

Public Inquiries into the A57-A28 Mottram-Tintwistle Bypass and Glossop Spur



Planning Inspectorate References:

Proof to support an objection to the Mottram-Tintwistle Bypass
and to the Glossop Spur, as separate and as joint schemes



Proof of Evidence on the Regional Funding Allocation Process



submitted by

Lillian Burns

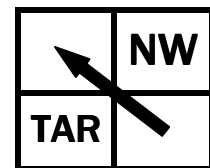


Convenor
North West Transport Activists Roundtable
Greater Manchester Centre for Voluntary Organisations
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On behalf of the A57-A628 Corridor Alliance:

- British Mountaineering Council
- Campaign to Protect Rural England (CPRE)
North West Regional Group
- Council for National Parks (CNP)
- Friends of the Earth (FOE) East Midlands
- Friends of the Peak District (FPD)
- North West Transport Activists Roundtable (NW
TAR)
- Manchester and High Peak Ramblers' Association



10th August 2007

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1.0 Introduction

- 1.1. My name is Lillian Burns. I am the Convenor of the North West Transport Activists Roundtable (NW TAR), an umbrella body representing groups and individuals who believe in sustainable transport and prudent land use. Regional transport roundtables were established in the late 1990's with pump-priming funding from the Countryside Agency and the blessing of regional government offices under the auspices of Transport 2000. I am the third Convenor and have held the post for the last few years.
- 1.2. I am also a Director of TravelWatch NorthWest (TWNW), the community interest company which has superseded the North West Public Transport Users Forum (NWPTUF) and I represent Voluntary Sector North West (VSNW) on the North West Regional Assembly's Regional Transport Group and on its Regional Planning Group. I have also worked very actively for the Campaign to Protect Rural England (CPRE) at local, sub-regional and regional level for 10 years. Although I am neither a professional transport person, nor a professional planner, I have received training in both. And I have worked alongside the region's professional transport and planning policy people for 10 years as a full-time volunteer, representing CPRE, T2000 and North West Environment Link, having the good fortune to be able to draw on the professional core staff of the organisations I represent and their well-publicised policy positions.
- 1.3. I was a key participant in the recent Examination in Public (EiP) into the draft North West Regional Spatial Strategy (NW RSS), appearing for many of the over-arching 'matters' and also on transport. At different times, I represented North West Environment Link, the North West Transport Roundtable and Town and Parish Councils. (I am also active at the local, sub-regional and regional level for Town and Parish Councils).
- 1.4. In recent times I lodged a formal objection on behalf of NW TAR to Tameside Borough Council planning application for the Glossop Spur.
- 1.5. For the purpose of the public inquiries into the Mottram-Tintwistle Bypass and the Glossop Spur roads, I am representing an alliance of national, regional and sub-regional environmental organisations which have called themselves the A57-A628 Corridor Alliance.
- 1.6. In this proof of evidence I will outline – from the point of view of an informed regional non-governmental organisation (NGO) representative - the puzzling, opaque and rushed Regional Funding Allocation (RFA) process which endorsed the proposed Bypass and Spur schemes and other transport interventions. I share with the RSS EIP Panel concern about the substantiveness of the RFA evidence base and its apparent over-emphasis on the perceived economic benefits of many schemes.
- 1.7. During this submission, I will make reference to:

- Planning Policy Statement 11 (PPS 11) on Regional Spatial Strategies
- Department for Transport guidance and other DfT material
- The emerging draft North West Regional Spatial Strategy (RSS)
- The Examination in Public Panel Report on the draft NW RSS
- The work of two sets of consultants on regional transport priorities and the Regional Funding Allocations conducted for the North West Regional Assembly and Government Office for the North West ¹

2.0 Summary

2.1 The first Regional Funding Allocation (RFA) process in as far as it related to transport was at best inadequate and at worst not fit for purpose because

- Although it was a new concept with no prescribed modus operandi involving the highly emotive subject of major transport schemes and requiring a very high level of joint working between local authorities, PTEs/As and the regional governmental agencies, (inc. the Highways Agency), a totally inadequate timescale was imposed from central government. Guidance was only published in July 2005 yet the regions were required to furnish their recommendations in January 2006.
- A specially-constituted body which was set up in the North West to co-ordinate the RFA task held closed meetings and was not representative of stakeholders. Membership did not follow the Regional Assembly formula of at least 60% local authorities and at most 40% social, environmental and economic partners and did not include any environmental or voluntary sector representation, not even a statutory environmental agency.
- The sustainable and balanced approach to prioritising transport interventions which had been flagged up in work carried out on behalf of the North West Regional Assembly as part of the Regional Spatial/ Transport Strategy process was not adopted. Instead weighting was given to schemes which were considered to be deliverable, affordable and value for money and which were perceived to have economic benefits, regardless of whether economic evidence was presented or not. How these judgements were made on the apparent dearth of evidence presented (certainly in some cases) is a complete mystery.
- Schemes regarded as 'committed', ie. those having some level of government support to proceed through the planning process, were not subjected to any appraisal methodology at all. They were taken as a 'given', regardless of social and environmental disbenefits
- The North West did not include 'optimism bias' in its calculations and nor did it make any provision for dealing with cost/budget overruns. A review of the process may result in some schemes being dropped.
- Many respondents to the Department for Transport's consultation on RFAs were critical of both generic and regionally specific shortcomings.
- The Examination in Public Panel which sat in judgement on the Draft North West Regional Spatial Strategy did not give unreserved endorsement to either the approach to or the outcomes from the RFA process and in fact called for moves away from increasing highway capacity, moves towards increased modal shift and far greater consideration of the region's sustainability framework and climate change.

3.0 Conduct of the transport prioritisation and Regional Funding Allocation processes

- 3.1 Regional Spatial Strategies (RSSs) incorporate within them Regional Transport Strategies (RTSs). RTSs are required by PPS 11 to identify “*priorities for transport investment*” (Annex B, para. 4 ‘*Main Aims of the Regional Transport Strategy*’, page 58). To this end, the North West Regional Assembly (NWRA) established a Transport Priorities Steering Group and awarded a seat on it to the North West Transport Activists Roundtable (NW TAR) which I took up. JMP Consulting were appointed in Spring 2005 to develop a methodology for determining regional priorities for transport investment and it was heartening as their work evolved to be reassured that equal weighting would be given to economic, social and environmental issues in accordance with national sustainability guidelines and that JMP Consulting would include in their deliberations two concepts which the NW TAR had tabled – networks of quiet lanes and greenways and also a North West Coastal Trail.
- 3.2 In July 2005 the government issued guidance on preparing advice for Regional Funding Allocations ², stating that this was required by the end of January 2006 (para. 1.4). Each region was given indicative spending allocations for transport, housing and economic development. It seemed logical to assume that the prioritisation process already underway would be applied to the RFA in as far as transport was concerned. However, the RFA recommendations that were subsequently launched by Government Office North West (GONW) in January 2006 were in fact the result of a far less transparent process.
- 3.3 It became apparent to me in autumn 2005 that a parallel process was underway, led by GONW, who had set up a different and less inclusive steering group they called the Regional Transport Forum. That body had appointed a separate set of consultants (Atkins) to lead the RFA process. Requests to serve on or attend as an observer meetings of the Regional Transport Forum were declined by the DfT, who were a party to them, and GONW. There was in fact no representation from either a statutory or an NGO environmental body nor any from the voluntary sector.
- 3.4 Following expressions of concern not only from NW TAR but also from other bodies about this less than open process, a wider grouping of interested parties (including NW TAR) were subsequently called together (and given the title of ‘Project Advisory Group’) on two occasions by GONW, but these meeting took place without those present being in possession of all of the facts and without awareness of the thinking of the ‘inner’ group.

¹ A methodology for determining Regional Transport Priorities in the North West, JMP Consulting, 2005 and Regional Funding Allocations for the North West - Transport Prioritisation, Atkins, 2005

² Regional Funding Allocations-Guidance on preparing advice, HM Treasury, DTI, DfT, ODPM. Jul.2005

- 3.5 GONW also held three open 'stakeholder' sessions at extremely short notice and succeeded in confusing many of those who came along who were not sent pre-briefing papers and who had great difficulty understanding what was going on.
- 3.6 The outcome of all of this confusion was two separate pieces of work. Using one methodology which took into account the region's sustainability framework, 'Action for Sustainability', JMP Consulting produced a list of recommended transport interventions for the next 20 years which were either already under investigation or proposed for investigation and which subsequently became Tables 10.2d and 10.2e in Draft NW RSS (pages 48 - 50, inc.) Meanwhile Atkins, working to a different set of criteria and only, as far as can be ascertained, peripherally and latterly taking into account the JMP methodology, produced a list of RFA recommendations covering the next 10 years that was launched by GONW in January 2006 and which subsequently became tables 10.2a, 10.2b and 10.2c in Draft RSS (pages 45 - 47 inc). At the same time they were launched, GONW asked for comments on them within two weeks. I responded on behalf of NW TAR to this request, but to no avail, and am not alone in remaining perplexed as to how the final outcomes were arrived at. And it is evident my experience was not unique from the submission to government on behalf of all the Regional Transport Roundtables (see Appendix C).

