential risk due to the current political uncertainty. There are a number of stakeholders required to support this project, including Warrington Borough Council and St. Helens Council, the two Local Planning Authorities. It is considered that the risk and amount of funding required would deter a private investor from committing to deliver this project.

Option 2 – Do Something Access from the A49. The land required to deliver this project is currently in the JVs ownership, therefore this risk is considered small. The risk from political uncertainty is believed to be high due to the potential impact the project would have on the A49, if the Link Road was not delivered. It is likely that a number of stakeholders would also have concerns regarding the impact of the development on the local highway network.

Option 3 – Do Something Preferred Options. Additional land is required to deliver this option involving land purchase from private land owners; therefore, there is some risk with this option. However, negotiations are underway and this is progressing. The project will require political support to assist in its delivery and therefore this is considered a potential risk due to the current political uncertainty. There are a number of stakeholders required to support this project, including Warrington Borough Council as one of the two Local Planning Authorities. It is considered likely that local residents will be supportive of the project as traffic will be redirected along the strategic Link Road, and away from residential properties.

Option 4 – Do Something Alternative Options. Additional land is required to deliver this option involving land purchase from private land owners; therefore, there is some risk with this option. However, negotiations are underway and this is progressing. The project will require political support to assist in its delivery and therefore this is considered a potential risk due to the current political uncertainty. There are a number of stakeholders required to support this project, including Warrington Borough Council as one of the two Local Planning Authorities. The project will not deliver benefits in redistributing local traffic and may therefore not be supported locally.

Overall the risks in delivering Option 3 are considered lower than those identified for delivering Options 1, 2 and 4. It is believed that these risks can be mitigated and managed to minimise potential impacts.

The Preferred Option

25. Based on the preceding analysis, identify the preferred option with supporting justification for selection. (approx. 200 words)

The preferred option has been identified as Option 3 Yellow Route having a gross cost of £42m. This route best meets the Project Objectives as identified in paragraph 1.3 above. In addition, this Option demonstrates a high value for money having a **BCR 5.145**.

It is the only Option that would maximise the employment opportunities, successful delivery of the SRFI and Parkside Development for the people within LCR and adjoining areas. Option 3 has the support of all the major stakeholders as it delivers their aspirations in creating local employment, wealth and wellbeing. It delivers better access to the M6, improves network resilience and fits with the current infrastructure development that has been recently been delivered, improved station facilities at Newton-le-Willows and local NMU provision as part of a local sustainable transport initiatives.

Option 3 is the best option lowest risk as it has the support of Warrington Borough Council and Highways England plus reduces traffic impact on the local communities of Winwick and Hermitage Green.

Part 3 – Commercial Case

Please revisit and extend the Commercial Case set out within the SOC, answering the following questions:

Delivery Structure

26. What are the organisation and management arrangements for delivery of the preferred option? What are the delivery options that have been considered? Please outline the advantages and disadvantages of each delivery option and state which is the preferred delivery option. (approx. 300 words)

Three potential delivery options have been identified in the table below:

Delivery Options	Description	Advantages	Disadvantages
Competitive Tender	NEC Option C (Target Cost)	Value Sufficient Resources Specialist skills	Timescales to undertake tender process will impact on project delivery
Internal (St. Helens)	St Helens deliver project themselves	Maintain control	Lack of resources Timescales Risk
SCAPE Framework	Use of SCAPE Framework to deliver project	Regulated process Value Efficient Low risk	Higher upfront costs Requires good auditing processes

Delivering the project via a *competitive tender* would enable various contractors to tender to deliver the project. However, this is a formal process and the timescales to achieve this would jeopardise delivery of the project.

St. Helens Council is the Local Highway Authority and it delivers several million pounds worth of traffic management, improvements and maintenance projects on its network every year. It also oversees a range of other major works on the highway from private developers to statutory utilities undertakers. However, it is not felt that St. Helens Council has all the required skills and available resources to deliver this project *independently* within the required timescales.

Therefore, it is proposed that the project will be procured through the *National SCAPE Framework*. SCAPE is a public sector owned built environment specialist. It offers a suite of OJEU compliant frameworks and innovative design solutions that are available to public bodies in the United Kingdom.



27. If the preferred delivery option will require the involvement of partner organisations, please set out the details in the table below. (approx. 200 words)

Delivery Partner	Contact details	Role in project delivery (work to be procured, value, outputs)	Agreed contract arrangements / status of negotiations
Balfour Beatty Construction	5000 Lakeside, Cheadle Royal Business Park, Cheadle, Cheshire SK8 3AX Tel: 0161 741 6100	Deliver supporting documents for planning application including Environmental Statement and Transport Assessment. Detailed design of the link road. Construction for the delivery of the project.	To be delivered through the SCAPE framework

28. Please demonstrate that appropriate capacity, capability, systems and expertise will be available to deliver the intervention successfully (include experience, if applicable, of delivering similar projects for LCR CA or other public bodies – set out details of the projects, scope, costs, date, public funding, role played). (approx. 300 words)

28.1 Capacity

St. Helens Council is the Local Highway Authority and it delivers several million pounds worth of traffic management, improvements and maintenance projects on its network every year. It also oversees a range of other major works on the highway from private developers to statutory utilities undertakers.

St. Helens Council has an Estates Management Service managing an extensive portfolio property in excess of £200 million and responsible for the delivery of major regeneration projects including the acquisition of strategic land and property interests.

It is proposed to deliver this project through the SCAPE framework; this provides additional resources and specialised skills if required to deliver projects within St. Helens.

