

Solent LTB: Scheme Re-Prioritisation

Initial Findings

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Halcrow is a CH2M HILL company

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04 October 2013

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Scope of the assignment

- Review the revised project submissions
 - A27 Phase 1a (and A27 Phases 1a and 1b)
 - Asda Roundabout
 - Southampton City Streets (Station Quarter North and Integrated Station Quarter)
 - Red Funnel Ferry Links
 - Hard interchange
 - Dunsbury Hill Farm Link Road (and associated development)
- Re assess the revised submissions using the previously developed scoring criteria, without 2016 deliverability constraints
- Re assess the revised submissions using the previously developed scoring criteria, with 2016 deliverability constraints.

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25/10/2013

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Investment Prioritisation Process: MCA (1)

| Factors and Scores | Strategic Case | Economic Case: Transport Benefits | Economic Case: Growth, Wellbeing and Environment |
|--------------------|--|--|---|
| Score: 10 | Well defined strategic case with a clear rationale and evidence for investment (transport network) and major contributions to the stakeholders' policies. The project does deliver significant additionality. | BCR is greater than 4; value of benefits is at least 5 million (and limited inaccuracies in the assessment) | The project results in significant benefits for the economy (Jobs, GVA), wellbeing and environment, supported by very strong economic and market evidence base; also the project is projected to achieve excellent value for money in terms of gross cost per outputs created |
| Score: 5 | Adequately defined strategic case with a clear rationale for investment (transport network) and notable contributions to the stakeholders' policies. The project does deliver some additionality. However, there is a need to strengthen the evidence base to support the arguments. | BCR is between 1.5 and 2; value of benefits is at least £2 million (with only marginal inaccuracies in the assessment) | The project results in some benefits for the economy (Jobs, GVA), wellbeing and environment, however the evidence presented needs to be strengthened; also the project doesn't achieve good value for money in terms of gross cost per outputs created |
| Score: 0 | Poorly defined strategic case: no evident need for investment (transport network) and no contributions to the stakeholders' policies. The project does not deliver any additionality. | BCR is less than 1 (or significant inaccuracies in the assessment) | The project results in disbenefits for the economy (measured as job losses), well being and the environment or there is no economic / market evidence to support the stated impacts. |
| Weights | 28.57% | 14.29% | 14.29% |

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Investment Prioritisation Process: MCA (2)

| Factors and Scores | Financial Case | Management Case | Commercial Case |
|--------------------|---|--|--|
| Score: 10 | No state aid issues, other funds (third party or applicant's own resources) are fully committed and projects seeking less than 20% funding from LTB | Strong management arrangements, detailed understanding of all potential risks for the project along with fully considered mitigation measures that will ensure the delivery of the project by 2019. | Ratio of public sector investment v/s direct private sector investment is at least 50% |
| Score: 5 | Other funds (third party or applicant's own resources) are not committed, and / or projects seeking 50% funding from LTB, however there are no state aid issues. | Level of residual risk associated with delivery of such projects is typical and manageable, however are still some unknown factors which may impact on the project's delivery by 2019. | Ratio of public sector investment v/s direct private sector investment is at least 10% |
| Score: 0 | Insufficient funds (third party or applicant's own funds) available to deliver the project, projects seeking 100% funding from LTB or significant state aid non-compliance issues | Insufficient management arrangements are in place, incomplete risk assessment or significant residual risks associated with the delivery of the project by 2019, lack of engagement / commitment from the owners or no consultation has been undertaken. | Scheme levers in no private sector investment |
| Weights | 14.29% | 14.29% | 14.29% |

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Investment Short listing Tool: Project Total Score - CORE RESULTS Presented at the LTB Board Meetings

Note: a project can achieve a maximum score of 10.00. Rank 1 suggests that the project is the best, a lower rank suggest comparatively poorer performance

| Project reference number | Project Name | Total Weighted Score | Comparative Rank (illustrative only) | Applicants' stated priority |
|--------------------------|---|----------------------|--------------------------------------|---|
| 2 | City Street, Southampton: Station North | 6.14 | 4 | 1 |
| 5 | A27, Hampshire | 5.86 | 7 | n/a - not prioritised / equal priority |
| 6 | Asda Roundabout (<i>now funded through Pinch Point</i>) | 6.14 | 4 | n/a - not prioritised / equal priority |
| 7 | Dunsbury Hill Link Road | 6.29 | 3 | 4 (enhanced priority through recent resubmission) |
| 11 | Hard Interchange, Portsmouth | 6.14 | 4 | 1 |
| 12 | Southampton Station Quarter | 6.29 | 2 | 1 |
| 13 | Red Funnel | 6.29 | 1 | 2 |
| 14 | A27 Phase 1a | 4.86 | 12 | n/a - not prioritised / equal priority |
| 1 | Cycling to Prosperity, Southampton | 5.43 | 10 | 3 |
| 3 | City Street, Southampton: Station South | 5.00 | 11 | 2 |
| 4 | City Street, Southampton: Albion Place | 3.57 | 13 | 3 |
| 8 | Tipner | 3.29 | 14 | 4 |
| 9 | BRT, Portsmouth | 5.57 | 8 | 3 |
| 10 | City Centre, Portsmouth | 5.57 | 8 | 2 |


| Investment Prioritisation Coding |
|----------------------------------|
| Score is less than 5 |
| Score is between 5 and 7.5 |
| Score is greater than 7.5 |