4.0 Methodology adopted for RFA recommendations

- 4.1 There was a wide variation between the regions in the way they produced their RFA recommendations. The North West (and the South East) opted to take all 'committed' schemes as a given (including Mottram-Tintwistle) even though they could have subjected them to their chosen prioritisation methodology (as did most other regions). Also, the NW decided not to include 'optimism bias' in their calculations, even though the Treasury's Green Book requires this 'add on'. (Optimism bias lifts the costs by given percentages for different types of schemes based on probabilities of cost overruns). Nor did they subject any rail schemes to the appraisal process - although they did footnote an indication of some favoured rail proposals.
- 4.2 It would also appear that the region took very literally the DfT requirement that regions must take into consideration three key factors – deliverability, value for money and affordability. According to information now in the public domain, the assessment used gave a total of 50% weighting to these factors, a decision which would have undoubtedly favour schemes that were well advanced in their development, regardless of their merits.
- 4.3 Of the remaining 50%, half was awarded to perceived economic benefits whilst social impacts and environmental considerations shared the remaining weighting. So, 25% of the total weighting related to projected economic attributes for which no proof was required and only 12.5% weighting each applied to social and environmental benefits/ disbenefits.

- 4.4 But, even knowing this much about the process - and the facts outlined above are not in dispute - does not explain how judgements were made on the various economic, social and environmental criteria when so little information was required from the promoting authorities and so little time was available during which to make judgements.
- 4.5 I offer as Appendix A to this proof a pro forma which was submitted to Atkins consultants by the Highways Agency for this exercise. It is for their scheme - the A556 (M6 to M56) 'Improvement'. No appraisal summary table was available and in response to the query '*Has an assessment been made of wider economic benefits?*' the Highways Agency respond "*not fully quantified*". In fact no economic impact appraisal has been conducted for that scheme and none is planned and yet, based on its perceived economic benefits, it was placed in the top quartile of the RFA recommendations. The puzzle remains, therefore, on what evidence basis were judgements made – and by whom? This query applies to all the transport interventions subjected to this RFA process. (NB The HA did add optimism bias to their submitted schemes but this was then removed because most local authority schemes were submitted to the process without it).
- 4.6 The NW TAR were so concerned by this rushed and inadequate process that they wrote to the Secretary of State for Transport (see Appendix B) and all the Regional Transport Roundtables also responded jointly (and some individually as well) to a DfT consultation on the Regional Funding Allocations (see Appendix C). An analysis of the responses received was published by the DfT in early June 2007 and it is apparent from that the Regional Roundtables were not alone in their concerns (see Appendix D).

5.0 The opinion of the RSS EiP Panel

5.1 Amongst those who have expressed disquiet about the outcomes of the North West's transport prioritisation and RFA processes have been the panel of leading planning inspectors who sat in judgement at the Examination in Public (EiP) into the Draft North West Regional Spatial Strategy. Although they were not in a position to recommend that the lists be withdrawn, having in the main been approved by the DfT, the Panel suggested a subtle change to how the lists were introduced. Rather than implying any sort of approval, they suggested a wording which merely announced they were the result of a process. Also, they raised deep concern about the number of road schemes included in the tables.

5.2 The RSS EiP Panel Report states:

"We consider that the RTS objectives should imply an increasing shift away from schemes that increase highway capacity, toward schemes that will secure increased use of the more sustainable modes of transport" (para. 7.84)

And also:

“...the priorities listed in Policy RT9 make no reference to securing a shift toward more sustainable modes of transport; or reducing the adverse environmental impacts of transport; or improving access; or easing congestion. We consider these to be important factors, which should guide future investment decisions” (para. 7.76)

5.3 The Panel accepted over-arching criticisms put to it that the RSS was: *“too closely modelled upon”* the Regional Economic Strategy (para. 2.29), was not sufficiently rooted in sustainability (para. 2.28) and failed to give adequate weight to environmental factors (paras. 4.17-4.20). It further upheld its position on an over-emphasis on economic factors in its comments on the transport prioritisation process. It said:

“7.82 We note that the criteria upon which the prioritisations were based were weighted in favour of economic (rather than social or environmental) factors. We were told that this had little effect on the outcome. Never-theless, we consider that it ran counter to the principles of sustainable development. We consider it to be highly questionable that an economic criterion, such as ‘will the scheme improve the perceived image of the locality?’ should have been given twice the weight of an environmental criterion, such as ‘will the scheme limit CO2 emissions and support efforts to combat global warming?’”

5.4 And it should be borne in mind that the Panel made some criticisms in their overview of the Draft RSS, describing it as being *“deficient in a number of respects”* (para. 2.3) and advised that *“the draft RSS is not satisfactory as it stands and will not be so even if it is altered according to our recommendations”* (para. 2.5). These are very strong comments. The Panel felt that RSS’s failure to give sufficient emphasis to climate change was *“a serious flaw”* (para. 3.43) and went on to recommend that climate change should be embedded throughout the entire document and that the whole RSS be reviewed as early as was practicable. That report is now with government. A modified version of it expected in the Autumn.

6.0 RFA budget overruns and changing priorities

6.1 Even while the government were still deliberating on the RFA Recommendations, the NWRA found it necessary to go back to them – in June 2006 – because of changes that had come to light in scheme costs and deliverability.

6.2 Since then there have been a number of scheme cost overruns, including the Glossop Spur as well as the Mottram-Tintwistle Bypass (see bullet no. three on page two and the Table in Appendix E to this proof of evidence – the quarterly RFA up-date report to the North West Regional Assembly’s Regional Transport Group).

- 6.3 As can be deduced from that report, the RFA methodology devised and agreed in the North West did not make provision for cost overruns, unlike some of the methodologies agreed in other regions. Consequently, a sub-group has now been set up to consider how best to deal with this situation.
- 6.4 This sub-group of the Regional Transport Advisory Group is considering a number of possibilities and will report back to the Regional Transport Group after the Mottram-Tintwistle and Glossop Spur public inquiries close. However, what is particularly pertinent is the comment at the end of that report from the NWRA sustainability team flagging up the following:

“Tackling Climate Change has become a more focussed priority for the region following the launch of the North West Climate Change Action Plan and its recognition by the North West Regional European Partnership as a key EU priority area. This occurred subsequent to the region submitting its RFA advice to the Government in 2006”.

7.0 Conclusions

- 7.1 Although the Mottram-Tintwistle Bypass and the Glossop Spur were both endorsed by the RFA process in the North West, this process was conducted in great haste, in secrecy, had peripheral input from the environmental and voluntary sectors, gave undue weight to perceived economic benefits without requiring an evidence base and resulted in outcomes which are questionable and which have been questioned by the NW RSS EiP Panel.
- 7.2 The North West Regional Assembly are currently in the processing of reviewing their advice to government in the light of significant overruns of projected costs on the schemes recommended. These include the Mottram-Tintwistle Bypass and the Glossop Spur roads. It is not impossible that some schemes may drop out of the top quartile of recommendations as a result of this process.
- 7.3 The region’s priorities have altered since the RFA recommendations were originally made to government, on the admission of the Regional Assembly. Climate Change and sustainability have come much higher up the regional agenda with the regional agencies championing a number of initiatives, holding seminars and committing to more sustainable practices.
- 7.4 Also, following the EiP Panel’s acknowledgement that Draft NW RSS was too economically weighted and its unequivocal recommendations that climate change and sustainability must be embedded throughout the RSS, it is generally anticipated that the modified version will be significantly better balanced and will give higher weighting to environmental and social factors.
- 7.5 This proof has demonstrated that it would be inappropriate for the public inquiries into the Mottram-Tintwistle Bypass and the Glossop Spur to place much emphasis on the fact that the scheme appears in the North West Regional Funding Allocations list.

APPENDIX A

MAJOR SCHEME INFORMATION

Please complete the questions below as fully as possible. If information is not yet available please state. If you are not able to complete this form electronically, please use a black pen and block capitals.

If an **Appraisal Summary Table** (AST) is available for this scheme, please attach the AST to this sheet.

