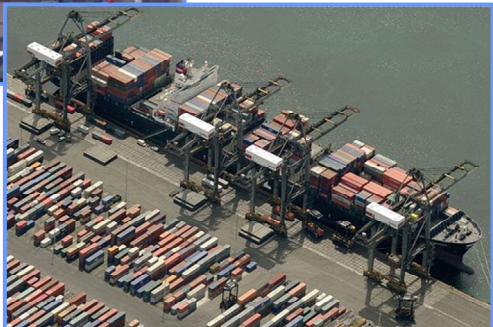
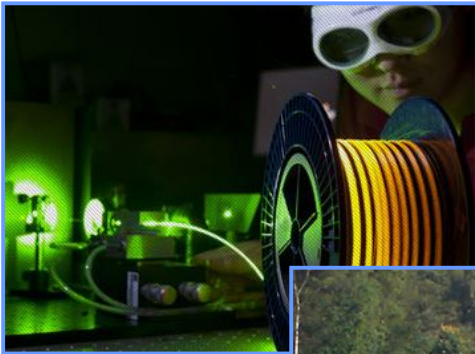


Local Major Transport Scheme Fund Project Application Form Guidance

Solent Local
Transport Body

V-8



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1 Introduction

The Solent Local Transport Body (LTB) has a single purpose, which is to make decisions on devolved local major transport scheme funding. The Solent LTB shall perform the following roles:

- responsibility for ensuring value for money is achieved;
- identifying a prioritised list of investments within the available budget;
- making decisions on individual scheme approvals, investment decision-making and release of funding, including scrutiny of individual scheme business cases;
- Monitoring progress of scheme delivery and spend;
- Actively managing the devolved budget and programme to respond to changed circumstances.

This note provides guidance for applicants applying for Local Major Transport Scheme Funding from the LTB. This guidance should be read in conjunction with the Solent LTB Assurance Framework.

Applications for Solent LTB Local Major Transport Scheme Funding (The Fund) are invited from Members of the Solent LTB only. Third parties can access the fund with a Full Member as a sponsor.

The Solent LTB will prioritise transport investments that have no identified funding source to fully cover the cost of the project and that deliver directly or indirectly economic benefits to the Solent economy in terms of growth in employment or that safeguard employment, drive new residential and/or employment development.

In addition, proposals prioritised for devolved local major transport scheme funding by the LTB will be for worthwhile transport schemes that meet local priorities (including carbon reduction), emerge from evidenced transport constraints and accord with the Solent LTB eligibility criteria (section 3). The current and forecast transport constraints in the Solent area that emerge from a strong evidence base, are set out in the [Transport Delivery Plan \(TDP\)](#). These transport constraints should be referred to in applications.

A transport scheme is defined as a scheme that responds to one or more current and/or forecast transport problem on one or more of the highway, public transport, walking and cycling networks or a future part of one or more of those networks.

Transport schemes have been identified (and continue to be identified) through a robust process that ensures that transport projects are problem-driven. These schemes are set out in the Transport Delivery Plan and represent the transport project priorities for the Solent area. The purpose of this application process is to identify the priorities from the TDP projects for this Fund.

Transformational opportunities will take priority. A transformational opportunity is defined as a time-bound significant opportunity to:

- safeguard employment (directly or indirectly); and/or
- deliver new employment (directly or indirectly); and/or
- lever in private sector funding; and/or
- deliver housing and/or employment floorspace (directly or indirectly).

The Solent LTB Board will judge whether a scheme is of sufficient scale, immediacy and impact to be defined as 'Transformational'.

2 Expected Level of Funding, Programming, Bidding Rounds, and Decision-Making

The Department for Transport (DfT) has provided an indicative level of funding for the Solent LTB for the 2015-19 period of £28.8m. However, DfT has advised areas to plan for 30% above and below this indicative allocation. With recent additional funds being found for transport infrastructure projects and the expectation that new capital funding will be announced by an incoming government in 2015, the Solent LTB will over-programme to a figure of £50m to ensure that it has schemes developed to spend the devolved major scheme funding allocation – at whatever level it is distributed - and to ensure preparedness to spend any additional funding that may be distributed.