28.2 Capability

Internally, St. Helens Council has a high level of expertise with staff holding a range of Chartered level qualifications such as Chartered Engineer, Transport Planning Professional and Chartered Royal Town Planners who will all be involved in this project. If required, additional specialised skills can be provided through the SCAPE framework to deliver the project.

28.3 Systems

The highway sector is a highly regulated industry and, as such, various systems are used. St. Helens Council's Estate Management Service employs appropriate project management systems and the land acquisition process shall be undertaken in line with formal Council procedures and in accordance with RICS regulations and guidance. Overall, the project will be delivered in accordance with all relevant guidelines and regulations.

28.4 Expertise

St. Helens Council's Estate Management Service has a strong track record and extensive experience in the management of major regeneration projects involving the strategic acquisition of land and property interests. All staff involved in the project shall be fully qualified Chartered Surveyors with full and varied experience of strategic land acquisition including agricultural land for major highways and regeneration projects.

The following table provides evidence of similar highway projects delivered successfully by St. Helens Council.

Project	Cost	Date	Delivered to Time?	Delivered to Budget?	Public Funding	Role
Blackbrook Bypass	£7.8m	2005 to 2007	Yes	Yes	100%	Scheme Development/Project Management and Delivery
Pedestrian Bridge	£2m	2010 to 2011	Yes	Yes	100%	Scheme Development/Project Management and Delivery
Local Sustainable Transport Fund Schemes (LSTF)	£5m	2012 to 2015	Yes	Yes	100%	Scheme Development/Project Management and Delivery
A570 New Roundabout to serve a Regeneration Site	£2m	2010	Yes	Yes	100%	Scheme Development/Project Management and Delivery

Procurement

29. If you intend to commission or procure any activities in the development or delivery of this project, please demonstrate that your procurement method will comply with public procurement requirements (e.g. will your procurement trigger the OJEU process). Set out details for each procurement (approx. 100 words)

The project will be procured through the National SCAPE Framework. SCAPE is a public sector owned built environment specialist. It offers a suite of OJEU compliant frameworks and innovative design solutions that are available to public bodies in the United Kingdom.

It is a public sector organisation and can support the entire lifecycle of a project. It removes the need to go out to full tender, encourages collaborative working and Early Contractor Involvement (ECI) so that project design and delivery can be influenced, progressing rapidly to the construction stage. The forms of tender will be NEC Option C Target Price (Pain/Gain).

The Scape Procurement Process under which this project will be delivered is set out below:

PRELIMINARY CONSIDERATIONS (STAGE 1)

The purpose of the stage is for the client to review options for procurement and gather information for the project brief.

FEASIBILITY STAGE (STAGE 2)

The purpose of the stage is for the client, their advisors and the contractor together, to carry out a feasibility study to determine whether the project is 'doable' in terms of time, scope of the works and cost. This is the stage that checks the viability of the project and any options available. It culminates in the production of this Feasibility Report.

The main client actions for this stage are:

- To engage in the feasibility process
- Define the scope of works and project brief
- Appoint the Principal Designer
- Identify any specific requirements
- Issue a Project Order at the successful completion of this stage

The main contractor actions for this stage are:

- Prepare an outline estimate of the works
- Prepare a programme for the project
- Organise any enabling works, site investigations etc., as instructed by the client
- If instructed by the client, prepare feasibility sketch layouts and outline specification

- Prepare a draft agreed scope which shall detail the fee cost for completing the Pre-Construction Activities stage including further enabling works, site investigation and/or the design team fees.

PRE CONSTRUCTION ACTIVITIES (STAGE 3)

During this stage the design is developed and subcontractor prices obtained so that at the end of the stage the client can issue a Delivery Agreement to the contractor to execute the works.

Client actions include:

- Confirm the detail of the brief
- Appoint a QS auditor to ensure compliance with the Framework Agreement
- Ensure the client end user is fully engaged
- Arrange payment for pre-construction activities
- Enter into a Delivery Agreement

Contractor's actions include:

- Manage the surveys & trial holes from early orders
- Engage with Statutory Utility Management Consultants
- Procure the designer for the scheme (produce documents for agreement by the client and run design competition)
- Manage the design process and associated programmes
- Review Risks with the client as an on-going process
- Provide breakdown of Pre-Construction Activities

CONSTRUCTION (STAGE 4)

This stage takes the process through construction on site.

Client actions include:

- Appoint a project manager and supervisor, under the terms of the NEC contract
- QS auditor continues to verify compliance with the framework agreement
- Client continues to ensure engagement of the end-user
- Arrange payments under the contract

Contractor's actions include:

- Execute the works
- Prepare project data as required under the framework agreement

- If required, coordinate the design development including the subcontractor design input and the design team
- Continue to prepare the design in accordance with the client brief and the feasibility report
- Act as QS in the preparation of subcontractor tender documents liaising with the client QS auditor as necessary
- Maintain a project programme
- Prepare monthly progress reports

For land purchase, St. Helens Council's Estate Management Service employs appropriate project management systems and the land acquisition process shall be undertaken in line with formal Council procedures and in accordance with RICS regulations and guidance. JLL have produced a Land Valuation Advisory Report to assess the value of land required to deliver the project.

The Council has commissioned property consultants to provide professional advice in relation to the valuation of the land and the acquisition process. Any subsequent land acquisition shall be at Market Value in line with RICS guidance and avoid the need for implementing a costly and lengthy Compulsory Purchase Order.

Statutory and Other Consents

- 30.** Please indicate how your project complies with and/or has secured (is securing) the necessary regulations and requirements with regard to: (approx. 200 words)
- a. Legal issues, e.g. lease agreements, evidence of land ownership and/or contractual agreements
 - b. Planning or other consents
 - c. Other – such as Section 106 (please specify)

Planning consent from St. Helens Council and Warrington Borough Council will be required to approve the Link Road layout and its provisions together with releasing the necessary land to build the project.

