

## **D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)**

**25<sup>th</sup> July 2016**

### **Southern Growth Corridor**

#### **1.0 Background**

In February 2015 DCLG awarded D2N2 Grant Funding to deliver the approved schemes on the Local Growth Fund (LGF).

The LGF comprises of 31 schemes and runs until March 2021.

In March 2015 D2N2 and Derbyshire County Council issued the LGF Local Assurance Framework which sets out the procedures for managing and approving projects.

In April 2015 D2N2 appointed Derbyshire County Council as the Accountable body to administer the Local Assurance Framework.

#### **2.0 Scheme Overview**

The Southern Growth Corridor is a £9.62m high capacity, high frequency east-west green bus corridor designed to serve existing employment sites and to cater for the travel demand predicted from new housing, employment and leisure developments along the corridor. The scheme will enable a new fleet of electric buses to serve parts of a 10km corridor with new and enhanced bus priority measures.

The overall cost of the project is £9.62m, this is funded by:

- D2N2 LGF £6.12m
- City Council/Green bus fund £3.5m

A phased approach to the completion of the corridor is proposed. The scheme proposals are as follows:

Phase 1	Daleside Road Bus Lanes  Electric Bus Compound (Queens Drive P&R)	<ul style="list-style-type: none"> <li>• 5km bus lanes (with ULEV priority).</li> <li>• New park and ride bus stops, solar powered shelters, new real time information</li> <li>• new and improved pedestrian crossing points</li> <li>• Constructed with the Eastern Cycle Corridor</li> <li>• Creation of new compound for charging the new electric buses (contribution to costs). <i>Under Construction</i></li> </ul>
Phase 2	County section and AVL TLP	<ul style="list-style-type: none"> <li>• 0.1km bus lane.</li> <li>• Parking controls (yellow lines)</li> <li>• Bus stop upgrades with new shelters and real time information.</li> <li>• 15 no. bus priority at signals installations</li> </ul>
Phase 3	Queens Drive Bus Lane  Thane Road Bus Lane  Bus link through the 'Island Site'	<ul style="list-style-type: none"> <li>• 0.5km bus lane on approach to A52 roundabout</li> <li>• Potential for bus lane to be used as alternative bus charging location if Queens Drive P&amp;R is experiencing a flood event.</li> <li>• 0.5km bus lane on approach to A52 roundabout</li> <li>• New bus stops with real time information</li> <li>• Provides a new routing option to reduce journey time and improve connectivity.</li> </ul>

### 3.0 Approvals

Approvals were given by Nottingham City Council a their Executive Board on the 28<sup>th</sup> June 2016.

### 4.0 Procurement

The procurement of electric buses was the subject of an OJEU tender process in 2014/15 led by Nottingham City Council. The contract was awarded to BYD buses and are currently being built in China and are due to arrive in the UK in Summer 2016. For the design of the bus priority elements a mixture of in-house and specialist external support has been deployed. The construction elements of the highways works will be delivered by the City Council's Highways, Energy and Infrastructure team. Procurement of other goods and services used in the delivery of this project will be undertaken directly by the City Council, managed through the Council's Central Procurement team.

### 5.0 State Aid

The promoter has sought external advice from DLA Piper who has confirmed that the project is State Aid Compliant.

### 6.0 Business Case

The business case has been forwarded to Regeneris and at the time of writing this report the Value for Money (VFM) report had not been completed. Any approval given will be on the basis that the project reports good VFM.

### **7.0 Delivery Programme**

- Phase 1 -Electric Bus Compound –completion August 2016
- Phase 1 -Daleside Road Bus priority lanes-completion December 2017
- Phase 2 -completion programmed for December 2017
- Phase 3 -completion programmed for March 2018

### **8.0 Outputs and Outcomes**

The scheme outputs are as follows:

- provide 13 operational single decker electric buses to operate on Citylink services 1 and 2 and charging compound.
- Provide a 5.5km of priority bus lane
- Reduce bus journey times along the corridor by 5%
- Increase bus patronage along the corridor by 2-3%
- improve accessibility to existing and proposed employment sites
- Reduce emissions along the corridor by replacing diesel buses with zero emission electric buses (200 tonnes of CO<sub>2</sub>, 5 tonnes NO<sub>x</sub>, 27kg PM<10g/KM-1)

### **9.0 Spending profile**

2016/17 £2m  
2017/18 £4.12m

### **10.0 Local Assurance Framework**

Stage 1 approval was granted on the 12<sup>th</sup> January 2016 and a full Business Case was submitted in line with Stage 2 of the approval process. The Accountable Body and D2N2 have assessed the Business Case submission and approval is recommended.

