Date: 30 June 2017

Subject: National Productivity Investment Fund (NPIF) Bid

Report of: Andy Burnham, Mayor of Greater Manchester and Portfolio Lead for Transport and Jon Lamonte, Chief Executive, TfGM

PURPOSE OF REPORT

The report explains the process followed to develop a bid to the National Productivity Infrastructure Fund (NPIF) and seeks approval for the submission of the bid to DfT.

RECOMMENDATIONS:

Members are recommended to approve the NPIF bid for submission to DfT.

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**RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS**

Risk Management – n/a
Legal Considerations – n/a
Financial Consequences – Revenue - para 3.2
Financial Consequences – Capital - para 3.1

**BACKGROUND PAPERS: Report to GMCA, 31 March 2017: LGF3 Transport Funding Settlement**

<table>
<thead>
<tr>
<th>TRACKING/PROCESS</th>
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<tbody>
<tr>
<td>Does this report relate to a major strategic decision, as set out in the GMCA Constitution (paragraph 14.2) or in the process (paragraph 13.1 AGMA Constitution) agreed by the AGMA Executive Board:</td>
<td>No</td>
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<tr>
<th>EXEMPTION FROM CALL IN</th>
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<tbody>
<tr>
<td>Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?</td>
<td>Deadline for bid submission is 30 June 2017</td>
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<tr>
<th>AGMA Commission</th>
<th>TfGMC</th>
<th>Scrutiny Pool</th>
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<td>n/a</td>
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1. **INTRODUCTION**

1.1 In the Autumn Statement 2016, the Government announced £490 million for the local roads element of the National Productivity Investment Fund (NPIF) for 2018/19 and 2019/20, to be allocated via a competitive bidding process, closing at the end of June, 2017.

1.2 The local roads element of NPIF is for schemes that will increase & rebalance productivity by relieving congestion or unlocking jobs or housing developments. Submitted schemes must cost £2-5 million, or up to £10 million if they are ‘truly exceptional’. There is an emphasis on improving the efficiency of existing road space, rather than providing new capacity that could unlock latent demand.

1.3 In Combined Authority (CA) areas the CA must co-ordinate and prioritise schemes and TfGM has undertaken this role on behalf of GMCA. While the Guidance states that two bids may be submitted per Highway Authority, discussions with DfT officials have made clear that they expect prioritisation by CAs to result in a smaller number of schemes being submitted.

2. **PROCESS FOR DEVELOPING THE BID**

2.1 Based on the size of the national funding pot (£490 million), and the fact that Greater Manchester might expect at least a 7% allocation (£34 million) based on population, it is proposed to submit a bid based around a central planning figure of £50 million.

2.2 In view of the strict delivery timescales, the minor schemes identified previously for the LG3 bid were taken as the starting point for NPIF, including output from analysis of the GM Key Route Network, where relevant schemes are suitably well-developed. District Transport Lead Officers reviewed the resulting list, adding additional schemes if required.

2.3 Schemes were pre-selected by individual authorities on their ability to be delivered by the end of March 2020, which is a clear requirement of the guidance. The list of potential schemes was then assessed by TfGM in terms of:

- a local policy assessment, driven by GMS objectives and recent GMCA feedback on scheme priorities; and

- Scoring against the NPIF criteria, as set out in the guidance.

2.4 For the local policy assessment, priority was given to funding elements of the major schemes previously submitted as part of the Local Growth Fund 3 bid, but not fully funded through the allocation made to Greater Manchester. The LGF3 schemes suitable for submission to NPIF were:
• Northern Gateway;
• Carrington A1 Road;
• KRN Traffic Signals Upgrade; and
• Oldham Town Centre.

2.5 Further considerations for the local policy assessment were:

• Schemes were given credit for having a broad economic impact, even if they did not directly unlock development;
• The congestion-related schemes selected were only those that will improve air quality within the AQMA;
• A roughly equal proportion of the bid was allocated to schemes that are principally about easing congestion and those that are principally about unlocking development;
• Where scores were tied, schemes were ranked according to either the scale of the development they unlocked or the traffic flow along that road; and
• Each Authority had a scheme included in the bid, but no authority had more than two, in line with NPIF guidance.

2.6 For assessment against NPIF criteria, schemes were assessed in terms of:

• Impact on easing congestion (with an emphasis on increasing the efficiency of existing road space, and on the KRN);
• Unlocking economic and job creation opportunities;
• Enabling housing delivery;
• Reducing conflict with sustainable modes; and
• Using smart technology or optimising performance data.

2.7 The scoring criteria and methodology were agreed with District officers.

3. THE NPIF BID

3.1 The schemes included in the draft NPIF bid are as shown in Table 1 below, in the priority order resulting from the prioritisation exercise.
Table 1: NPIF Bid Schemes

<table>
<thead>
<tr>
<th>Highway Authority</th>
<th>Scheme</th>
<th>NPIF Bid (£000's)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rochdale/Bury</td>
<td>Northern Gateway</td>
<td>10,000</td>
</tr>
<tr>
<td>Trafford</td>
<td>Carrington A1 Road</td>
<td>5,300</td>
</tr>
<tr>
<td>GM Wide</td>
<td>KRN Traffic Signal Enhancements</td>
<td>7,000</td>
</tr>
<tr>
<td>Oldham</td>
<td>Bloom Street - Oldham Town Centre Western Gateway</td>
<td>3,500</td>
</tr>
<tr>
<td>Oldham</td>
<td>Southlink - Oldham Town Centre Eastern Gateway</td>
<td>3,500</td>
</tr>
<tr>
<td>Manchester</td>
<td>Mancunian Way Package</td>
<td>7,266</td>
</tr>
<tr>
<td>Wigan</td>
<td>North Leigh Park</td>
<td>2,600</td>
</tr>
<tr>
<td>Stockport</td>
<td>KRN A560 Corridor Package</td>
<td>3,524</td>
</tr>
<tr>
<td>Tameside</td>
<td>Ashton Town Centre Access Improvements</td>
<td>4,376</td>
</tr>
<tr>
<td>Salford</td>
<td>The Quays access including Ordsall and Langworthy</td>
<td>3,400</td>
</tr>
<tr>
<td>Bolton</td>
<td>New Link Road - Bolton Town Centre</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total NPIF Bid</strong></td>
<td></td>
<td><strong>52,466</strong></td>
</tr>
</tbody>
</table>

*Costs subject to finalisation

3.2 Bids for the individual schemes will be submitted by Highway Authorities, with the exception of the KRN Traffic Signals Enhancement scheme, which is being promoted by TfGM, on behalf of GMCA. Each has therefore received approval from the relevant Section 151 Officer to the effect that:

- Sufficient funding has been allocated to meet the match funding declared for each scheme;
- The authority accepts responsibility for meeting any costs over and above the DfT contribution requested and for meeting any ongoing revenue requirements in relation to the project; and
- The authority accepts that no DfT funding will be provided for this bid after 31 March 2021.

3.3 The individual applications have been collated into a single bid, with a foreword explaining the strategic benefits of the bid package in terms of meeting GMCA objectives.

4. **RECOMMENDATIONS**

4.1 Recommendations are set out at the front of this report.

Dr Jon Lamonte

Chief Executive, TfGM