The draft St. Helens Local Plan in its preferred options has identified Parkside SRFI as a defined site and under its land allocation as employment land.

The purchase of land is significantly progressed with Heads of Terms being considered by the various Vendors. CPO powers are also available.

In addition, Highways England (HE) has been consulted regarding their overbridge that takes the A573 across the M6. HE has advised that no further works on the overbridge is required as a result of the proposed link road.



Consultation has been undertaken with both Warrington Borough Council and St. Helens Council to determine scoping of the Environmental Impact Assessment (EIA). Further consultation will be undertaken with both councils to determine scoping for supporting documents for planning. Details of consultation undertaken to date is provided in Q10. It is intended to submit for Planning Approval in late 2017.

- 31.** Please provide evidence of the State aid compliance of the funding request including details of any relevant exemptions relied upon and the conditions of compliance that you believe are satisfied. It is the responsibility of applicants to ensure they are satisfied that their project, and the receipt of SIF support and any public match taken together, is compliant with State aid rules. Further detail on State Aid is provided at Appendix A. (approx. 200 words)

St. Helens Council consider the project to be state aid compliant, in accordance with details provided in **Appendix A**. The proposed project promoted by St. Helens Council is for the construction of a new public all-purpose highway in the form of a link road to enable adjacent land to be developed at a commercial rate. This new highway will be in the ownership of the Local Highway Authority. The maintenance and repair will be agreed through agreement of the Local Highway Authorities. The Parkside Link Road will also benefit the wider public in that it is a new piece of publicly owned infrastructure benefiting the local highway network and improving network resilience both to the current national and local highway network. It will also benefit the local communities particularly Newton-le-Willows with better access to the national network and reducing traffic through the communities of Winwick and Hermitage Green.

- 32.** In the event that the European Commission determines SIF support for the project is not compliant with State aid rules, the repayment of any SIF funds received by the applicant will be required in full. Please confirm your acceptance to this condition.

Condition Accepted.

- 33.** Please outline the timescales for securing planning permission and any other relevant statutory permissions. (approx. 100 words)

A planning application for full planning for the Parkside Link Road is expected to be submitted to St. Helens Council and Warrington Borough Council in late 2017. This will require the submission in support of the application of a full Environmental Statement and Transport Assessment. Environmental surveys are currently being undertaken and traffic data has been collated and a SATURN model built to support OBC and Planning. A Public Information Exhibition is due to be held in July 2017, along with formal consultation of relevant bodies.

The Planning Application will be presented to the two local authorities St. Helens Council and Warrington Borough Council who are supportive of the proposal. Highways England will also be consulted as part of the general consultation, and a letter of support is included in Section 6 – Supporting Information.

In addition, St Helens Council is progressing with acquiring the land required to deliver the project.

Risk Apportionment

- 34.** For each of the key risks identified in the risk register, set out how these risks will be shared between the public and private sectors. The governing principle is that risk should be allocated to the party best able to manage it.

In the risk allocation table below, the percentage of risk being borne by the public and private sectors should be identified. However, if this is not feasible at this stage, use ticks to designate the principal risk owner.

Risk Category	Public	Private	Shared
Risk name - Land	√		
Risk name - Political	√		
Risk name - Stakeholders	√		

This is a St. Helens Council project requiring SIF public funding; therefore the majority of risks are currently borne by the public sector.



Part 4 – Financial Case

Please revisit and extend the Financial Case set out within the SOC, answering the following questions:

Project Funding Summary

35. Provide a summary of the required project funding. The costs should be presented in current (nominal) prices i.e. including inflation (please outline any assumptions made about inflation).

Project funding summary		Capital	Revenue	Total	Status of funding (confirmed etc.)
Total SIF	Grant	£27,850,000		£27,850,000	Awaiting decision
	Loan				
Private and/or voluntary sectors		£5,000,000		£5,000,000	Awaiting decision
Public sector: St. Helens Council		£8,150,000		£8,150,000	Awaiting decision
Total project cost		£41,000,000		£41,000,000	

Capital and Revenue Costs

36. Please summarise the expected project capital and revenue costs and attach a cost plan. The costs should be presented in current (nominal) prices i.e including inflation.

Costs (£000s)	Total	2016/17	2017/18	2018/19	2019/20	2020/21	Future years
Capital expenditure (Capex)							
(Capex item) Construction			£2,000	£18,200	£11,800		
(Capex item) Land				£9,000			
Total capital expenditure			£2,000	£27,200	£11,800		
Operational (revenue) expenditure (Opex)							
(Opex item)							
(Opex item)							
Total revenue Expenditure							
Total expenditure			£2,000	£27,200	£11,800		

37. Please explain the source and evidence for the costs set out above (attach cost plan and cash flow and provide separate detailed information including, where appropriate, supporting business plan and/or financial analyses). (approx. 250 words)

The above construction costs have been calculated by Balfour Beatty based upon extensive previous experience, best practice guidance and market tested rates, a copy of which is included in Section 10 – Supporting Information.

The costs include developing a detailed design, delivering supporting documents required to submit for planning permission, including Environmental Statement and associated surveys. It includes for public consultation and liaison with stakeholders. The costs also include a breakdown of construction costs to deliver the highway and associated works including drainage, earthworks and a shared cycleway/footway. There is also an allowance for inflation, and project/construction risk.