The below figure shows how the Solent LTB will construct a prioritised list. The total programme value would be £50m. Those projects in the top box would be the highest priority schemes, whilst those in the bottom box would be of a lower priority. If the £28.8m allocation is confirmed, our priorities would consist of the first £28.8m of schemes (working from the top). If the LTB is subsequently allocated more funding then additional schemes, working down the list, would be funded.

Level of Funding	Transport Projects
£50m (Max Over-Programme)	High Priority
£38m (3 rd Above)	
£29m	
£19m (3 rd Below)	Lower Priority

There can be movement between the boxes of the table as circumstances change. This would be a decision for the LTB. This would provide a flexibility and responsiveness of the programme to changing circumstances.

There will be two opportunities to apply for prioritisation for LTB funding. The first round will run from Monday 13th May 2013 to Wednesday 12th June 2013, with the second round running for a period to be decided in the first half of 2014. The first round will prioritise transport projects for progression to business case development. The second round will provide an opportunity for new schemes to be considered for prioritisation and enter the programme, and as a result, following the second round of applications the priority of projects within the overall programme may change.

All projects prioritised for LTB funding will be assigned a status as 'Priority Development Pool' or 'Development Pool'. 'Priority Development Pool' projects will have a strong degree of certainty that they will be funded by the LTB, subject to the satisfactory and timely submission of a full Business Case that demonstrates high value for money¹, deliverability, and affordability. 'Priority Development Pool' schemes will also begin delivery in the first two years of the programme (2015-16 to 2016-17).

Following the first round of bidding, projects assigned a status of 'Development Pool' will feature on the prioritised list, but be of lower priority and will not have a strong degree of certainty that they will be funded by the LTB following submission of a full Business Case. The 'development pool' projects will be

¹ Lower value for money performance may be considered by exception.

reviewed following round two submissions and would have an opportunity to be prioritised in the 2017-18 to 2018-19 period. Funding available for the 2017-18 to 2018-19 period will be contingent up the level of funding awarded in the first two years of the programme.

Where known, applicants are requested to submit at round 1, an indication of projects that they may be considering a bid for in round two. Applicants should email the LTB (at the contact email address) with the following information (no more than one page of A4) by 1st July 2013:

- Project name;
- Project location;
- Short project description (what the project will deliver and what it aims to achieve / support); and
- Indicative total project cost range (<£5m, £5-£10m, >£10m-£15m, >£15m-£20m, and >£20m).

The LTB will use this information to inform its decision making at round 1.

Once a Business Case is approved by the LTB, funding will be confirmed and this decision will be irreversible.

All business cases will be developed at the cost of the promoting authority. Guidance on the development of Business Cases will be issued separately, but will be consistent with DfT WebTAG.

3. Types of Funding

Funding is available as either grant or as a loan. For loan applications, any scheme prioritised will need to develop a full transport Business Case (as will grant applications) and funding will not be confirmed until the Business Case is received and evaluated to the satisfaction of the LTB. At that point a final funding decision will be made. Funding will be paid by the LTB to the lead applicant. Arrangements for the repayment of loans will be between the accountable body for the LTB (Hampshire County Council) and the lead applicant. Where a third party is involved in a loan application, the sponsoring authority will need to contract with the third party for the repayment of the loan.

Awards of funding for loans will be made on terms to be agreed (including interest rate and repayment term).

All claims for funding will be paid in arrears.

