

**THE LEICESTER NORTH WEST MAJOR TRANSPORT PROJECT PHASE 2,
Stage 1
Report of Project Manager - 16th May 2018**

1. Purpose

- 1.1 The purpose of this paper is to seek Full Approval (including detailed Business Case approval) for the Leicester North West Major Transport Project Phase 2 (stage 1) in accordance with the Leicester and Leicestershire Transport Board (LLTB) Assurance Framework.

2. Background

- 2.1 The Leicester North West Major Transport Project comprises the A50 Groby Road transport corridor improvements and A6 Abbey Lane/Loughborough Road transport corridor improvements schemes. These schemes were prioritised for funding by the Leicester and Leicestershire Transport Board at its meeting on 22nd July 2013. Phase 1 schemes on the A50 at County Hall roundabout, New Parks Way roundabout, Aikman Avenue and cycleways on the A50 are complete.
- 2.2 The Phase 2 scheme has been programmed into sub phases for deliverability reasons with stage 1 comprising improvements to the Blackbird Road/Anstey Lane/Ravensbridge Drive and Ravensbridge Drive/St Margaret's Way junctions. Plans of these proposals are attached at Appendix A and larger scale versions will be provided at the meeting. The Phase 2 (Stage 1) scheme is wholly within the city boundary and will be managed and delivered by the City Council. Phase 2 (stage 2) will comprise work to realign the Fiveways junction and will be subject to future approval.
- 2.3 The City Council is currently considering the coordination of traffic management arrangements for this scheme and other roadworks in the area and therefore construction of the Ravensbridge Drive/St Margaret's Way junction is programmed to take place over the 2018 summer period. Following completion of these works, the contractor will move onto the Blackbird Road/Anstey Lane/Ravensbridge Drive junction where work is expected to take place in phases later in the year/early 2019 subject to traffic management considerations.

3. Scheme Delivery

Detailed Business Case

- 3.1 The overall project has been programmed into phases for deliverability reasons. The business case for the Phase 2 (stage 1) of the project has been developed and assessed in accordance with the Leicester and Leicestershire Transport Body's Assurance Framework. The business case is included at Appendix B.
- 3.2 The Designated Officer to the LLTB (Andy Rose, LLEP Economic Strategy Manager – Place), in accordance with the Assurance Framework, commissioned AECOM consultants to provide an independent review of the Leicester North West Major Transport Project, Phase 2 (Stage 1) Business Case, with the objective of advising the LLTB whether the submitted document represents a proportionate business case which the LLTB can use to assess whether the scheme should proceed; and whether the value for money assessment produces results which are in line with overall objectives of the Leicester North West Major Transport Project.

3.3 The AECOM review provided some useful suggestions as to how the Business Case could be further developed and presented. It is noted that a simplified approach has been adopted, but nevertheless which follows DfT/WebTAG methodologies proportionate to the timescale, budget, objectives and deliverability of the scheme. The AECOM review confirms that the Business Case is proportionate and that the Value for Money assessment is in-line with the expectations of the Assurance Framework for the overall LNWMTTP programme. The progress of the scheme and the development and delivery of future phases will be monitored by the LLTB.

Procurement Strategy and Scheme Cost

3.4 The contractor for the scheme is being procured through the Midlands Highways Alliance, Medium Schemes Framework using the “Early Contractor Involvement” route. The main contractor has been selected and engaged and the Target Price (in accordance with the New Engineering Construction form of contract) is currently being finalised (verbal update at the meeting if available).

3.5 The estimated scheme cost is £4.33m, as identified in the business case. A project budget has been set at £5.0m to include a contingency suitable for a scheme of this size. The Transport Board is being asked to allocate £4.37m of Local Growth Fund money to Phase 2 to include fees, this has been ring fenced for the Leicester North West Transport Project for 2018/19, with the balance of the cost of the scheme (£0.63m) being funded by the City Council’s contribution.

4. Accountable Body Comments

4.1 The overall LNW programme is estimated to cost £19.1m (spread over 6 years from 2015/16 to 2020/21) and forms part of the Council’s capital programme. Of the £19.1m, £16.2m is being funded by the Government’s Local Growth Fund. The remaining £2.9m is match funding, split between Leicester City Council (£1.5m) and Leicestershire County Council (£1.4m).

Expenditure to date on the whole programme is £9.9m leaving £9.2m for the remainder of the programme. The project budget for Phase 2 (stage 1) as detailed above is £5.0m which includes construction, fees, traffic management and contingency. This leaves approximately £4.2m for any future phase of work. The City Council is contributing £0.6m towards the remainder of the project, including phase 2 stage 1.

The LGF Grant is allocated on a yearly basis from Government and the 2018/19 allocation has been determined with funding already given to the LLEP. There is a risk, albeit thought to be very small, that a future government could adjust subsequent years’ LGF allocations which would affect any future phase of work. Colin Sharpe, Head of Finance, tel: 0116 454 4081

5. Recommendation

5.1 The Transport Board is recommended to:-

- a) approve the Business case for the Leicester North West Transport Scheme Phase 2 (stage 1);
- b) grant full approval for Phase 2 (stage 1) of the Leicester North West Major Transport Scheme with funding as set out in this report.