A feasibility study to determine whether the project is 'doable' in terms of time, scope of the works and cost has been produced by Balfour Beatty. This is the stage that checks the viability of the project and any options available and states the assumptions made in building up the cost.

In addition, the land acquisition process shall be undertaken in line with formal Council procedures and in accordance with RICS regulations and guidance. JLL have produced a Land Valuation Advisory Report, to assess the market value of land required to deliver the project.

38. Identify the areas where contingency has been applied and the reasoning behind the level of contingency. (approx. 100 words)

A collaborative workshop has been held between the principle parties involved in the project to identify the key risks to successful delivery, their cause, consequence and proposed mitigation. Where appropriate a contingency has been built into the budget price.

The risks were identified under the following heads:

- Consent/Scope
- Design/Statutory Authorities
- Ground Conditions
- Ecological/Environmental
- Legal
- Budget/Commercial
- Programme
- Supply Chain



The team will work together throughout project lifecycle to manage and mitigate the identified risks, and address others as they arise.

Funding Requirement

39. Please outline the expected funding profile by individual sources, including the amount of SIF support requested. The funding should be presented in current (nominal) prices.

Funding (£000s)	Total	2016/17	2017/18	2018/19	2019/20	2020/21	Future years
Capital Funding							
(SIF)			£2,000	£18,050	£7,800		
(Project income)							
(Other public sector)				£6,150	£2,000		
(Other private sector)				£3,000	£2,000		
(Other forms of funding)							
Total capital funding			£2,000	£27,200	£11,800		
Revenue Funding							
(SIF)							
(Project income)							
(Other public sector)							
(Other private sector)							
(Other forms of funding)							
Total revenue funding							
Total funding			£2,000	£27,200	£11,800		

SIF funding will be spent by March 2019, in accordance with the SIF funding requirements. St. Helens Council will fund the remaining contract until completion of the contract.



- 40.** Please explain why public funding and, in particular, SIF support is necessary, for example, due to a funding gap. Why is this the minimum level? What other funding sources have been explored (such as Chrysalis)? (approx. 250 words)

St. Helens Council does not have the financial resources alone to provide the Parkside Link Road or acquire the necessary land. The benefits of improved connectivity provided by the link road at Parkside will contribute to the deliverability of the site and will enhance the development of the first phase of the SRFI with delivering a number of significant benefits. This includes over £125m new economic activity and over 2,100 additional jobs. It will support the LCR Growth Plan, SuperPort and the Atlantic Gateway⁷. Long term growth prospects of the site are also enhanced by the fact that there are no other sites in the catchment area having the potential to receive trains from all directions.

In addition, Parkside Regeneration, a joint venture between St. Helens Council and developer Langtree, are developing a masterplan for the site that could increase the potential floorspace for use creating in total approximately 7,700 gross jobs based on HCA Employment Density Guide 2015 values.

Alternative/other funding streams were considered (Motorways of the Sea (Atlantis)) but this was oversubscribed and was not a secure funding stream. HE Housing Growth fund was considered but planning permission is required plus it is largely for housing redevelopment for which the Parkside Link Road does not fit into the categories for which grant is available.

For development and housing projects, please provide a development appraisal, summary assumptions/evidence.

- 41.** How will you ensure there is a return or repayment to the SIF and over what timeframe? Will the project result in public sector savings or additional income? Will any of the SIF funding be in the form of a loan? If so, how much, when and why are commercial loans not available/appropriate (please provide separate details of the principal and interest repayment profile). If the project is not expected to provide a return or repayment to the SIF, please explain why. (approx. 300 words).

This is an application for Capital Grant funding to finance the delivery of the Parkside Link Road. The project is not expected to generate an income which could be used to repay the SIF funding. Funding has been requested to assist with the delivery of the Link Road and to purchase the land required to deliver the Link Road and facilitate the SRFI site.

⁷ <http://www.thisisparkside.co.uk/>

The project aims to enable local development but will not directly generate revenue. As previously discussed, the significant cost of this investment is considered too restrictive to make this an attractive venture to the private sector.

42. Using the table below, set out the net public sector funding requirement, after taking account of loan repayments and/or other public sector revenues and receipts from the project, in current (nominal) prices.

Net Funding Position (£000s)	Total	2016/17	2017/18	2018/19	2019/20	2020/21	Future years
Gross public sector funding requirement							
SIF			£2,000	£18,050	£7,800		
Other public sector St. Helens Council				£6,150	£2,000		
Public sector loan repayments and/or other public sector revenues / receipts							
SIF							
Other public sector							
Net public sector funding requirement							
SIF			£2,000	£18,850	£7,800		
Other public sector St. Helens Council				£6,150	£2,000		

43. How will the project, and provision of SIF support, ensure that private sector investment is maximised? (approx. 200 words)

The proposed project is vital to enable full development of the Parkside site as a Strategic Rail Freight Interchange (SRFI). The full development of the Parkside site could create over 2,100 additional jobs and almost 400,000 square metres of floorspace. This could generate over £125m of GVA per annum.

Without the construction of the Parkside Link Road, the above jobs and GVA could not be fully realised with only a small Phase 1 development (100,000 sqm) on the west of Parkside served from the A49 being achievable. Without the Link Road, the further development of Parkside Regeneration (Phase 2) could not be made due to limited existing road capacity and the land to the east of the M6 could not be developed for a SRFI or logistics use at all; thus reducing the support to the LCR Growth Plan, SuperPort and the Atlantic Gateway.



St Helens Council will seek a contribution towards the cost of delivering the Parkside Link Road from the private sector as the Link Road project will assist with facilitating the delivery of Phase 1 of Parkside Regeneration. St. Helens Council will seek to identify the opportunity for future contributions from private investors interested in developing the Parkside Regeneration (Phase 2) and the SRFI site.