Scheme Name	A556 (M6 to M56) Improvement
Promoting Authority	Highways Agency
Location of Scheme	Between Knutsford and Bowden Cheshire bypassing Mere and Bucklow Hill
Scheme Description	Environmental bypass (dual carriageway) of Mere and Bucklow Hill, with a free flow link to M56 J7
Local & Regional Policy Objectives addressed by Scheme –	(a) Economic objectives (if applicable). 1 ECON 1 & 2
	2 Supports RSS Policies SDF1, SDF2 & SDF4 for the Manchester City Region
	(b) Social objectives (if applicable). 3 SOC 7
Please Reference	(c) Environmental objectives (if applicable).
Scheme Status – (Conceptual, Business Case etc)	4 Under Investigation to enable entry into the TPI programme.
Cost £	(a) Please state capital cost and price base. £107 million based upon start of works of 2012/2013
	(b) Does cost include any optimism bias and if so what percentage? 5 Optimism bias is included
	(c) Is private sector funding available for scheme, and if so, what proportion of the total capital cost? (Estimate) No
Scheme Benefits:Cost Ratio	Please state numerically. 9
Wider Economic	Has an assessment been made of Wider Economic

Benefits	Benefits? Y/N If so, please state result: Not currently fully quantified
Primary Legislation	(a) Is Primary Legislation required for the scheme? Under investigation, however, line and side road orders will be required to implement this scheme.
	(b) If legislation is required, has it been applied for? No
	(c) Has Primary Legislation been enacted? No
Transport & Works Act	(a) Are Transport & Works Act Powers required to deliver to the scheme? No
	(b) If TWA powers are required, have they been applied for? No
	(c) Have TWA powers been awarded? No
Environment & Other	Under investigation and not currently quantified, the proposed scheme will be designed as sensitively as possible to mitigate against any negative effect of the proposal. It is envisaged that benefits will accrue the communities of Mere and Bucklow Hill.
Supporting Information	<p>During the late 1980's and 1990's, the Highways Agency had been preparing a scheme to provide a direct motorway standard connection between M6 and M56 (known as A556(M)). The scheme was remitted to the MidMan MMS for consideration.</p> <p>At that stage, SoS requested further advice from the Agency before making a decision on the alternative options for improving links between the M6 to the M56 through improvements either offline to the A556 or to the M6 at Junction 20 where it connects with the M56.</p> <p>April 2003, the SoS rejected the former A556 (M) scheme on environmental grounds and improvements to M6 Junction 20 as they did not represent value for money. At the same time you asked HA to work with local stakeholders to identify measures to make best use of the existing A556 corridor.</p> <p>In response, HA commissioned the A556 RMS to investigate current conditions along this corridor, which would normally make recommendations to manage the route over the next 10 years. The objectives of the RMS were modified to accommodate the SoS request and the Terms of Reference were explicit in that the rejected options for A556(M) and M6 junction 20 improvements should not be considered. At the</p>

stakeholders request, the RMS was extended to cover a 15-year period to take account of M6 widening proposals.

The options that were presented as part of the RMS involved upgrading the A556 dual carriageway standard along its existing line. However, the public consultation exercise prompted a number of responses highlighting that local heritage and landscape would be seriously, adversely affected by on-line upgrading through the A50 Mere Junction as it would require demolition of 2 No. Grade 2 listed buildings and the felling of a significant number of trees with preservation orders. As a result of this, the proposed final strategy option was amended so that there is now a short off-line section to bypass the A50 Mere Junction using agricultural land with no designated environmental status. This revised option has been discussed informally with a number of stakeholders and the changes are likely to be well received. The proposed line would utilise as much of the existing A556 corridor as possible whilst keeping the alignment within the standards appropriate to a 50mph dual carriageway road.

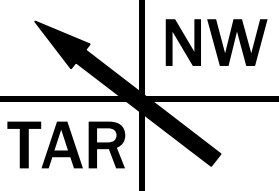
The A556 between Knutsford and Bowden is a Single 4-lane carriageway for most of its length; currently carrying vehicle flows up to 53,000 AADT. It is the main link between the Conurbations of North West England, the West Midlands and beyond. The route also serves as the key link to Manchester International Airport from the south.

Congestion reference flows are in the region of 40,000 vehicles AADT. Numerous frontage accesses, many small side roads and 4 major junctions (2 motorway intersections and 2 principle road junctions) further reduce the operational capacity of this part of the network.

Future traffic predictions have shown that as traffic grows, service levels will further break down on A556 leading to the diversion of long distance, trunk road traffic onto the local roads network. Flow breakdown is further exacerbated by the numerous accidents that occur on this trunk road the A556 has a poor safety record.

Planned improvements to the M6 Motorway between J11A and J19 will place further stress on the existing route without this improvement.

Completed scheme information sheets should be sent either by email or fax to Sophie Curtis at:
Sophie.curtis@atkinsglobal.com
Fax: 0161 245 3500

	<h1>Transport Activists' Roundtable North West</h1>
<p>The North West TAR CORE GROUP contact details</p> <p>Convenor: LILLIAN BURNS CPRE NW Regional Group, c/o Victoria Buildings Middlewich Cheshire CW10 9AT Office tel/fax: 01606 835046 Home tel: 01625 829492 Home fax: 01625 828015 E-mail: BrLlin@aol.com</p> <p>Members: PETER COLLEY Federation of Cumbrian Amenity Societies / FOLD 12 Rawes Garth Staveley Cumbria LA8 9QH Tel: 01539 821629 E-mail: colleygarth@btopenworld.com</p> <p>JANET CUFF Ramblers Association 33 Tatton Road North Stockport SK4 4QX Tel: 0161 431 7654 E-mail: Janet.Cuff@care4free.net</p> <p>SANDRA DUTSON Greater Manchester Pedestrians/ Road Peace 18 Trafalgar Road Eccles Salford M6 8JD Tel: 0161 707 3546 E-mail: Sandra@ smdutson.freeserve.co.uk</p> <p>ADRIAN DUNNING NW Association of Civic Trusts 11 Crombouke Fold, Worsley Manchester M28 1ZE Tel: 0161 790 9507 or 07768 296003 Fax: 0161 950 7217 E-mail: adrian.j.dunning@ntlworld.com</p> <p>FILIPINA MOORE GMTRU St. Thomas Centre Ardwick Green North Manchester M12 6FZ Tel: 0161 277 1000 Fax: 0161 273 8296 E-mail: filipina.moore@ gmcvo.org.uk</p> <p>FRANK KENNEDY Friends of the Earth 60 Duke St Liverpool L1 5AA Tel: 0151 707 4328 E-mail: frankk@foe.co.uk</p> <p>Our postal address is: c/o Greater Manchester Transport Resource Unit GMCVO St. Thomas Centre Ardwick Green North Manchester M12 6FZ</p>	<p>Rt. Hon Douglas Alexander, M.P., Secretary of State, Department for Transport, Great Minster House, 76 Marsham St., London, SW1P 4DR.</p> <p>Thursday, May 18th, 2006</p> <p>Dear Secretary of State,</p> <p>REGIONAL TRANSPORT PRIORITISATION/REGIONAL FUNDING ALLOCATION PROCESS</p> <p>The North West Transport Activists Roundtable (NW TAR), which campaigns for sustainability as it applies to transport and land use, would like to bring to your attention our serious concerns about the robustness of the regional transport prioritisation and the regional funding allocation processes in the North West. We would also urge you, in the light of your declared support for road-user charging – which experts agree would reduce traffic levels – to prompt a review of the transport interventions recommended through the prioritisation and RFA processes. The question needs to be asked: <i>'If there is a suppression in the demand for road space due to road-user charging, and an increase in demand for public transport, how would this affect the transport provision predictions?'</i></p> <p>The NW TAR and other non-governmental environmental organisations were heartened by your speech in York on May 10th in which you said: <i>"Simply building more and more roads is not the answer. It is unacceptable in environmental terms" and "Better public transport will be crucial"</i>. You also spoke of <i>"the need to be thinking in terms of the over-all package of measures that will give people a reliable choice of alternatives to the car"</i>. These words, combined with those of the Prime Minister to you on your appointment: <i>"the benefits transport can deliver must be measured against its impact on the environment ... transport will be critical to our long-term goal of reducing carbon emissions"</i> give us hope you will re-appraise the regional recommendations made to you which feature so many road schemes and which, we believe, had a flawed evolution.</p> <p>Here in the North West, unlike other regions, optimism bias was not included in the costings, committed schemes were taken as a 'given' - regardless of their environmental credentials – and perceived economic benefits were given a 50% weighting whilst social and environmental benefits which were each given only a 25% weighting. This derisory treatment of environmental factors is unlikely to help the region play its part in delivering the UK's climate change emissions targets. And the methodology fell into the trap the Standing Advisory Committee on Trunk Road Assessment (SACTRA) warned against-making automatic assumptions about the economic benefits of new roads - as in the case of the Heysham-M6 Road where a local economic appraisal was actually neutral.</p> <p>When the regional government's consultants tested the same interventions using an equal weighting system, one highway scheme – the A556 – fell out of the top quartile altogether. Also, in many instances, such as the SEMMMS Relief Roads, the money bid for through the RFA stream (£33.8m) bore no resemblance to the scheme cost because of an assumption that £477.2 m. can be raised through a yet unidentified PFI. (This raises the issue of the need for a mechanism to be devised to deal with over- optimistic expectations of private finance that fail to materialise). Other shortfalls include the fact that the Transport Forum set up by Government Office in the North West to decide on the RFA had no environmental representation on it – not even a statutory agency – and the RFA process was conducted by different consultants to those working on the regional priorities methodology for the Regional Assembly who had a different brief. The absurdly short timescale which the RFA consultants had to work to meant that they had no option but to accept information provided to them by Local Authorities at face value. The two separate pieces of work were hurriedly patched together, resulting in inexplicable outcomes such as the Heysham-M6 Link, which did not merit the top quartile in either methodology tested by the consultants working for the Assembly, emerging as an RFA recommendation. We urge you to re-visit this deeply unsatisfactory process. Thank you.</p> <p>Yours sincerely,</p> <p>LILLIAN BURNS (MRS), Convenor, NW TAR</p>

Rt. Hon Alistair Darling MP
Secretary of State for Transport
Department for Transport
Great Minster House
76 Marsham Street
London SW1P 4DR

31st January 2006

Regional Funding Allocations

Dear Mr Darling,

I am writing to you on behalf of the Transport Activist Roundtables (TARs) in the English regions to comment on the new Regional Funding Allocations process. (The role of the TARs is explained below.) You will have received advice from the English regional assemblies on the transport allocations; we strongly support the principle of making such allocations but have the **following concerns** about the process as it has developed so far:

- 1. the variations between regions with regard to transparency and inclusiveness**
- 2. the low weighting given to environmental considerations in scheme assessment**
- 3. the over-reliance in scheme assessment on information provided by scheme promoters**
- 4. the confusion with regard to what is to be treated as a committed scheme**
- 5. the way in which the political steer from local authorities has in some cases been allowed to distort scheme ranking**

These aspects of the process are likely to affect deliverability.

