Date: 26 January 2018

Subject: GM Growth Deal – Salford Bolton Network Improvement Programme: Bolton DP 4 – (Farnworth) Request for Full Approval and Funding Release

Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Lead for Transport, Cllr Richard Leese, Deputy Mayor and Portfolio Lead for Business and Economy and Jon Lamonte, Chief Executive, TfGM

PURPOSE OF REPORT

To seek Full Approval and the release of the necessary funding to enable the delivery of the Salford Bolton Network Improvements (SBNI) – Bolton Delivery Package 4 (Farnworth) scheme; and to seek approval for a funding release to allow the progression of wider TfGM project and programme management activities associated with the SBNI Programme.

RECOMMENDATIONS:

Members are recommended to:

(i) Grant Full Approval for the Salford Bolton Network Improvements - Bolton Delivery Package 4 (Farnworth) scheme; and grant release of funding of £1.676 million from the Local Growth Deal to enable delivery of the works; and

(ii) Grant the release of further funding of £0.192 million to facilitate TfGM project and programme management activities associated with the enabling, development and delivery of the Bolton and Salford SBNI packages.

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RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS

Risk Management – 2.2, 2.7 and 2.8
Legal Considerations – 2.2 and 2.4
Financial Consequences – Revenue – 2.2
Financial Consequences – Capital – 1.4, 2.2, 2.7 - 2.9

BACKGROUND PAPERS: N/A

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<thead>
<tr>
<th>TRACKING/PROCESS</th>
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<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>Yes</td>
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<th>EXEMPTION FROM CALL IN</th>
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<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>No</td>
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<td>AGMA Commission</td>
<td>TFGMC</td>
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<td>N/A</td>
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1. INTRODUCTION

1.1 The Local Growth Deal announcements made by Government in July 2014, January 2015 and November 2016 confirmed capital funding for Greater Manchester in relation to a programme of Major Schemes, Minor Works and Additional Priorities.

1.2 The Salford Bolton Network Improvements (SBNI) scheme is part of the Growth and Reform package of works and is being delivered in the form of a number of Delivery Packages. Each package comprises a series of interventions which focus on improvements to junction layouts, pedestrian access provisions, bus priority measures and cycle infrastructure which have been developed in collaboration with Salford City Council and Bolton Council. The SBNI scheme has an overall budget from Local Growth Deal funding of £39.665m.

1.3 The Conditional Approval business case for the SBNI programme was approved, in line with the agreed Growth Deal governance arrangements, in February 2016.

1.4 This report advises of the outcome of the recently completed Gateway Review for SBNI Bolton Delivery Package 4 (Farnworth). The report recommends that this scheme is granted Full Approval and requests the release of £1.676 million from the Local Growth Deal funding to enable the delivery of the works; and a drawdown of £0.192 million to fund TfGM project and programme management activities associated with the enabling, development and delivery of the wider SBNI Bolton and Salford packages.

2. SBNI DELIVERY PACKAGE 4 (FARNWORTH)

Full Approval

2.1 SBNI – Bolton Delivery Package 4 consists of two schemes; the Farnworth Bus Station Redevelopment and the Farnworth Town Centre schemes. The Farnworth Bus Station Redevelopment scheme will provide an improved passenger waiting environment including CCTV provision, improved street lighting and new bus shelters, along with a refresh of existing assets within a refined footprint. The Farnworth Town Centre scheme will provide improvements to the urban realm, pedestrian crossings and bus stops within Farnworth town centre along with a remodelling of the King Street/Market Street junction. It is intended that Delivery Package 4 as a whole will make a significant contribution to the regeneration of Farnworth town centre which is a strategic objective for both the SBNI Programme and Bolton Council. Bolton Council will be responsible for managing these works, with project management support and oversight being provided by TfGM.
2.2 A Full Approval business case for Bolton Delivery Package 4 was submitted for Gateway Review in October 2017. The Gateway Review included consideration of legal, risk, financial (both capital and revenue) and strategic fit matters. Overall the required criteria for the project to proceed were considered to have been met and Full Approval for this element of the scheme was recommended. This review also included a thorough examination of the value for money assessment, details of which are included in Appendix 1.

2.3 Following the conclusion of the Gateway Review, the proposals have gone through the necessary endorsement/approval process, as provided for by the agreed GM Local Growth Deal governance arrangements.