44. Please explain what arrangements have been made to secure the required level of matched funding (if applicable). In addition, please provide the name of the organisation providing the match, together with evidence such as a letter or resolution confirming availability of funding. (approx. 200 words)

A Section 151 letter attached in Section 11 – Supporting information shows St. Helens Council’s commitment to contribute to the project. St. Helens Council owns the Parkside Regeneration site with its Joint Venture partnership and is in the process of securing land to the east of the M6 required for the SRFI development.

45. Please demonstrate that there is sufficient capability to meet the financial requirements and liabilities that flow from receipt of SIF support (e.g. to fund cash flow ahead of grant and to meet any cost overruns). (approx. 200 words)

St. Helens Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness in discharging this overall responsibility. The Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions which includes arrangements for the management of risk

The Council approved and adopted a Code of Corporate Governance in September 2008 based on the principles in the CIPFA/SOLACE Framework and in line with the revised framework, “Delivering Good Governance in Local Government”. St. Helens Council complies with the Code and meets the requirements of regulation 4(3) of the Accounts and Audit Regulations 2015.

St. Helens Council therefore has a strong financial capability and has sufficient cashflow and reserves to cover costs ahead of grant and cost overruns. Its Statement of Accounts is published in the public domain, and St Helens Councils Statement of Accounts 2015-16 provided in Section 12 - Supporting Information.



**46. Please confirm that there is provision for dealing with the financing of any cost overruns?
(approx. 100 words)**

St. Helens Council has a strong financial capability and has sufficient cashflow and reserves to cover costs ahead of grant and cost overruns. Its Statement of Accounts is published in the public domain. In addition, if anticipated costs are significantly exceeded St. Helens Council could seek additional financial contributions towards the cost of the road from any future developer, if required.



Part 5 – Management Case

Please revisit and extend the Management Case set out within the SOC, answering the following questions:

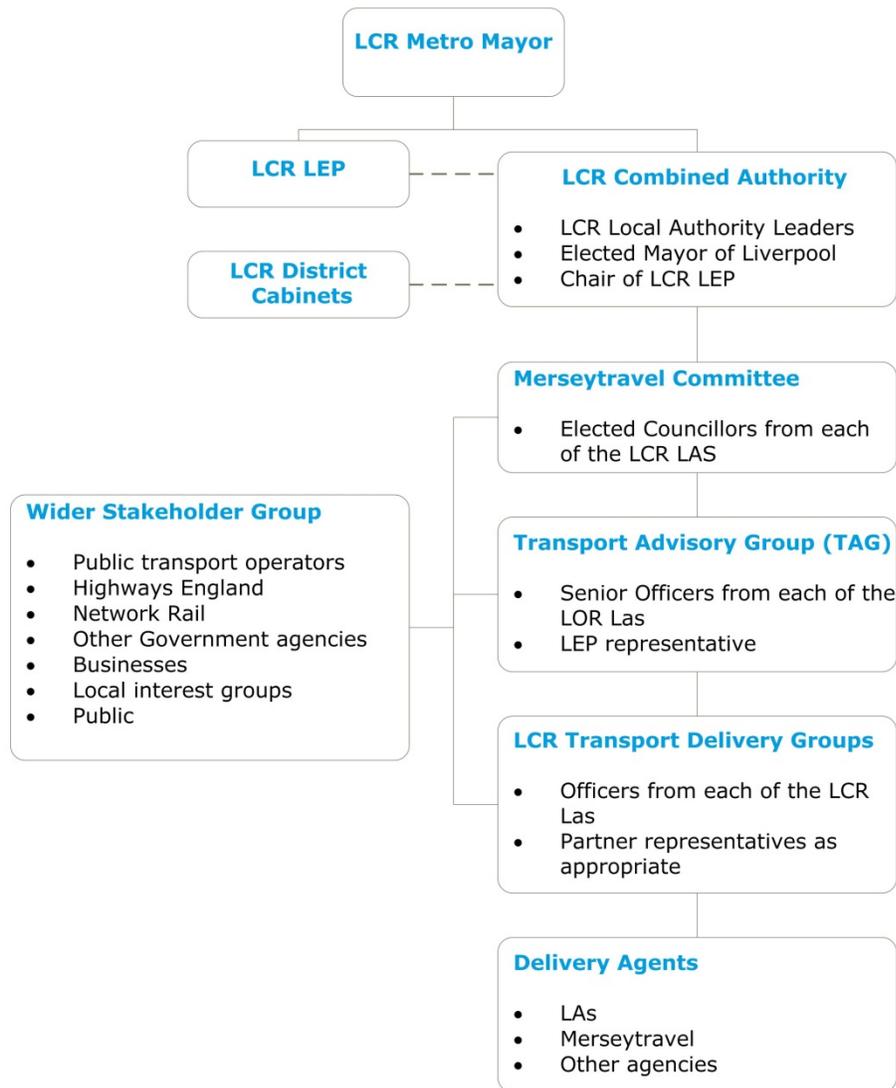
Management arrangements

47. Please summarise the project governance and management arrangements, including the organisation and management structure for the project and key roles and responsibilities. (approx. 300 words)

In order to deliver the project, it is proposed St. Helens Council will form a Project Board. The Project Board will be accountable to St. Helens Cabinet Members and the LCR Strategic Transport Governance. The LCR Strategic Transport Governance Structure is identified below, together with the roles and responsibilities.