6. the exclusion of rail from the RFA process

We elaborate on these concerns below.

In response to these concerns, we think you need to **ask some basic questions when considering the advice from the regions on the RFAs:**

1. Who was involved in these decisions? Was there real involvement by and “robust consultation” with social and environmental stakeholders, as promised by your colleague Karen Buck, and if so how?
2. What were the methodologies, scoring systems and criteria used and were they transparently and consistently applied, especially with regard to the definition of 'committed scheme'?
3. How far do they and the resulting priorities genuinely reflect regional policies and objectives?
4. Does the advice give full weight to Government objectives, including tackling congestion, promoting social inclusion and urban regeneration, and protecting and enhancing the environment? Does it in reality focus on outcomes – such as regional connectivity or tackling the worst congestion or pollution - or outputs such as the numbers of bypasses?
5. Are the priorities deliverable? Do the chosen high priority schemes have worked-up plans?

Assuming this process is repeated (and we think in principle it should be), we would like to suggest **two reforms for the future.**

First, we would like to see formal guidance and requirements on the RFA process in terms of involving social and environmental as well as economic partners/stakeholders, including making sure they are represented on Regional Transport Boards or equivalents, and that there are “robust consultation processes” in place.

Second, we would like to see rail schemes included in the RFA process. We know that the ORR is working on disaggregating rail costs by region, but we think that this is not really relevant to the RFAs, which should be able to include and prioritise rail schemes that meet regional criteria and are good value for money compared with other transport schemes. There are a number of these already identified in this round of RFAs but not formally included, and we think it would be worth looking at ways of progressing these.

We go into more detail below, but would like to say now that we **would appreciate the opportunity to discuss these matters with you or your colleagues.**

Before giving details of our concerns with the RFA process, we thought it would be useful to explain the role of the Regional TARs. The TARs bring together representatives of environmental and transport user groups at a regional level; they are represented on the Assemblies (as one of the “social and economic partners”, through wider regional environmental networks) of every region except the North West, and are increasingly recognised as key voluntary sector stakeholders by regional agencies. The TARs have all had some involvement in the RFA process and from this we have been able to gain an overview of how the process has gone.

TARs and their member groups welcome the potential within the RFA process for a greater degree of co-ordination between local authorities and regional agencies, and greater realism compared to the old approach, in which individual transport authorities submitted their wish lists to central government. However, we have also witnessed many flaws in the process.

1. the variations between the regions with regard to transparency and inclusiveness:

Government guidance on conducting the RFA process emphasises the need for regions to show that the advice to you commands wide support in the region concerned. We welcome this. We also note and very much welcome your colleague Karen Buck’s commitment at the Transport Oral Questions in the House of Commons on 6th December 2005 that you “will want to see that they [the regions] have demonstrated robust consultation processes”. In many cases, that has not been the case. Much of the work on the Allocations has happened behind closed doors, with small groups of officers or Boards consisting solely of RA local authority members, the RDA and Government Offices taking decisions. It has been difficult for anyone else to find out what had been decided and how decisions had been arrived at. TARs, along with statutory bodies and other social and environmental partners, have not been fully involved. Inclusiveness was also in our view hindered and the overall quality of the advice affected, by the very tight timescale. We share the concern expressed by Dr John Pugh MP, who asked at Transport Oral Questions “is such haste wise or necessary, and will it not produce divisive or poor outcomes?”.

2. the low weighting given to environmental considerations :

We have seen the tendency in the regions to give greatest weight to economic considerations and to define them narrowly as distinct from environmental ones. In one case an originally equal weighting of the three aspects was even changed to 50 % economic and 25% each for social and environmental. This does not reflect the UK Government's definition of sustainable development, which integrates economic, social and environmental aspects. We have also seen evidence that environmental considerations were treated as an afterthought, rather than as an integral part of the prioritisation process. The limited access of environmental stakeholders and an over-reliance in scheme assessment on information provided by the scheme promoters (for the latter, see 3 below) have also meant environmental impacts have in many cases been downplayed or ignored. In some cases even long-standing objections to schemes from statutory environmental agencies were not taken into account.

3. The over-reliance in scheme prioritisation on information provided by scheme promoters has been a feature in all regions. The timescale imposed on the RFA process would have made an independent review difficult in any case, but other factors also distorted the prioritisation process. Information from scheme promoters - largely local authorities and Highways Agency - is comparatively easy to obtain but designed to promote a particular scheme, should therefore not be accepted without independent review. For example, claimed benefits for public transport users or the environment would need to be assessed by the relevant stakeholders. In the many cases in which the information from scheme promoters was accepted without independent review, the RFA process repeated the old-style local authority wish list approach, which we understand the Government's new RFA approach was intended to supersede. Where reviews have been carried out, they have in some cases resulted in significant adjustments upwards of the scheme costs or of the share of the total cost necessary to draw on the RFA for.

4. Confusion with regard to what is to be treated as a committed scheme has been evident around the regions. The July 2005 DfT guidance said advice from the regions should focus on the period after 2006/07, and that TPI schemes and provisionally approved LTP major schemes should be included in the advice. But we have observed different interpretations in some regions. All TPI schemes and all LTP major schemes were for instance included, without prioritisation assessment, as 'commitments' in the North West and South East respectively, and controversial schemes such as the Mottram to Tintwistle bypass and the Bexhill to Hastings relief road were therefore not assessed against regional objectives. We have also seen DfT guidance issued to the regions advising that TPI schemes due to start by 2008 should be treated as 'firmly planned', different from the July 2005 guidance. This may have created further confusion.

5. the way in which the political steer from local authorities has in some cases been allowed to distort scheme ranking

In some cases, the nature of the political steer of the RFA process has led to distortions. Local authorities were in some cases unevenly involved, giving some more weight than others. In one case consultants, using the agreed prioritisation methodology, produced a set of priorities that broadly favoured local public transport schemes, but officers apparently told them to give more weight to road schemes. In one region, the consultants' original scoring according to degree of fit with regional policies was overridden by the political process to give decisive weight to "provisionally approved" schemes; in another, regional policy fit remained the key criterion, though reinterpreted by officers to give priority to major road building over other schemes; and in a third, local authority officers inserted road schemes from a 'B list' after the completion of prioritisation.

The aspects outlined above are likely to affect **deliverability**. In some cases, schemes that have been given a high priority are very unlikely to be deliverable in the short to medium term. Some – for example the dualling of the A64 York-Scarborough or the South Bristol Ring Road – appear to have been plucked out of the air; they are not in any programme and have no plans or drawings or even possible alignments. Objections to proposed schemes from environmental stakeholders (including the statutory agencies) and local communities - often know but not taken into account in the prioritisation are likely to make implementation a lengthy and costly process. Scheme costs have also been underestimated in many cases, with scheme promoters in some cases quoting costs significantly below those given in parliamentary answers.

6. The exclusion of rail development

from the process has distorted the recommendations. Rail solutions are in many cases of regional scale, whereas bus solutions often are not. It would have been easier to include rail than it was to include bus, with the result that the recommendations were structurally biased towards road options.

Yours sincerely

Bettina Lange Regional TAR co-ordinator, Transport 2000/ Chair, East Midlands TAR

6 Responses to the Regional Funding Allocations - developing the process consultation

May 2007

6.1 1. Summary

6.1.1 The consultation paper

1. A DfT consultation on regional funding allocations was launched in July 2006, with responses invited by the end of October 2006. This report summarises and analyses the consultation responses.

6.1.2 The responses

2. There were 68 responses in total. Of these, 32 came from local authorities and local authority bodies, 10 from regional governance bodies, 12 from regional or local partnership groups, 11 from interest groups concerned with transport or the environment, 2 from business representative bodies and 1 from an MP.

6.1.3 The individual questions

3. The consultation paper posed seven specific questions. Question 1 asked for overall views of the RFA process. The overwhelming majority of respondents were broadly supportive of the overall principle of the RFA process, with only 12% broadly negative about it and 10% not expressing a clear overall view either way. Many were positive about the opportunity for more regional and local involvement in setting funding priorities. The information about the amount of funding available was felt to be useful in setting the context for prioritising investment. It was generally felt that the process has brought greater realism into transport investment planning, improving on the previous 'wish-list approach'. It was commented by some that regional transport priorities had previously tended to be overly ambitious and collectively unaffordable. There were positive views about the flexibility afforded by the process and the collective sense of ownership obtained.