The IIB are asked to approve the project and release this year's funding on the condition that the Regeneris report confirms this project represents good value for money.

## Local Assurance Framework

### Stage 2 Approval Check List:

1. A Value for Money assessment carried out in accordance with the Local Assurance Framework and concluding that the project overall provides at least a good value for money score	At the time of writing this report the VFM report was not available from Regeneris, therefore approval will be recommended based on the report showing the project represents good value for money.						
2. Evidence supporting the need for the project and the how the outputs in the Business Case will be delivered/guaranteed. This will also include evidence identifying when the outputs will be delivered.	<p>Three main strands have been identified:</p> <ul style="list-style-type: none"> <li>-Connectivity to existing and proposed employment sites.</li> <li>-Air quality</li> <li>-Traffic congestion and impacts in bus operations</li> </ul> <p>The scheme outputs are as follows:</p> <ul style="list-style-type: none"> <li>-provide 13 operational single decker electric buses to operate on CityLink services 1 and 2 and a charging compound.</li> <li>-provide 5.8km of bus lane.</li> <li>-reduce bus journey times along the corridor by 5%</li> <li>-increase bus patronage along the corridor by 2-3%</li> <li>-improve accessibility to existing and proposed employment sites.</li> <li>-reduce emissions along the corridor by replacing diesel buses with zero emission electric buses (200 tonnes of CO<sub>2</sub>, 5 tonnes NO<sub>x</sub>, 27kg PM<sub>10</sub>/km<sup>-1</sup>)</li> </ul>						
3. A statement confirming that the funds are in place and that adequate safeguards have been taken in regards to any cost over-runs. Examples of this could be confirmation that contingency has been secured for the project and/or that all risk have been passed to the contractor/developer.	<p>The City Council have confirmed that the funding for the project is as follows:</p> <table> <tr> <td>LGF</td><td>£6,120,000</td></tr> <tr> <td>City Council/Green Bus Fund</td><td>£3,500,000</td></tr> <tr> <td>Total</td><td>£9,620,000</td></tr> </table> <p>The price includes an allowance of 15% contingencies on the construction element of the project and is based on projected outturn costs.</p>	LGF	£6,120,000	City Council/Green Bus Fund	£3,500,000	Total	£9,620,000
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Total	£9,620,000						

4. A statement confirming that the project is State Aid compliant.	The promoter has sought external advice from DLA Piper who has confirmed that the project is State Aid Compliant.
5. Full design and specification to RIBA Stage 4 (if applicable)	Detailed design has progressed and the first (most substantial) section alongside Daleside Road is programmed to commence construction in late 2016.
6. A detailed Business case submitted by the Section 151 officer, Finance Director or Chief Executive Officer.	The business case has been submitted by the Section 151 officer
7. Confirmation that all Planning consents and other consents in relation to the delivery of the project have been granted. The promoter is also required to confirm that all pre-commencement conditions have been met along with details regarding how and when the remaining planning conditions will be discharged.	For phase 1, the Daleside Road scheme, all land required is in Nottingham City Council control, permitted development approval is in place, City Council approvals have been sought and public consultation has been undertaken.
8. A statement from the promoter confirming how the project aligns with the LEP'S sustainability and local procurement framework (if applicable)	The promoter has confirmed by utilising in-house teams and local employment for the delivery of this project together with locally sourced materials, including recycled and sustainable materials whenever possible, ensures that this project is aligned with the LEP's sustainability and local procurement aspirations and framework.
9. Confirmation that all funding is approved and in place to deliver the project along with written confirmation from the other funders confirming the funds are agreed and available.	The section 151 officer has confirmed all funding is in place.
10. Confirmation that a delivery contract is in place (JCT or equivalent) and confirmation of how cost/programme	Phase 1, the Daleside road scheme will be constructed by Nottingham City Councils Highway, Energy and Infrastructure team.

overruns to be managed. The LEP will require promoters to either confirm that any cost over-runs are the risk of the developer or additional funds have been set aside.	They will be working on site in October/November.
11. All land assets purchased and vacant possession obtained (if applicable)	For phase 1 all land is the ownership of Nottingham City Council.
12. Value for Money report carried out by a suitably qualified and experienced professional with at least a 'Good' score. The LEP and the Accountable body will seek confirmation on the conclusions of the report from external consultants.	At the time of writing this report the VFM report was not available from Regeneris, therefore approval will be recommended based on the report showing the project represents good value for money.
13. How the risks will be managed?	Risks are tracked as part of the project team meetings and in line with PRINCE2 methodology. Risks are scored based on probability and severity and a responsible owner is identified along with mitigation. A copy of the risk register has been provided.