4. Eligibility Criteria

Independent schemes as well as package proposals will be considered for funding, subject to the following criteria:

Essential Criteria

Proposals must:

- a. be included (or will be included) within the TDP;
- b. have a clearly defined scope;
- c. drive employment and/or housing growth and/or solve a current or future transport problem that constrain economic and/or housing growth or that safeguards existing employment (*with higher employment and/ or housing growth viewed more favourably in scheme prioritisation*);
- d. provide sustainable access;
- e. comprise a 100% capital funding request;
- f. be supported by a local contribution (public and/ or private and revenue and/ or capital) of at least 25% of the overall project cost. This 25% local contribution can exceptionally be applied before 2015 and/ or after 2019 (*with higher local contributions viewed more favourably in scheme prioritisation*);
- g. be for a minimum total project cost of £2,000,000. However, it is expected that funded projects will generally require over £5,000,000 of LTB funding;
- h. normally expect to deliver 'high' value for money;
- i. be delivered largely between 2015-19;
- j. be supported by the Local Transport Authority/ies whose area(s) within which the proposal would be delivered; and
- k. attach an *in principle* letter of support for a project that is on the strategic highway or rail networks.

Desirable Criteria

Proposals that demonstrate the following will be considered favourably:

- l. leverage of private sector investment into the Solent LTB area;
- m. improve sustainable access to city and/ or town centres and major employment areas;
- n. improve access to the Enterprise Zone(s)
- o. tackle congestion;
- p. reduce carbon output and other emissions;
- q. increase capacity of transport networks; and
- r. be measurable against the following Key Performance Indicators (KPIs):
 - Net additional jobs created (directly or indirectly) or safeguarded in the Solent area that can be linked to the transport intervention.
 - Net additional housing or employment floorspace supported as a consequence of the transport investment (either directly or as part of a wider package of enabling measures).
 - Private sector investment leveraged as a result of the delivery of the transport scheme (either directly or as part of a wider package of enabling measures).
 - Local Gross Value Added (GVA) created and safeguarded.

The Solent LTB will reserve the option to use LTB funding flexibly in order to respond quickly to economic shocks and opportunities. This will be in exceptional circumstances only, where there is a significant transformational opportunity, and will take place outside the normal prioritisation process. Proposals for exceptional LTB funding will be subject to the same level of appraisal and independent scrutiny as all other schemes prioritised.

5. Funding Conditions

In respect of proposals on the strategic road or rail networks, the applicants must ensure that the Highways Agency and/or Network Rail are fully sighted on schemes that are the subject of an application for funding so that their views on deliverability and impact on the wider strategic road and rail networks can be considered and taken into account in the initial prioritisation exercise. In cases where schemes have a direct impact on rail and bus operations the views of train operating companies, DfT (rail) and/or bus operators should be sought.

LTB funds may be awarded to projects where transport is just one component of a wider project. However, in these circumstances, LTB funds must be ring-fenced to fund the transport component either in part or in full. Funding for the wider project will not be counted as match-funding for the transport component, unless an explicit allocation to the transport component is available. Investment in the wider project can be identified under leverage.

The LTB will only consider proposals for devolved local major transport scheme funding that are included within the TfSLiW [Transport Delivery Plan](#) (TDP). The schemes within the TDP (or that are subsequently added to the TDP) are identified following a process that is consistent with DfT WebTAG advice. The process is explained in section 3 of the TDP. The TDP is a live document and will be updated as new evidence becomes available and new opportunities present themselves. The TDP was developed by the four LTAs of the LTB and has been endorsed by the Solent LEP as the Transport Delivery Plan for the Solent LEP area.

All schemes prioritised will need to develop a full transport Business Case, before a final decision on funding can be taken by the LTB. Submission of a Business Case will not guarantee a funding award. The Business Case will be assessed by the LTB and a final decision on funding will be made on the strength of the Business Case, the impact of the projects relative to other projects, and the affordability within the LTB programme. The risks and costs associated with the development of the transport business case are with the applicant(s).

Each funded project will need to provide a Project Initiation Document in advance of project delivery, and a project completion report, following delivery. Both reports will be published on the LTB website.

There will be a contract between the accountable body (on behalf of the LTB) and the delivering LTA when funding is approved for a scheme. This will set out the responsibilities of both parties, liabilities and audit requirements.