LCR Transport Governance Structure



LCR Strategic Transport Governance

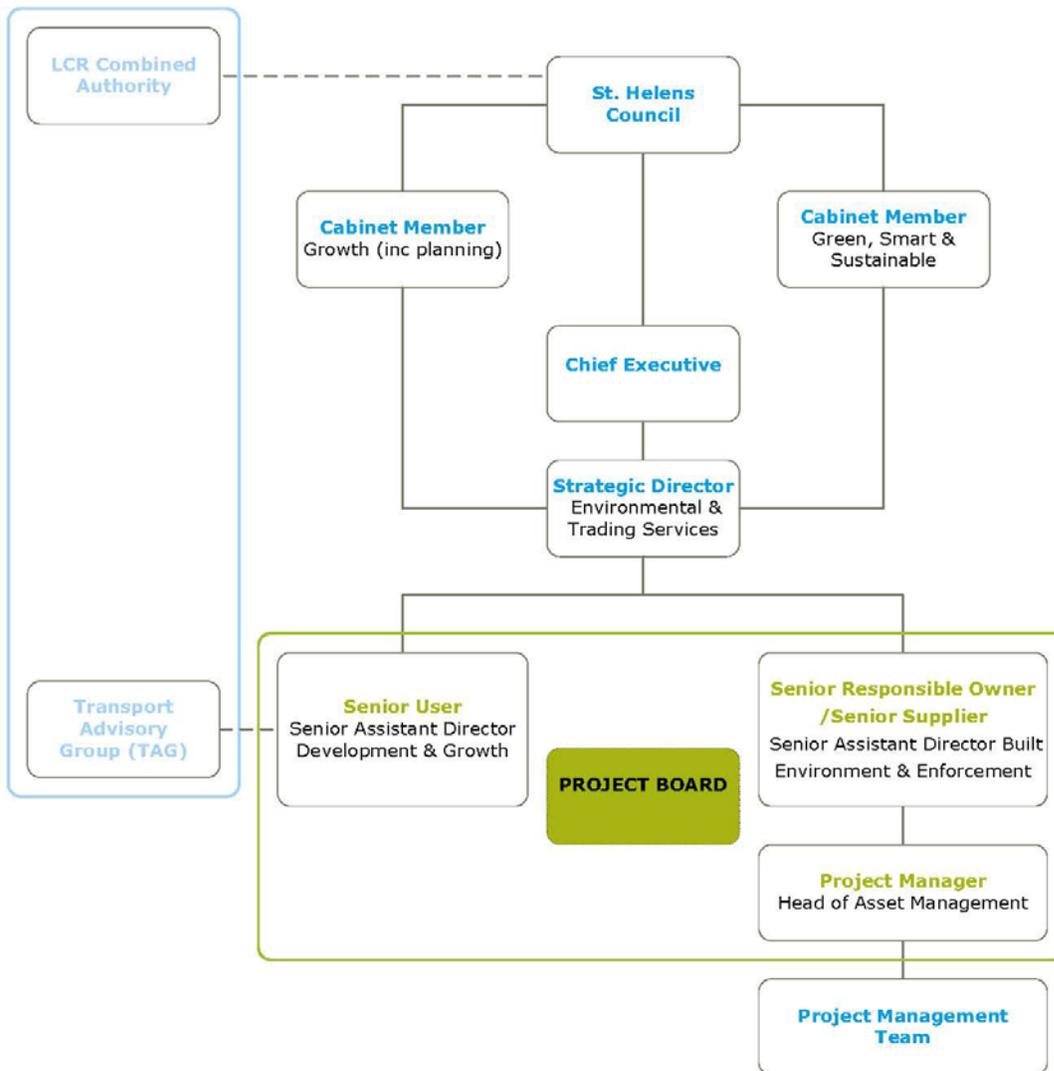
Title	Role	Responsibilities
Metro Mayor & Liverpool City Region Combined Authority (LCR CA)	Combined Authority for Halton, Knowsley, Liverpool, St. Helens, Sefton and Wirral.	Strategic decision making for economic development, transport, strategic housing and employment and skills functions for the LCR.
Merseytravel Committee	CA Committee leading on transport for the LCR. Six meetings held per year. Membership formed of elected Councillors	Provides democratic leadership on strategic transport issues and advise the CA.
Transport Advisory Group (TAG)	Transport Advisory Group meets monthly, supporting the transport agenda at a senior office level. Members include the LEP.	Provides technical advice and recommendations to the Merseytravel Committee.
Wider Stakeholder Group	The wider stakeholder group is a virtual group of key LCR transport stakeholders that LCR Officers and Councillors engage as appropriate.	Provides feedback to Merseytravel Committee, TAG and LCR Delivery Groups on transport policy and projects as appropriate.



LCR Delivery Groups	Various delivery groups are formed of representatives from Merseytravel and each LCR LA as well as partner organisations as appropriate.	Oversee the delivery of transport schemes and provide advice to delivery agents
Delivery agents	LCR LAs and other Delivery Partners delivering transport schemes across the LCR.	Responsible for the delivery of any agreed transport schemes.

The Project Board will also be accountable to St Helens Cabinet Members, as identified in the St Helens Council Governance Structure below. Cabinet Members are responsible for policies, plans and strategies and will be updated on progress in the delivery of the project by the Project Board.