4. However some issues and concerns were raised in the light of the first RFA round. It should be noted that a number of the concerns were about how regions carried out the first round and the advice they offered rather than about the principle of what DfT are aiming to achieve. Many of the issues could be addressed by improvements to the guidance or by relatively minor changes to the process. These included the tight timescale, a lack of robustness and transparency in the process, difficulty in prioritising schemes and a lack of information about the process.

5. Responses also included some broader views, for example that there should be even greater scope for regional influence in transport investment decision making, that the approach adopted by regions was insufficiently strategic and that particular objectives such as enhancing the environment, greater social inclusion or improved productivity had not been given sufficient weight. A number of respondents felt that insufficient resources are available through the RFA process.

6. Question 2 sought suggestions for improvements to the guidance. A range of suggestions was made which reflected the issues raised under Question 1.

7. Question 3 asked if the Department should be more prescriptive about how regions develop advice. A majority of respondents felt that regions should be given the freedom to develop advice in the way that best suits them, although some thought that the Department could usefully identify best practice. About a fifth of respondents felt that the Department should be more prescriptive about how regions develop advice. Many suggestions about more prescriptive advice were raised under Question 2.

8. Question 4 asked if there are better ways of handling very large schemes and schemes of mainly local interest within the RFA process. A range of suggestions were made, including: considering large schemes at a national level; using other funding sources such as the Transport Innovation Fund (TIF); raising the limit for the definition of major schemes;

altering the prioritisation methodology; considering the cumulative benefits of smaller schemes; and setting aside an element of RFA for smaller schemes.

9. Question 5 asked whether RFA coverage should be extended to cover other types of transport spend. Around 80% of those who responded to this question felt that coverage should be extended so that regions have greater input into transport funding decisions. Respondents stressed the need for regions to be able to look at transport investment in an integrated and holistic way. A range of suggestions was made about categories of transport funding that should be included in future rounds. 70% of respondents felt that coverage should be extended to include rail funding, whereas 6% felt that it should not. Some views were provided on which elements of rail funding might be included.

10. Question 6 asked whether the Department should be more prescriptive about which bodies should be involved in or consulted on the preparation of advice. A majority of respondents felt that the Department should not be more prescriptive. About 20% of respondents felt that the Department should be more prescriptive, and it was commented that this was necessary in order to achieve a more robust process and national consistency. A number of suggestions were made as to stakeholders who should be involved or at least consulted.

11. Question 7 asked whether there are ways in which the Department can further encourage the alignment of transport advice with regional economic, spatial and other strategies. A range of suggestions were made, including: provide more clarity in the guidance about how the strategies fit together; stress the need for RFA proposals to be consistent with existing regional strategies; central government should take a more joined-up approach, provide greater certainty in the process; and ensure consistency in methods of scheme appraisal.

6.2 2. Analysis of respondents

12. A total of 68 responses were received. We have grouped them into respondent categories within five broad groupings covering:

- (i) Local authority interests - including local authority groupings as well as individual local authorities;
- (ii) Regional groups - Regional Assemblies and Regional Development Agencies;
- (iii) Regional and local partnerships;
- (iv) Policy-related interest groups, subdivided into environmental, transport and business interest groups;
- (v) Other respondents.

Where they have a clear policy interest, business representative groups are recorded by reference to their policy interest rather than as a business interest.

13. A complete list of respondents by category and grouping is at Annex A. Table 1 sets out respondent numbers by category and grouping.

Respondent Category	Total Response	
	Number	%
Local Authority Bodies	32	47%
Metropolitan Council	5	7%
Unitary Authority	8	12%
County Council	14	21%
District Council	1	1%
Passenger Transport Executives	3	4%
Local Authority (other)	1	1%
Regional Groups	10	15%
Regional Assemblies	7	10%
Regional Development Agencies	3	4%
Regional and Local Partnerships	12	18%
Policy Interest Groups	11	16%
Environmental	8	12%

Transport	3	4%
Business Representative Groups	2	3
Business Representative Groups	2	3
Other	1	1
Other	1	1
Total	68	100

Table 1: Respondent numbers by category and grouping

14. Local authorities and local authority interests are by far the largest grouping, accounting for 32 responses, 47% of the total. Within this, the largest category is County Councils, accounting for 21% of the total. There were 10 responses from 'Regional groups' - 7 from individual Regional Assemblies, and 3 from RDAs. 12 responses came from what were classified as 'Regional and Local Partnerships'. There were 8 and 3 responses each from environmental and transport interest groups respectively. Business representative groups submitted 2 responses.

15. Annex B details respondent numbers by regional base and category. About a fifth of responses were from national bodies. The remaining responses were spread reasonably well across regions, although there were generally more responses from northern than southern regions. There was no particular regional pattern to the responses, and the rest of this report sets out views received under the 7 key questions posed in the consultation.

6.3 3. The Individual Questions

6.3.1 3.1 Question 1: Overall views on the process

6.3.1.1 What are your views on the process as a whole?

16. 78% of respondents were broadly supportive of the overall principle of the RFA process, 12% were broadly negative about it and 10% were broadly neutral. Most local authority bodies, regional groups and regional and local partnerships were broadly supportive, although a number of improvements were suggested. Nearly half of the eight environmental groups that responded were broadly negative, although this tended to reflect concerns about how regions implemented the process in the first round rather than the simply the principle of the RFA process.

17. Many were positive about the opportunity for more regional and local involvement in setting funding priorities. The information provided to regions as part of the RFA process about the amount of funding available was felt to be useful in setting the context for prioritising investment. It was felt that the process has brought greater realism into transport investment planning, improving on the previous 'wish-list approach'. As one respondent put it 'the region as a whole had to reconcile its ambitions with the finite resource available'. It was commented by some that regional transport priorities had previously tended to be overly ambitious and collectively unaffordable. There were positive views about the flexibility afforded by the process and the collective sense of ownership obtained.

18. Some respondents commented that having the prioritisation undertaken by a third party (ie. consultant) was useful. Some were positive about the fact that a robust regional prioritisation framework had been developed, allowing schemes to be reviewed objectively. However, some argued the process did not go far enough in transferring power to regions. There was uncertainty about how the detailed appraisal process undertaken by DfT will affect the regional priorities submitted.

19. Various issues were raised about the detailed processes involved in the first RFA round, and the rest of section 3.1 concentrates on these. It should be noted that a number of the concerns were about how regions carried out the process and selected their priorities rather than about the principle of the exercise. It is evident that some responses reflect understandable disappointment that particular schemes or issues were not prioritised by regions. It is noteworthy that these criticisms appear to come from a range of different angles rather than suggesting that any single issue was systematically overlooked by regions.

20. Key issues raised were those about timescale, methodology used by regions, the transparency of regions' prioritisation process and a lack of integration with wider policy areas, eg sustainable development. Many of the detailed concerns could be addressed by improvements to the guidance or by relatively minor changes to the process. The key issues raised can be grouped under several categories:

6.3.1.1.1 Timescale and timing

21. A majority of respondents felt that the timescale for developing advice had been too tight. This resulted in a number of problems. Common concerns were that allowing more time would have enabled better prioritisation frameworks and quality data collection, and greater opportunity for meaningful consultation. It was also commented that if more time had been available it might have been possible to look at lower cost options for some schemes, and to use innovative thinking to develop more behavioural change schemes.

22. There was also concern from a few respondents that, although regions had to provide advice to a short timescale, there was a 5 month delay before the Department gave a response and uncertainty about when a response would be received. This resulted in a period of uncertainty on scheme preparation.

6.3.1.1.2 Scope for regional influence

23. Many respondents felt that the RFA approach did not go far enough in transferring power to the regions. This issue is addressed in more detail under Question 5. It was also suggested by some that regions should have been more involved in the early stages of the process - as timescales and budgets were agreed. Many respondents queried whether the scheme prioritisations produced by the regions properly reflected their region's Regional Economic and/or Spatial Strategies (RES/ RSS), although this is a result of how the RFA process was carried out in regions. Some pointed out that a fundamental difficulty was that the starting point for the RFA process was a set of pre-existing schemes.

6.3.1.1.3 Robustness and transparency

24. Several respondents felt that the freedom given to regions in how they arrived at a consensus, combined with the tight timescale, resulted in overly large regional variations in methodology and a lack of robustness.

25. Many respondents felt that the evidence provided by scheme promoters varied in detail and quality. A few were concerned that the tight timescale meant that there was insufficient time for proper challenge of the information. It was suggested by some people that more needs to be done to ensure that robust evidence is provided for claims made in support of schemes. A number of respondents felt that there is a need for independent audit or appraisal of the process, so that there is independent challenge of scheme information and prioritisation.

26. A few respondents believed that the fact that different regions appointed different consultants to develop the prioritisation methodology led to inconsistency between regions, duplication of effort and poor value for money. One view was that regional bodies were asked to make decisions about schemes they did not know enough about. A number of people commented that local authority wish lists often reasserted themselves, and that there was a tendency for elected members to press for their long-standing 'pet road schemes'.