6. Monitoring & Evaluation

The LTB is keen to monitor delivery of its programme. Six monthly progress updates will be required to be submitted by the delivery body to the LTB.

In addition, it will be important for the LTB to evaluate the impact of each funded project. This may help the LTB make an argument for additional funding from central government. Linked to this, DfT has indicated that future devolved local major transport scheme funding may be linked to past performance of LTB programmes of investment.

A monitoring and evaluation programme will be developed as part of the funding conditions attached to the grant/loan.

7. Completing the Application Form

The LTB recognises that applications for a range of transport solutions may be received, owing to the wide-range of impacts that transport schemes can have on the economy, environment and society. The application form is designed to enable all projects to have an opportunity to make a case for prioritisation.

One application should be completed per project.

Applications are restricted to a maximum of 20 pages (excluding accompanying documentation). Please amend the sizes of the response boxes to suit your application.

Accompanying documentation should be restricted to:

- Letters of support from stakeholders;
- Map(s); and
- Scheme drawing(s).

Where data are included within applications, commentary to substantiate the data is required. This will enable the LTB to form a view on the validity of the data and to compare with competing applications.

All project application forms will be published on the LTB website.

Section A – Applicant Information

- A1 Enter the lead applicant name. Applications are restricted to LTB members only. Applications from third parties must be lead by a Full LTB Member.
- A2 Enter the names of any joint applicants. Joint applicants are not restricted to LTB Members.
- A3 Please provide the full postal address of the lead applicant.
- A4 Please provide full contact details of the Bid Manager.

Section B – Eligibility Check List

This section aims to capture information to ascertain if the project complies with the Fund Eligibility Criteria.

- B1 Please tick the relevant box. The Transport Delivery Plan (TDP) is available from the [TfSHIoW website](#).
- B2 Please tick the relevant box. It must be clear from your responses to questions C6, D1 and D2 that the project is clearly defined in terms of its location, what constraint(s) the project will tackle and the project output(s).
- B3 Please tick the relevant box. Please refer to the guidance for question D2.
- B4 Please tick the relevant box. Please refer to the guidance for question D5.
- B5 Please tick the relevant box. Please refer to the guidance for questions F2.
- B6 Please tick the relevant box. Please refer to the guidance for questions F3 and F4.
- B7 Please tick the relevant box. The minimum total project cost threshold for applications is £2,000,000.
- B8 Please tick the relevant box. Please refer to the guidance for sections D and E.
- B9 Please tick the relevant box. Please refer to the guidance for question G1.

B10 Please tick the relevant box. The local transport authority/ies within whose area the project will be delivered must support the scheme and be committed to its delivery for the application to be eligible.

B11 Where a project will be delivered on the strategic highway or rail networks please provide an *in principle* letter of support from the relevant infrastructure owner.

Section C – Project Summary

C1 Enter the title of the project.

C2 Provide a brief project description (no more than 100 words). This should set the scene and provide a high level summary of the project location, outputs, constraints tackled and benefits realised.

C3 *Tick* the appropriate box. All loans must be repaid to the LTB on terms to be agreed with the LTB.

C4 Set out the total project cost, LTB funding request and other sources of funding. Please specify the source of the local contributions and whether these contributions are confirmed. The LTB Fund is capital only, but external funding may be capital or revenue.

C5a *Tick* the appropriate box. A key objective for The Fund is to provide funding for schemes that have no alternative funding option to fund the full cost of the project. Assessors may seek further clarification on responses to this question, particularly where an uplift in land or rent values is a consequence of the project.

C5b If alternative funding options exist, explain what they are, and if they are being sought alongside this application. This will not prejudice your application. Explain why LTB funding is being sought now.

C5c If no alternative funding sources exist for the project please list other funding sources considered and reasons for their rejection.

C6 Provide details and a brief description (no more than 100 words) of the geographical area covered by the project. A map and/or scheme drawings may be provided in the supporting material.