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Project Ranking and Applicant's Self Assessment of Project Delivery by 2015/16

| Project reference number | Project Name | Total Weighted Score | Comparative Rank (illustrative only) | Can you deliver the project by March 2016? |
|--------------------------|---|----------------------|--------------------------------------|--|
| 2 | City Street, Southampton: Station North | 6.14 | 4 | Yes |
| 5 | A27, Hampshire | 5.86 | 7 | No, but can deliver by Oct 2016 |
| 6 | Asda Roundabout (<i>now funded through Pinch Point</i>) | 6.14 | 4 | Yes |
| 7 | Dunsbury Hill Link Road | 6.29 | 3 | Yes |
| 11 | Hard Interchange, Portsmouth | 6.14 | 4 | Yes |
| 12 | Southampton Station Quarter | 6.29 | 2 | No |
| 13 | Red Funnel | 6.29 | 1 | No |
| 14 | A27 Phase 1a | 4.86 | 12 | Yes |

| Investment Prioritisation Coding |
|----------------------------------|
| Score is less than 5 |
| Score is between 5 and 7.5 |
| Score is greater than 7.5 |

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Revised Project Positioning post deliverability check

| Project reference number | Project Name | Total Weighted Score | Comparative Position (illustrative only) | Can you deliver the project by March 2016? |
|--------------------------|--|----------------------|--|--|
| 2 | City Street, Southampton: Station North | 6.14 | 2 | Yes |
| 5 | A27, Hampshire | 5.86 | 3 | No, but can deliver by Oct 2016 |
| 6 | Asda Roundabout (now funded through Pinch Point) | 6.14 | 2 | Yes |
| 7 | Dunsbury Hill Link Road | 6.29 | 1 | Yes |
| 11 | Hard Interchange, Portsmouth | 6.14 | 2 | Yes |

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Delivery Risks for Five Short-Listed Projects

| Project reference number | Project Name | Total Weighted Score | Comparative Position (illustrative only) | Project risks | | |
|--------------------------|--|----------------------|--|-------------------------|-----------------|--------------------------------|
| | | | | Infrastructure Delivery | Output Delivery | Financial / Project Management |
| 2 | City Street, Southampton: Station North | 6.14 | 2 | | | |
| 5 | A27, Hampshire | 5.86 | 3 | | | |
| 6 | Asda Roundabout (now funded through Pinch Point) | 6.14 | 2 | | | |
| 7 | Dunsbury Hill Link Road | 6.29 | 1 | | | |
| 11 | Hard Interchange, Portsmouth | 6.14 | 2 | | | |

Key

-  Considerable risk, which could impact delivery by March 2016
-  Some residual risk which may not be manageable within the programme and / or available resources
-  No residual risk or residual risk manageable within the programme and available resources

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Projects' contributions to key priorities

(Projects which can be delivered by March 2016)

| Project reference number | Project Name | Total Weighted Score | Comparative Position (Illustrative only) | Competing Priorities | | | |
|--------------------------|---|----------------------|--|----------------------|-------------------------------------|-----------------------|-------------|
| | | | | Transport impacts | Employment creation (and certainty) | Housing additionality | EZ Strategy |
| 2 | City Street, Southampton: Station North | 6.14 | 2 | XXX | XX | - | - |
| 5 | A27, Hampshire | 5.86 | 3 | XX | X | X | XXX |
| 6 | Asda Roundabout <i>(now funded through Pinch Point)</i> | 6.14 | 2 | XX | X | XXX | - |
| 7 | Dunsbury Hill Link Road | 6.29 | 1 | X | XXX | - | - |
| 11 | Hard Interchange, Portsmouth | 6.14 | 2 | XXX | XX | - | - |

| Key | Description |
|-----|--------------------------|
| X | Some contribution |
| XX | Notable contribution |
| XXX | Significant contribution |
| - | not applicable |

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Project Facts

Core project outputs and costs

| Project reference number | Project Name | Total Weighted Score | Comparative Position (Illustrative only) | Key Indicators | | | | | | | |
|--------------------------|---|----------------------|--|--|--|--|--|---------------|-------------------------|--------------------------------|-----|
| | | | | Employment unlocked by 2016 (Gross FTEs) | Employment unlocked post 2016 (Gross FTEs) | Housing unlocked by 2016 (no of units) | Housing unlocked post 2016 (no of units) | Project costs | LTB contribution sought | LTB contribution sought (%age) | |
| 2 | City Street, Southampton: Station North | 6.14 | 2 | - | 300 | - | - | - | £7,865,000 | £4,185,000 | 53% |
| 5 | A27, Hampshire | 5.86 | 3 | - | 700 | - | - | - | £6,610,600 | £4,957,950 | 75% |
| 6 | Asda Roundabout | 6.14 | 2 | 105 | 30 | 150 | 600 | - | £5,299,000 | £3,965,000 | 75% |
| 7 | Dunsbury Hill Link Road | 6.29 | 1 | 595 | 170 | - | - | - | £8,540,000 | £4,540,000 | 53% |
| 11 | Hard Interchange, Portsmouth | 6.14 | 2 | 185 | 100 | - | - | - | £6,832,000 | £4,832,000 | 71% |

Key

- XXX Market evidence available to support the employment outputs
- XXX Lack of mark evidence to support the employment outputs

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