27. Several respondents felt the process did not do enough to engage key groups, including local politicians. It was suggested greater clarity is needed about whose responsibility it is to consult external bodies. A few respondents commented that it was very hard for members of the public to find out what was going on, and that papers were put on regional websites very late if at all, and that there was a lack of clarity about how the public could contribute to the process.

6.3.1.1.4 Prioritisation of schemes

28. It was noted by many respondents that it was difficult to prioritise proposals across schemes of very different types, scales and costs. Some suggested that a number of particular types of schemes had tended to score less well under the prioritisation methodologies adopted by individual regions:

- **Emerging schemes.** It was commented by a number of respondents that the tight timescale meant that emerging (and potentially better) schemes were either not appraised as part of the RFA process or were pushed into later years. It was stressed that transport schemes have much longer development and planning horizons than the process permitted. Some noted that emphasising affordability, deliverability and value for money meant that more advanced schemes tended to score better, regardless of quality.

- **Local / sub-regional schemes.** Some felt there was a risk that schemes that crossed local authority boundaries were viewed as 'regional' and given priority over those exclusively in one local authority area, with many respondents concerned about schemes of primarily local interest losing out. (see Question 4). Some felt that regions need to take more account of the evolving role of city/sub regions, and that this could help to increase the emphasis given to local schemes. It was felt that the process for the future allocation of funds between regions and city regions requires clarification.
- **Pan-regional schemes.** Many suggested the risk that regional schemes might be given priority over pan/inter-regional ones.
- **Less populated areas.** Some suggested that funding had tended to be directed to major urban centres at the expense of less populated areas with economic and social problems.
- " Freight transport schemes. There was a suggestion that, at least in some regions, passenger transport schemes received a disproportionate share of allocations.
- **Single issue schemes.** One view was that the process favours schemes which are 'wide-ranging and tackle a number of different policy areas' rather than 'single issue schemes which address one issue very well'. It was stressed that the process needs to be able to consider all types of solutions in an equitable way.

6.3.1.1.5 Information and certainty

29. Many commented that it would have been helpful to have more information early on about how the RFA process would be taken forward, for instance whether it was a one-off or an annual exercise and whether and when advice submitted by regions would be reviewed in future.

30. Several respondents expressed concern about the degree of uncertainty about the level of funding beyond the first three years. It was suggested it would be helpful to have a definitive commitment from DfT to support projects in the list of indicative schemes.

6.3.1.1.6 Strategic approach

31. A number of respondents felt that the approach taken by regions was not strategy-led. It was commented that RFA's individual project focus results in a number of stand-alone and uncoordinated schemes rather than a more holistic, programme-based approach. Some felt that the process has not progressed notably from the much-criticised 'wish list' approach. They commented that the process did not result in the sequential establishment of an agreed transport vision for the region, followed by the establishment of agreed assessment criteria then the proposal of particular schemes. They felt it therefore pre-empted consideration of broader issues such as climate change or the role of public transport. In contrast, others felt that the process had encouraged regions to take a wider view of transport needs, and a small number were concerned that the process ignored previous commitments and strategic priorities within local areas.

6.3.1.1.7 Monitoring and review

32. Many respondents commented on the need in future for a monitoring and review process to review scheme progress, re-examine the policy context, consider new schemes, update scorings and revise scheme lists.

6.3.1.1.8 Weighting of sustainability and economic impacts

33. Some felt that too much weight was given to the narrow economic performance of schemes rather than their wider impacts. Environmental groups and a few others were concerned that the process gives insufficient weight to environmental sustainability, in spite of regional & national sustainable development strategies.

34. Environmental groups, such as Transport 2000, noted that many regions failed to consult the statutory environmental bodies or to include their representatives in discussion forums. It was commented that even the most inclusive regions did not invite representatives from the voluntary environmental sector onto the bodies making the final decisions on RFA advice. Some commented that the process has an implicit bias towards road schemes, and noted that the majority of schemes receiving funding are road-based.

35. In contrast, other respondents felt that insufficient weight was given to economic impacts. The Northern Way commented that they would like to see guidance for further rounds being developed to reflect emerging knowledge on

transport and productivity, while fully recognising that social and environmental objectives also need to be taken into account. Others felt that economic priorities should be given as much weight as social and environmental factors during the process. Some respondents suggested that the regenerative impacts of schemes on local regional and local economies should be considered in the evaluation process.

6.3.1.1.9 Treatment of costs

36. About a third of respondents said that there had been uncertainty about what methods should be used in scheme costings, sometimes with the result that methods used were inconsistent. This includes the treatment of optimism bias, inflation, VAT, future interest rates for cash flows and quantified risk assessment. A couple of respondents commented that there was not recognition of the fact that construction price inflation is generally higher than the general inflation rate, which could cause problems with timings of scheme delivery. It was suggested that these issues need to be clarified for future RFA rounds.

6.3.1.1.10 Integration of plans and strategies

37. There were some concerns at the lack of clarity about how RFA fits with other plans and strategies. More detail and suggestions for addressing this are addressed under Question 7.

6.3.1.1.11 Resources spent developing schemes that are not approved

38. A number of respondents were concerned about the resources put into developing schemes that are not then prioritised by regions. They pointed out that considerable feasibility work (through to detailed economic and environmental assessments) has to be carried out for input into the prioritisation process. However, bids for funding may not be successful or may only be successful in prioritising a scheme many years in the future in which case the assessments will need to be repeated.

39. It was suggested that Government could consider a national pot in the early years to fund large schemes that are at an advanced stage of preparation. It was felt this would avoid the effort and funding expended going to waste, or schemes being delayed substantially.

6.4 Annex A: Consultation Respondents by Category

6.4.1 Local Authority Bodies

6.4.1.1 District Councils

City of Lincoln Council

6.4.1.2 Metropolitan Councils

City of Bradford Metropolitan District Council
Gateshead Metropolitan Council
Kirklees Metropolitan Council
Sheffield City Council
South Tyneside Council

6.4.1.3 Unitary Authorities

Blackpool Council
Herefordshire County Council
Leicester City Council
Luton Council
Nottingham City Council
South Gloucestershire County Council
Stoke Borough Council
Warrington Metropolitan Borough Council

6.4.1.4 County Councils

Bedfordshire County Council
Cambridgeshire County Council
Cheshire County Council
Cumbria County Council
Derbyshire County Council
Hampshire County Council
Hertfordshire County Council
Lancashire County Council
Lincolnshire County Council
Norfolk County Council
Northamptonshire County Council
Northumberland County Council
Surrey County Council
Wiltshire County Council

6.4.1.5 Passenger Transport Executives

Merseytravel - Merseyside Passenger Transport Authority and Executive
NEXUS - Tyne & Wear Transport Executive
Passenger Transport Executive Group

6.4.1.6 Local Authority (Other)

County Surveyors' Society

6.4.2 Regional Groups

6.4.2.1 Regional Assemblies

East of England Regional Assembly
East Midlands Regional Assembly
North East Assembly
North West Regional Assembly
South West Regional Assembly
Yorkshire & Humberside Assembly
West Midlands Regional Assembly

6.4.2.2 Regional Development Agencies

Advantage West Midlands
East Midlands Development Agency
One North East

6.4.3 Regional and Local Partnerships

Association of Greater Manchester Authorities & Greater Manchester
Passenger Transport Authority
Association of North East Councils
East of England Regional Transport Forum
Merseyside Policy Unit
Milton Keynes & South Midlands Transport & Planning Group
Northern Way
South East England Regional Transport Board
South Yorkshire LTP Partners
Tees Valley Joint Strategy Unit

6.4.4 Policy Interest Groups

6.4.4.1 Environmental

Council for National Parks
 Campaign to Protect Rural England
 Natural England
 NECTAR - North East Combined Transport Activists' Roundtable
 North West Transport Activists' Roundtable
 Road Block
 Transport 2000
 Transport 2000 - South West

6.4.4.2 Transport

Freight on Rail
 Freight Transport Association
 Rail Freight Group

6.4.4.3 Business Representative Groups

Federation of Small Businesses
 UK Major Ports Group

6.4.4.4 Other

Alan Beith MP

6.5 Annex B: Respondent numbers by regional base and category

Regional Base	Regional Groups	Regional & Local Partnerships	Local Authority Bodies	Business Interest Groups	Policy Interest Groups	Other	Total	%
National	0	0	2	2	8	0	12	18%
North East	2	3	4	0	1	1	11	16%
North West	1	3	6	0	1	0	11	16%
East Midlands	2	0	6	0	0	0	8	12%
East of England	1	1	5	0	0	0	7	10%
Yorkshire & Humber	1	2	3	0	0	0	6	9%
West Midlands	2	1	2	0	0	0	5	7%
South East	0	2	2	0	0	0	4	6%
South West	1	0	2	0	1	0	4	6%
Total	10	12	32	2	11	1	68	100%

APPENDIX E

NWRA Regional Transport Group

13th June 2007

Item No.2

Dave Colbert, Regional Transport Advisor, NWRA

REGIONAL FUNDING ALLOCATIONS – UPDATE

Contact for further information: Dave Colbert

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Members and ex-officio technical advisors are reminded of the need to declare an interest if a scheme relates directly to the activities of their organisation or is being promoted in their own local authority area.