C7 Public bodies have to consider all individuals when carrying out their day-to-day work – in shaping policy, in delivering services and in relation to their own employees. It also requires that public bodies:

- have due regard to the need to eliminate discrimination
- advance equality of opportunity
- foster good relations between different people when carrying out their activities

Further information is available from: <https://www.gov.uk/equality-act-2010-guidance#public-sector-equality-duty>.

C8 All applications will be published on the Solent LTB website. Please indicate whether responses to any questions are of a sensitive nature and should not be published, by indicating the question number(s)

C9 Provide a list of the Partnership Bodies (if any) you plan to work with in the design, delivery and operation of the scheme. Letters of support from these bodies may be appended to the application.

C10 Identify the earliest project commencement and desired project commencement dates. It is recognised that these will be indicative at this stage and have dependencies. Please also indicate the expected delivery duration in months.

The LTB is keen to ensure early delivery to demonstrate strong delivery credentials and place it in a strong position to access any additional funding that may be made available.

- C11 Please list any associated consents, which this project is contingent upon obtaining and whether they are in place? If these consents are not in place, please state when these are expected to be so.
- C12 Please list any projects that are the subject of an application to the LTB, that are linked to the delivery of this project.
- C13 If you are the lead applicant for more than one application to the LTB, please list this application and the other projects in priority order. The LTB is keen to understand your priorities.

Section D – The Strategic Case

- D1 Provide a full description of the transport project. This should describe the project that will be delivered if funding is secured. Scheme drawings and maps may be appended to the application.
- D2 Describe the transport constraint(s) that the project will respond to, providing evidence of the constraint(s), where available. Where evidence is presented, provide details of the data source. Explain how the mitigation of these transport problems will support the Solent economy.

All bids are encouraged to clearly demonstrate how the proposed transport intervention unlocks, accelerates or intensifies economic activity either directly or indirectly. Examples may include unlocking housing or employment development sites by removing any constraints on the transport network.

Appropriate evidence regarding the network should be provided. Applications are required to provide the necessary market and economic evidence base clearly demonstrating the project's ability to create economic benefits.

Make reference to the additionality expected to result from the project by describing the extent to which associated outputs, outcomes and impacts will be larger in scale, at a higher quality, takes place quicker, takes place at a different location, or takes place at all as a result of the transport intervention.

- D3 Explain how the outcomes from the project would contribute towards the Solent LEP's aim to create 10,000 new jobs and GVA growth of 2.1% in the Solent economy by 2026, and linked to this, the LEP's *Strategic Priorities*. Further information can be found on the Solent LEP [website](#) and, in particular, within the [Strategy for Growth](#). You should cross-reference to your responses to questions E8-12, and avoid duplication.
- D4 Explain how the project supports local transport objectives included within the TfSHIoW Transport Delivery Plan, the relevant Local Transport Plans, and any other relevant documents of the Local Transport Authorities. Also make reference to how the project may support the delivery of Local Plan proposals, including those in draft status.
- D5 A key local transport objective is to promote a mode shift from the car/van to other modes of transport, to reduce congestion and improve journey time reliability. Achieving this will support economic growth and quality of life in the Solent area. In particular, car access to city and town centres suffer unreliable journey times. Please describe how the project will improve sustainable access.
- D6 Provide details of any wider programme of investment that the transport project will support and explain how critical LTB funding will be to the successful delivery of the overall programme of investment.

- D7 Explain what will happen if the funding is not secured. This could relate to the extent of transport constraints in the future or to the delivery of a wider programme of investment.
- D8 If the project has funding from another LTB or is located outside of the Solent LTB area, please explain the benefits to both LTB areas (focussing on the benefits to the Solent LTB area).

Section E – The Economic Case

- E1 WebTAG appraisal is **not** required for applications seeking prioritisation, but will be required as part of the full transport Business Case for those projects prioritised for LTB funding and assigned a 'Priority Development Pool' status. However, DfT has impressed on LTBs the importance of Value for Money, and has indicated that future major transport scheme funding distribution could be linked to value for money performance. The LTB will, therefore, in the main, only consider projects that are expected to have a Benefit Cost Ratio (BCR) of 2 or above.