2.4 Bolton Delivery Package 4 will be delivered under the Bolton Council Highways Framework. As with previous Delivery Packages, a Delivery Agreement between Bolton Council, GMCA and TfGM will be entered into to facilitate delivery of the works.

2.5 In light of the above, the Combined Authority is now requested to grant Full Approval for Bolton Delivery Package 4.

2.6 Subject to the receipt of the required approvals, it is intended that substantive main contract works will commence on site in spring 2018.

**Scheme Financial Position**

2.7 A thorough review of the cost plan for the scheme was undertaken as part of the Gateway Review process. It was concluded that the cost plan is robust and that the project, including an appropriate allowance for risk and contingency, is affordable within the overall scheme budget.

2.8 The funding request illustrated in the table below for the Bolton Delivery Package 4 is the specific budget and funding allocated to this element of the overall SBNI programme. Bolton Delivery Package 4 represents the sixth SBNI Delivery Package submitted to the GMCA for Full Approval.

<table>
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<tr>
<th>Scheme Budget (£000)</th>
<th>Funding Released to Conditional Approval (£000)</th>
<th>Funding requested for delivery (£000)</th>
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<tr>
<td>SBNI – Bolton Delivery Package 4 (Farnworth)</td>
<td>1,911</td>
<td>235</td>
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2.9 Further to the approval of a request for a funding drawdown of £0.4 million via the 2017/18 Capital Update report submitted to the October 2017 GMCA
meeting, a further drawdown of £0.192 million is now requested from SBNi Local Growth Deal resources to fund TfGM project and programme management activities associated with the enabling, development and delivery of the wider Bolton and Salford packages across the SBNi Programme.

3. FUNDING RELEASE APPROVAL

3.1 As a result of the outcome of the Gateway Review it is recommended that the Combined Authority grant Full Approval for the scheme and the associated release of the £1.676 million required to deliver these works; and £0.192 million to fund TfGM project and programme management activities associated with the enabling, development and delivery of the wider Bolton and Salford packages across the SBNI Programme.

4. RECOMMENDATIONS

4.1 A full set of recommendations are set out at the front of this report.

Dr Jon Lamonte

Chief Executive, TfGM
### Title:
SBNI Bolton Delivery Package 4 (Farnworth)

### Description:
Delivery Package 4 (Farnworth) is an integral element of the redevelopment of Farnworth Town Centre and consists of remodelling the existing bus station, thereby releasing land to facilitate regeneration proposals and a re-modelled King Street/Market Street Junction.

The beneficiaries of the scheme are the residents and business owners of Farnworth and the traveling public.

### Monetised Impacts
The majority of the benefits of the project accrue to pedestrians in terms of reduced severance and shorter walk routes.

The second highest benefits accrue to bus users in terms of improved bus shelters and the provision of monitored CCTV.

The scheme is neutral for road users.

The impacts benefits have been appraised over the assumed 20 year asset life.

### Costs
Capital cost estimate based on detailed cost plan – Optimism Bias of 3% applied, an appropriate level due to the stage of the scheme.

The appraisal has assumed that there is no change in ongoing whole-life costs.

### Initial BCR and NPV
The initial BCR is £2,677 / £1,461 = 1.83.

The NPV is £1.20m

### Non-monetised Impacts
Other impacts not included in the monetised BCR include improved safety and accident reductions and regeneration benefits. The overall net impact of the non-monetised impacts is positive.

### Social and Distributional Impacts
Given that the SBNI Farnworth project will be supporting the economic and social regeneration of Farnworth, which has an economic activity rate below regional and national average with a high proportion of its population within the poorest 10% of communities in England, the scheme will have positive social and distributional impacts.

### Robustness of Appraisal
The VfM appraisal has been conducted in a proportionate manner in line with the GM Growth Deal guidance and DfT’s WebTAG.
The overall appraisal is sensitive to:

- the traffic analysis which has determined that the scheme is neutral in traffic terms and to the assumptions used to derive the pedestrian benefits.
- The assumption that health benefits accrue to additional walk trips made.

### Overall VfM category

Considering the initial BCR alongside the non-monetised and social and distributional impacts discussed above, the overall Value for Money category assigned to the scheme is Medium.