7 Executive Summary

To update the Group with regard to the Regional Funding Allocations transport investment programme and to outline how the Department for Transport currently foresees the process developing.

8 Recommendation

Members are invited to note the contents of this report.

Background

The North West region's advice¹ was submitted to Government at the end of January 2006, following endorsement by the Assembly and the Northwest Regional Development Agency (NWDA). The spend profile was revised in June 2006 to take account of changes to scheme costs and delivery profiles. In July 2006, the Secretary of State for Transport wrote to the Chairs of the Regional Assembly and the Northwest Regional Development Agency to inform them he had broadly accepted the priorities as set out in the advice. He also indicated that the Government expected to seek further formal advice on regional transport priorities within the next two years.

The Government intends to maintain a continuing dialogue with regions to ensure their views are regularly taken into account as schemes progress. Six-monthly progress meetings are being held covering potential changes such as cost increases, delays in scheme procurement and early warning of problems. The first meeting took place in September 2006 and the second in May 2007.

Quarterly Monitoring Report – June 2007

The Assembly has now received scheme progress reports for 2006/07 Quarter 4 (March 2007) where available and the information has enabled the scheme funding profile table to be updated (attached). Costs should be outturn inclusive of inflation and risk but **not** optimism bias. A number of schemes have experienced changes to costs relative to the Q3 reports, including:

- Northern Orbital QBC – scheme cost has reduced due to removal of historic spend;
- Metrolink Extensions Phase 3a – scheme cost has reduced;
- A57 Glossop Spur – scheme cost has increased;
- Edge Lane / Eastern Approaches, Liverpool – scheme cost has increased;
- Hall Lane Strategic Gateway, Liverpool – scheme cost has increased;
- Completion of Heysham to M6 Link Road – scheme cost has increased;

¹ Regional Funding Allocations: The Advice of the Northwest Region, NWDA and NWRA, January 2006

- Bidston Moss Viaduct Maintenance Scheme – scheme cost has reduced due to removal of optimism bias;
- Silver Jubilee Bridge Maintenance Scheme – scheme cost has increased.

The table shows the cost changes relative to the June 2006 update for all schemes.

Blackpool and Fleetwood Tramway Upgrade

Scheme promoters: Blackpool BC and Lancashire County Council

At its last meeting on 23rd March 2007, the Executive Board reiterated the Assembly's continuing support for the Blackpool and Fleetwood Tramway Upgrade². The Board heard that the Councils had submitted an updated business case and revised costs to the Department for Transport in January 2007. This included two potential spending profiles, one in line with the existing six year RFA profile from 2008/09 to 2013/14 but with an increased total cost (£87.4m contribution from the RFA), the other with a lower total cost spread over three years from 2008/09 (£74.6m contribution from the RFA) but with significantly increased spend in each year. The latter profile was the preferred option of the Councils.

The Councils have now made a submission to the Department for Transport for Programme Entry. At its meeting on 14th May 2007, the Regional Strategy Team agreed to endorse the Councils' preferred spend profile, subject to there being no further increase in funding required from the RFA.

RFA Transport Investment Programme

The total spend over the 10 year period 2006/07 to 2015/16 has now increased to £1,376m, some £131m above the RFA of £1,245m. The programme is, however, within budget for 2007/08 and 2008/09. On May 3rd 2007, officers from the Assembly, the Development Agency and the Government Office met with officials from the Department for Transport to discuss progress, working arrangements and the next round of advice. This formed the second six-monthly progress meeting.

Following publication of the Nichols Report³, the Department is currently unable to provide authoritative costs for all Highways Agency schemes, and hence is not in a position to determine whether the programme over spend is a problem; it has nonetheless been noted. The Department anticipates being in a position to inform regions in the autumn as to whether corrective action will be necessary with regard to short term (three years) and medium / long term (ten years) funding requirements. This may depend on the outcome of the 2007 Comprehensive Spending Review. The Department's prognosis is that the RFA is unlikely to increase, but an extension of planning assumptions for a further two years is possible, ie to 2017/18.

On the basis that the Comprehensive Spending Review will not be complete until the autumn, it is unlikely that the Government will formally request fresh advice on transport investment priorities until the new year. Work to prepare the advice would take place between early spring and summer. In the meantime, the Department is keen for regions to take the opportunity to develop and agree the key principles on which to base any review, recognising that it will only deal with a relatively small amount of money. Currently, a maximum of £378m remains available to fund schemes not yet approved by the Government and/or any other schemes that local authorities and others may wish to see considered for inclusion. If the Government grants the Blackpool and Fleetwood Tramway Upgrade scheme Programme Entry, this will reduce to £303m. The region will therefore need to consider transport in its wider context to ensure that it gains the maximum benefit from this investment. This is likely to require strategic discussions with the five sub-regions.

Future Review: Developing 'Terms of Reference'

Members will recall at their last meeting on 21st February endorsing the establishment of an officer sub-group of the Regional Transport Advisory Group (RTAG) with regard to the further development and review of the RFA transport priorities process. The sub-group met on 26th March and discussed a range of issues, including:

² The Executive Board also reiterated the Assembly's continuing support for the A34 Alderley Edge and Nether Alderley Bypass, the A57T/A628T Mottram – Tintwistle Bypass and the Bidston Moss Viaduct (M53 Junction 1) Major Maintenance Scheme.

³ Review of Highways Agency's Major Roads Programme, Report to the Secretary of State for Transport, Nichols Group, March 2007.

- **Schemes to be included:** The combined cost of cost of schemes in the RFA programme not yet approved is £521.6m. If the Department concludes that the programme requires corrective action to address the current over spend, how should the region respond? There are also aspirations to assess new and previously submitted schemes for inclusion in the RFA programme as part of any future review. How should the region address such aspirations?
- **Sub-£5m schemes:** Small authorities have difficulty funding schemes of between £1m and £5m from their Integrated Transport Block allocations. The Department has made special provision for certain 'exceptional' sub-£5m schemes⁴, but subject to a number of conditions. Should the region therefore develop a framework to accommodate sub-£5m schemes within the RFA?
- **Rail schemes:** The Department's view is that the High Level Output Specification (HLOS) will leave little room for manoeuvre with respect to RFA and rail schemes. The HLOS is a statement of the outputs the Government wishes to purchase from the rail industry during the next regulatory control period for track access charges (2009 – 2014). Should the region consider including any rail schemes in a future review of priorities? If so, under what particular circumstances.
- **Prioritisation Methodology:** If the region decide to undertake a further round of prioritisation, should the methodology reflect changes to the draft RSS recommended in the Panel Report and subsequently taken account of in modifications proposed by the Secretary of State? Who should undertake revisions to the methodology and any future prioritisation work?

RTAG considered the initial discussion from the first sub-group at its meeting on 17th May. It determined that a further meeting of the sub-group take place before presenting any conclusions to the Regional Transport Group. The sub-group will therefore meet again before the end of July 2007 with a view to finalising draft 'Terms of Reference' for a future review at the Regional Transport Advisory Group at its next meeting on 25th September 2007. The outcome of this meeting will form the basis of a report to Members at the next Regional Transport Group on 5th October 2007.

Implications

This item has the following implications:

- financial** – The Assembly may need to consider allocating funding towards a review of the RFA transport priorities in financial years 2007/08 and 2008/09.
- legal** - none
- personnel** - none
- asset management** - none
- effects on existing Assembly Corporate Plan (2004/07)** – Supports delivery of Planning, Transport and Sustainability Objectives 1.2, 1.4 and 3.1.
- effects on other Assembly activities** – Continuation of the Regional Funding Allocations process requires an ongoing resource commitment from the Regional Transport Team.

9 Sustainable Development Implications

The prioritisation process used in the previous RFA exercise leads to trade-offs between social, economic and environmental goals. It acknowledged that political decision was made on weighting.

Ensuring full and effective integration between RTS/RSS and RFA outcomes, through meaningful stakeholder dialogue, is central to the 'good governance' principles of sustainable development.

Tackling Climate Change has become a more focussed priority for the region following the launch of the North West Climate Change Action Plan and its recognition by the North West Regional European Partnership as a key EU priority area. This occurred subsequent to the region submitting its RFA advice to the Government in 2006.

List of Background Papers

None.

⁴ Guidance to Local Authorities seeking DfT funding for transport Major Schemes, Department for Transport, April 2005 (draft).

RFA MAJOR SCHEMES FUNDING PROFILE SUMMARY TABLE UPDATED TO QUARTER 4 2006/07

All figures, including totals, relate to £M. Note that total scheme costs are not shown, only the amount required from the RFA. Costs should be outturn inclusive of inflation and risk but not optimism bias. Cost changes are relative to RFA June 2006 update.