Please tick the appropriate box. Where a BCR is expected to be greater than 4, the value of benefits will be expected to be at least £5 million. For a BCR between 1.5 and 2 the value of benefits will be expected to be at least £2 million.

For more developed projects, where a BCR is known, please provide the BCR.

Please use the space provided to explain the basis of the expected BCR.

- E2 Where a BCR is not available, applicants are requested to use their local knowledge to **estimate** the following data (where relevant) so that an indicative BCR can be calculated by assessors:

Scheme Demand:

- Annual Average Daily Traffic (AADT) Flows
- Passenger Demand
- Footfall
- Demand profile – freight / passengers

Scheme Benefits:

- Journey Time Savings
- Journey reliability savings
- Accident effects
- Changes to Public Transport quality / townscape
- Scheme revenue

Scheme Costs:

- CAPEX
- OPEX

Assessors will discuss with you how you have arrived at the expected BCR value, including whether you expect to include any wider factors in your BCR assessment that are consistent with WebTAG (e.g. Land values).

Describe the expected impact of the project on end-to-end journey time by ticking the appropriate box.

- E3 Tick the appropriate box to indicate the expected end-to-end journey time savings that the project should realise and for which modes of transport. Please use the space provided to describe the expected end-to-end journey time reductions.
- E4 Describe the expected impact of the project on the cost of travel. Monetised savings are not expected to be provided.

Please use the space provided to explain the basis of the expected cost of travel savings.

- E5 Describe the expected impact of the project on journey time reliability. Monetised savings are not expected to be provided.
- E6 Describe the expected impact of the project on journey safety. This should include any expected impact on the number injured or killed in transport accidents and on crime (actual or perceived fear of). Monetised savings are not expected to be provided.
- E7 Explain how the project will make better use of existing transport infrastructure and how the project will complement other transport infrastructure/ operations.
- E8 Provide details of the direct or indirect employment outputs that can be linked to the delivery of this project.

It is accepted that it will be easier to complete this section for some projects than others. Applicants are requested to complete the spreadsheet as fully as they can. For example, if new jobs cannot be split by year, then a total figure should be provided instead, or if an employment sector is not known, no sector should be selected. Clearly this will result in a GVA figure not being provided for those jobs. Where possible, effort should be made to identify the sectors that the jobs are likely to relate to.

You should differentiate between jobs created by the construction of the infrastructure and those that will be ongoing as a result of the project. Letters of support from employers committing to employment or endorsing the projected employment numbers should be appended to the application, where available. It is recognised that very few transport projects can be linked to direct job creation (beyond construction related) and it is expected that much of jobs growth or safeguarded will be indirectly achieved.

Please complete the Jobs Created and Jobs Safeguarded tables in the Part B application form. The total jobs created and total jobs safeguarded figures should be inserted in the appropriate row of question E8 of the Part A application form.

Question E8 of the main application form requests an explanation and estimates for the expected employment outputs of the project:

- **Jobs created:** new jobs that will be created as a result of the project's investment (and would not be created if the project did not go ahead). This may include temporary jobs e.g. construction, which should be clearly identified with an indication of the period over which these jobs will continue. Please refer to further guidance outlined below regarding calculation of employment impacts.
- **Jobs safeguarded:** jobs that will be maintained as a result of the transport investment. Jobs can only be considered safeguarded where there is real threat that they will be lost in the near future if the transport constraint is not improved.

Calculation of employment impacts

- **Direct jobs** are those employed directly as a result of the investment. This may include temporary jobs (e.g. in construction), which should be clearly identified in the form with an indication of the period over which these jobs will continue.
- **Indirect jobs** are those employed in the wider economy as a result of the transport investment (Including within the supply chain). These may include jobs created on new development sites which would have remained undeveloped if the project was not implemented.