St. Helens Council Governance Structure





Project Board Members Role and Responsibilities

Role	Who	Responsibilities	Accountabilities
Senior Responsible Owner	Senior Assistant Director (Built Environment & Enforcement) Stephen Littler	<ul style="list-style-type: none"> ▪ Project direction ▪ Monitor and control Project Plan ▪ Monitor financial expenditure ▪ Monitor and Review Project Controls ▪ Report to Chief Executive Officer ▪ Organise / Chair Project Board 	<ul style="list-style-type: none"> ▪ Delivery of formal reports to seek appropriate Council approvals ▪ Direct and control delivery of scheme within approved delegation
Senior Supplier	As above	<ul style="list-style-type: none"> ▪ Agree objectives for supplier activities ▪ Ensure resources available ▪ Contribute supplier opinions ▪ Brief non-technical management on supplier aspects ▪ Manage the procurement of the scheme 	<ul style="list-style-type: none"> ▪ Manage resources to deliver project ▪ Financial accountability
Senior User	Senior Assistant Director (Development & Growth) Mark Dickens	<ul style="list-style-type: none"> ▪ Report back CA ▪ Represent end users ▪ Represent those interested in the project 	<ul style="list-style-type: none"> ▪ Ensure end users views fully represented ▪ Report to CA
Project Manager	Head of Asset Management John Sherward	<ul style="list-style-type: none"> ▪ Manage delivery of the project ▪ Prepare and monitor Project Plans ▪ Give direction for work packages ▪ Manage project delivery through project delivery team and co-ordination of meeting ▪ Manage allocated funding ▪ Prepare and report to project board 	<ul style="list-style-type: none"> ▪ Report to Project Board ▪ Planning and development of work programme ▪ Completion of work packages to meet project timescales ▪ Directing and co-ordination of Project Team resources ▪ Financial accountability

An appointed consultant will form a specialist Project Management Team to deliver the project and support the Project Board. The composition of the Project Management Team is discussed in Q48 below.

48. If use has been, or will be, made of external support in the development or delivery of the project, please provide details of the advisers and their role. (approx. 100 words)

To date, Balfour Beatty Construction and Ramboll UK Consulting Engineers have been advising St. Helens Council on the Options that have been considered plus construction, environmental

and delivery issues. For the future, St. Helens Council will be supported by a consultancy appointed through the SCAPE Framework. This provides additional resources and specialised skills to deliver the project for St. Helens Council. The consultant will be responsible in progressing the design of the Parkside Link Road, undertaking public consultation, liaising with statutory bodies as required and producing the supporting documentation such as the Environmental Statement for the Planning Application.

The SCAPE Framework is delivered locally through an extensive local supply chain. The Framework has a collaborative and innovative ethos, forming partnerships to achieve efficiency and the successful delivery of projects. St. Helens Council will form a crucial element to team in delivering this project; an organogram is included in the Section 13 – Supporting Information.

Milestones

49. Please outline the indicative timescales for the key project milestones:

Milestone activity	Timescales
Funding Approvals	April 2018
Start date – date from which eligible expenditure will be incurred	April 2018
Appointment of preferred developer / contractor	May 2018
Planning and other statutory approvals	February 2018
Work commences	October 2017 - Enabling Works May 2018 - Main Works
Work complete	December 2019
Final financial claim date	March 2019 (SIF Claim)
Proposed project completion date – date by which outputs/outcomes will be achieved	February 2020
Proposed activity end date – date by which all project activities described in the application will be completed	February 2020

50. Please provide a Gantt Chart setting out details of the project plan.

Refer to Section 4 – Supporting information.



Risk Management

51. For each of the key risks identified in the risk register, provide details of the risk mitigation and management measures. Attach a full risk register (approx. 300 words)

Our top three risks for our preferred option are identified as follows:

Risk Category	Risk Mitigation / Management	Action Owner
Risk name - Land	Identification of land owners, consultation and negotiation to secure land access for environmental surveys et, and land purchase required to deliver the project. Regular dialogue by St. Helens Council will ensure the required land is purchased.	St. Helens Council
Risk name – Political Uncertainty	Regular review of emerging political situation. Potential influences include new Liverpool City Region Mayor and results from the General Election and local elections. Will seek to ensure the project meets appropriate policy and legislation.	St. Helens Council
Risk name - Stakeholders	There are a number of stakeholders involved including two Local Planning Authorities (St. Helens Council and Warrington Borough Council), Highways England, Environmental Agency, Land owners, Joint Venture and Historic England. Consultation will be undertaken with all stakeholders as required to ensure deliver of the project.	St. Helens Council/Project Team

A Project Risk Register and Construction Risk Register have been prepared by Balfour Beatty Construction Ltd and can be provided on request.

Supporting Information

In addition to completing the above, please also provide the following, where relevant:

- Location Plan - attached
- Planning consent certificate – n/a
- State aid opinion – Refer to Question 30
- Evidence of matched funding - Not currently available
- Land/building valuation – not currently available
- Cost Plan/Estimates - attached



- Design information (photo of existing building, plans of proposals, elevations, images) – not currently available
- Development appraisals – not currently available
- Market demand report – not currently available
- Business Plan (if appropriate) – n/a
- Gantt Chart – Programme attached
- Organisation chart - attached
- Job descriptions – n/a
- Procurement policies – attached
- Service level agreements – n/a
- Risk registers – not currently available
- Financial information about the applicant – see attached, plus <https://www.sthelens.gov.uk/council/council-finance-performance/annual-accounts/>
- St. Helens Council Section 151 Letter - attached
- St. Helens Council Comprehensive Equality Policy 2014–18 – attached

Please also provide any additional information that you consider is relevant to your application.

- Value of Money – attached
- Parkside Traffic Modelling Report – attached
- AECOM Parkside Logistic & RFI Study 2016 Report – attached

Data Protection Act 1998 and Freedom of Information Act 2000

The Combined Authority is a public body and may have to disclose contents of this application on request.