Scheme Name	Delivery Agency	Current Status	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Total	Cost Change	Notes
Manchester/Salford Inner Relief Rd.	Salford CC	Completed	0.9										0.9	+0.9	Additional funding agreed by the DfT In respect of land purchase costs
A58 Blackbrook Diversion	St Helens MBC	Completed	5.8	0.7	0.7	0.3							7.5	+0.7	DfT quarterly return March 2007.
A66T Temple Sowerby Bypass	Highways Agency	Under Construction	21.6	12.0									33.6	no change	Updated RFA advice June 2006.
A590T High & Low Newton Bypass	Highways Agency	Under Construction	10.9	20.8	1.6								33.3	no change	Updated RFA advice June 2006.
A595T Parton to Lillyhall Imp'ment	Highways Agency	Under Construction	8.4	14.3	6.7								29.4	no change	Updated RFA advice June 2006.
Freckleton St. Bridge	Blackburn with Darwen BC	Under Construction	4.6	2.2									6.8	-0.1	DfT quarterly return March 2007 (revised May 2007).
Metrolink Phase 1 & 2 Renewal	GMPTE	Under Construction/ Conditional Approval	6.2	35.6	15.5	0.7							58.0	no change	DfT quarterly return March 2007. Change to annual spend profile *
Metrolink Phase 3 (Committed costs of former scheme)	GMPTE	Under Construction	3.6										3.6	no change	Updated RFA advice June 2006.
Northern Orbital QBC	GMPTE	Under Construction	2.5	1.8									4.3	+1.0	DfT quarterly return March 2007. Change to annual spend profile *
SEMMMS QBC	GMPTE	Under Construction	5.0	5.2									10.2	+2.2	DfT quarterly return March 2007. Change to annual spend profile *
Blackpool/Fleetwood Tramway Works	Blackpool BC/ Lancashire CC	Under Construction/ Conditional Approval	3.6	5.5	1.6								10.7	+0.3	DfT quarterly return March 2007. Contract 1 (£5.2m) has Full Approval and is underway; Contracts 2 & 3 (£5.5m) have Conditional Approval. Change to annual spend profile *
Carlisle Northern Development Route	Cumbria CC	Full Approval			3.4								3.4	no change	Updated RFA advice June 2006. Preparation costs only. Construction to be funded through a PFI.

Scheme Name	Delivery Agency	Current Status	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Total	Cost Change	Notes
Metrolink Extensions Phase 3a	GMPTE	Conditional Approval		25.1	43.4	61.1	75.7	39.0					244.3	-7.7	Updated RFA advice March 2007. Change to annual spend profile *
A34 Alderley Edge/ N. Alderley Bypass	Cheshire CC	Programme Entry		0.8	13.6	17.0	7.3	5.9	4.2	3.1			51.9	+13.4	DfT quarterly return March 2007. Cost increase not yet approved by DfT. Change to annual spend profile *
A57T/A628T Mottram - Tintwistle Bypass	Highways Agency	TPI Entry		3.3	0.3	0.1	0.1	0.1	31.5	70.8	54.5	2.5	163.2	+51.6	Latest est. from the HA, Feb 2007 (profile inc. £3.7m post 2015/16).
A57 Glossop Spur	Tameside MBC	Programme Entry								3.4	6.0	1.7	11.1	+3.0	DfT quarterly return March 2007. Change to annual spend profile relative to updated RFA advice June 2006 & March 2007 update.
Ashton Northern Bypass Stage 2	Tameside MBC	Programme Entry				2.0	4.5	2.2					8.7	+0.4	DfT quarterly return March 2007. Change to annual spend profile *
Grtr Manchester Urban Traffic Control (GMUTC)	Greater Manchester Authorities	Programme Entry		1.5	3.0	3.0	3.0	3.1					13.6	no change	DfT quarterly return December 2006. Change to annual spend profile *
Leigh-Salford-M/c QBC	GMPTE	Programme Entry		1.0	3.0	8.0	16.0	16.7					44.7	no change	DfT quarterly return March 2007.
M60 JETTS QBC	GMPTE	Programme Entry							1.0	2.0	2.0	2.1	7.1	no change	DfT quarterly return March 2007.
Edge Lane / Eastern Approaches	Liverpool CC	Programme Entry		5.0	10.1	3.0							18.1	+2.2	DfT quarterly return March 2007. Change to annual spend profile * Cost increase not yet approved by DfT.
Hall Lane Strategic Gateway	Liverpool CC	Programme Entry			2.7	10.8	2.2	0.7					16.4	+4.2	DfT quarterly return March 2007. Change to annual spend profile * Cost increase not yet approved by DfT.
Mersey Gateway	Halton BC	Programme Entry						6.0	9.3	33.2	34.1	3.4	86.0	no change	DfT quarterly return March 2007. Conventional funding element of PFI scheme.
A556T (M6 to M56) Improvement	Highways Agency	Not Yet Approved								10.0	36.0	40.0	86.0	no change	Updated RFA advice June 2006. Total cost £107m (£21m allocated in 2016/17).
Crewe Green Link Rd (Southern Section)	Cheshire CC	Not Yet Approved				3.0	3.0						6.0	no change	DfT quarterly return December 2006. Conventional funding element.

Scheme Name	Delivery Agency	Current Status	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Total	Cost Change	Notes
Crewe Rail Gateway	Cheshire CC/ Network Rail	Not Yet Approved				1.0	4.0	16.3	11.3				32.6	no change	Updated RFA advice June 2006.
Blackpool/Fleetwood Tramway Upgrade	Blackpool BC/ Lancashire CC	Not Yet Approved			18.5	23.4	32.7						74.6	+8.5	DfT quarterly return March 2007. Change to annual spend profile *
East Lancs. Rapid Transit	Blackburn with Darwen BC/ Lancashire CC	Not Yet Approved			4.0	6.0	6.0	4.0	29.0	26.5	7.4		20.0	no change	DfT quarterly return MRCH 2007
Completion Heysham to M6 Link	Lancashire CC	Not Yet Approved				2.8	7.3	42.6	29.0	26.5	7.4		115.6	+15.3	DfT quarterly return March 2007. Change to annual spend profile *
Bolton Town Centre Public Transport Strategy	GMPTE	Not Yet Approved							6.0	7.0	10.8		23.8	no change	Updated RFA advice June 2006.
GM Highway Retaining Walls Strengthening Scheme	Greater Manchester Authorities	Not Yet Approved		1.0	1.5	1.5	2.0	4.0	6.0	6.0	6.0	7.0	35.0	no change	DfT quarterly return March 2007
Rochdale Interchange	GMPTE	Not Yet Approved			0.7	5.3	4.0						10.0	no change	DfT quarterly return March 2007. Change to annual spend profile *
SEMMMS Relief Roads	Stockport MBC/ Cheshire CC/ Manchester CC	Not Yet Approved. Construction subject to PFI approval;						2.0	4.0	4.0	4.0	3.0	17.0	no change	Updated RFA advice June 2006. DfT quarterly return March 2007 does not match RFA spend profile. Scheme preparation costs only.
Yellow School Buses	GMPTE	Not Yet Approved										5.0	5.0	no change	Updated RFA advice June 2006.
A5036T Access to Port of Liverpool improvement	Highways Agency	Not Yet Approved										3.0	3.0	no change	Updated RFA advice June 2006. Total cost £45m (£42m allocated in 2016/17 & 2017/18).
Bidston Moss Viaduct (M53 J1) Major Maintenance Scheme	Wirral BC/ Merseytravel/ Highways Agency	Not Yet Approved					1.6	10.4	19.5	1.7			33.2	+1.2	DfT quarterly return March 2007. Exc. HA share (total cost £60.1m) Change to annual spend profile *
Silver Jubilee Bridge Major Maintenance Scheme	Halton BC	Not Yet Approved			2.4	6.2	8.9	8.2	4.7	5.3			35.7	+4.7	DfT quarterly return March 2007. Change to annual spend profile *
Thornton to Switch Island Link Road	Sefton MBC	Not Yet Approved					0.4	5.9	5.5				11.8	+2.5	DfT quarterly return March 2007. Change to annual spend profile *

* Relative to updated RFA advice June 2006 and March 2007 update

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Total	Cost Change	Notes
Completed / Under Construction	69.5	92.6	24.5	1.0	0.0	0.0	0.0	0.0	0.0	0.0	187.6		
Full / Conditional Approval	3.6	5.5	30.1	43.4	61.1	75.7	39.0	0.0	0.0	0.0	258.4		
Programme Entry	0.0	11.6	32.7	43.9	33.1	34.7	46.0	112.5	96.6	9.7	420.8		
Sub Total	73.1	109.7	87.3	88.3	94.2	110.4	85.0	112.5	96.6	9.7	866.8		
Not Yet Approved	0.0	1.7	31.7	47.9	65.9	93.4	86.0	60.5	64.2	58.0	509.3		
Total Spend overspent by £131m.	73.1	111.4	119	136.2	160.1	203.8	171.0	173.0	160.8	67.7	1376.1	+104.3	RFA advice June 2006 = £1,271.6. RFA now
Regional Funding Allocation (indicative from 2008/09 onwards)	115	117	119	121	123	125	128	130	132	135	1245		
Annual spend as % of annual RFA allocation	64%	95%	100%	113%	130%	163%	134%	133%	122%	50%	111%		
Difference (-ve denotes overspend)	41.9	5.6	0.0	-15.2	-37.1	-78.8	-43.0	-43.0	-28.8	67.3	-131.1		
Aggregate difference	41.9	47.5	47.5	32.3	-4.8	-83.6	-126.6	-169.6	-198.4	-131.1			