The Combined Authority is the data controller for the purpose of the Data Protection Act 1998. By proceeding to complete and submit this form, you consent that we may process the personal data (including sensitive personal data) that we collect from you, and use the information you provide to us, in accordance with our Privacy Policy.



Declaration

To be completed by the Business Case Applicant:

I hereby confirm that the information provided in this form is complete and, to the best of my knowledge, accurate.

I acknowledge that the Liverpool City Region Combined Authority may seek to verify the information set out herein and agree to provide further information where it is available.

I acknowledge that any funding agreement reached with the Combined Authority is provisional until approved by the LCR Combined Authority and confirmed in writing.

Signed:

Date: 26 May 2017

Name: Mark Osborne

Position: Principal Transport Policy Officer

Organisation/Company: St. Helens Council



Certificate of Approval

To be completed by LCR CA staff:

I have read and understood the information provided by the applicant in this **Initial Proposal** and confirm that the application has been appraised in accordance with the Liverpool City Region Combined Authority Assurance Framework.

<p>Appraisal Team</p> <p>Decision: Approve/Reject</p> <p>Signed:.....</p> <p>Date:.....</p> <p>Name:.....</p> <p>Position:.....</p>	<p>Investment Panel</p> <p>Decision: Approve/Reject</p> <p>Signed:.....</p> <p>Date:.....</p> <p>Name:.....</p> <p>Position:.....</p>
<p>Investment Committee</p> <p>Decision: Approve/Reject</p> <p>Signed:.....</p> <p>Date:.....</p> <p>Name:.....</p> <p>Position:.....</p>	<p>CA / Mayor</p> <p>Decision: Approve/Reject</p> <p>Signed:.....</p> <p>Date:.....</p> <p>Name:.....</p> <p>Position:.....</p>

Appendix A: State Aid

1. For all applicants using General Block Exemption Regulation "GBER" 651//2014 OJ L 187/1 of 26 June 2014 exemptions (eg. regional investment, training, research and development) they must confirm that the project against which funding is sought has not yet started as at the time of application.
2. For all applicants not qualifying as an SME within the meaning of Annex I GBER, they should confirm "incentive effect" within the meaning of Article 6.3 GBER in showing evidence of either:
 - a. in the case of regional investment aid, that but for the aid the project would not be carried out in the area concerned or would not have been sufficiently profitable for the beneficiary in the area concerned; or
 - b. in all other cases that the aid would result in a material increase in the scope of the project/activity, the total amount spent by the beneficiary on the project/activity, or the speed of completion of the project;/activity; or
 - c. confirm by nature of the exemption relied on that the incentive effect requirements of Article 6.3 GBER are not required.
3. For applicants seeking to rely on regional investment aid (Articles 13 and 14 GBER) in particular please confirm:
 - a. All applicants regardless of size:
 - i. project is in an assisted area under the UK Regional aid Map 2014-20 see <http://www.ukassistedareamap.com/ieindex.html>;
 - ii. applicant has not closed down the same or a similar activity in the European Economic Area in the two years preceding this application or does not have concrete plans to close down such an activity within a period of up to two years after the initial investment for which aid is requested is completed in the area concerned (Article 13(d) GBER and Article 2(50) GBER for definition of "same or similar activity");
 - iii. project will not involve activities in the steel sector, the coal sector, the shipbuilding sector, the synthetic fibres sector, the transport sector as well as the related infrastructure, energy generation, distribution and infrastructure (Article 13(a) GBER and Articles 2(43), 2(44), 2(45) and 2(130) GBER for sector definitions);
 - iv. project will not involve activities in the fisheries and aquaculture sectors (Article 1.3(a) GBER);
 - v. Project will not involve activities in the primary agricultural production sector (Article 1.3(b) GBER and Article 2(9) and 2(11) GBER for definitions) and
 - vi. Where cost of lease of plant or machinery is claimed, the lease must take the form of financial leasing and must contain an obligation for the

beneficiary of the aid to purchase the asset upon expiry of the term of the lease (Article 14. 6(b) GBER).

- b. if applicant is a large enterprise⁸ or member of a large group then please confirm further to a above:
 - i. That the project involves an initial investment in favour of new economic activity (Article 14.3 GBER and Articles 2(50) and 2(51) GBER for definitions);
 - ii. The assets acquired are new (Article 14.6 GBER);
 - iii. for land and buildings, any eligible lease will continue for at least five years after the expected date of completion of the investment project (Article 14.6(a) GBER); and
 - iv. the investment will be maintained in the recipient area for at least five years after completion of the investment (Article 14.5 GBER)⁹
- c. If applicant is an SME or member of an SME group then (instead of b) please confirm further to a above:
 - i. for land and buildings, any eligible lease will continue for at least three years after the expected date of completion of the investment project (Article 14.6(a) GBER);
 - ii. the investment will be maintained in the recipient area for at least three years after completion of the investment (Article 14.5 GBER); and
 - iii. If the asset is acquired second hand there must be a suitable valuation for it from an independent professional valuer.

Note: Further guidance on State aid can be obtained from the text of GBER or the GBER Practical Guide http://ec.europa.eu/competition/state_aid/legislation/practical_guide_gber_en.pdf

For avoidance of doubt, in the event that the European Commission or a national Court would determine that SIF support for the project is not compliant with State aid rules, the repayment of any SIF funds received by the applicant will be required in full together with interest in accordance with the European Commission's recovery rates from time to time¹⁰.

⁸ GBER Annex I Article 1-2 for stand alone companies and Article 3 for groups

⁹ This is to ensure durability of operations by maintaining investment in the area.

¹⁰ <https://rubix.dwf.co.uk/Interact/Pages/Section/Default.aspx?homepage=1§ion=-1#>