In order to ascertain the number of indirect jobs created as a result of the development sites

unlocked, please refer to Section 3 (Table of Employment Densities) of the Homes and Communities Agency 'Employment Densities Guide' (2010). This guide is available to download from the following website:

<http://www.homesandcommunities.co.uk/employment-densities-guide-2nd-ed>

All job figures should be expressed in full time equivalent terms and an indication of the type of jobs should be provided (e.g. what sector). A full time equivalent job is equal to one full time job or two part-time jobs. A full time job is 30 hours or more per week, whilst a part time job is classed as more than 15 hours but fewer than 30 hours per week. Full time equivalent jobs must be delivered and maintained for at least 10 year from the point at which it is created.

Projects should assume 12.5 full time equivalent construction jobs for every £1 million spend on physical infrastructure.

Please use the additional space to explain how the transport project will support the new / safeguarded employment.

- E9 Please complete the Employment Floorspace Created table in the Part B application form. The total Floorspace Created should be inserted in the appropriate row of question E9 of the Part A application form.

It is accepted that it will be easier to complete this section for some projects than others. Applicants are requested to complete the spreadsheet as fully as they can.

Employment floorspace delivered (by land use): total square meters of new buildings constructed as a result of the project investment. All estimates to include the entire area inside the external walls of a building including corridors, lifts, plant rooms, service accommodation.

Please use the additional space to explain how the transport project will support the employment floorspace starts.

- E10 Please complete the Housing Starts table in the Part B application form. The total Housing Starts figures should be inserted in the appropriate row of question E10 of the Part A application form.

It is accepted that it will be easier to complete this section for some projects than others. Applicants are requested to complete the spreadsheet as fully as they can.

Housing starts: the number of new houses on which construction will start as a result of the project investment.

Please use the additional space to explain how the transport project will support the housing starts.

- E11 Please use Part B of the application form to estimate the GVA impacts of the project.

It is accepted that it will be easier to complete this section for some projects than others. Applicants are requested to complete the spreadsheet as fully as they can.

In particular, there are two types of GVA impact relevant to applications:

- GVA as a factor of the project's construction expenditure: 2011 Annual Business Survey data produced by the Office of National Statistics suggests that 37% of construction spend in the UK relates to the sector's GVA contribution nationally. The figure of 37% should be applied to the project to derived project construction GVA.
 - This is calculated for you in cell B8 of the GVA worksheet within the Part B application form. Please insert the project construction spend in cell B7.

- Operation stage GVA: The 2011 Annual Business Survey data provides per employee (capita) benchmarks for GVA by different sectors of economic activity. Relevant benchmarks should be applied to the full-time equivalent jobs created impacts of the project to estimate the annual additional GVA contribution of the project during the operational stage.
 - Please select the “Sector of Economic Activity” and the “Per Capita GVA” relevant to your project from columns A and B respectively from the “Benchmarks for per capita GVA by different sector of the UK economy sourced from 2011 Annual Business Survey” table in the GVA worksheet within the Part B application form, and insert these in the “Operational Stage GVA effect” table of the GVA worksheet within the Part B application form.
 - Please ensure that the sectors in the “Operational Stage GVA effect” table of the GVA worksheet are inserted in the same order as the sectors inserted in the “Jobs Created” table of the “Economic Impacts” worksheet within the Part B application form. The employment numbers in the “Jobs Created” table drive the GVA calculations in the “Operational Stage GVA effect” table.

E12 Question E12 requires an explanation of the wider economic benefits (not captured elsewhere) likely to be delivered by the project. These wider benefits could include:

- access to Enterprise Zone(s) or other major employment areas
- regeneration of deprived neighbourhoods
- improvements in health
- improvements in accessibility
- improvements in physical activity
- agglomeration
- uplift in land values
- future savings to the Exchequer stemming from the higher likelihood of gaining and retaining employment by residents of the area
- reductions in the distance from the labour market among residents of the area as they become more job-ready/move closer to the labour market
- improvements to social cohesion
- [option values](#)

Please provide supporting evidence or data, where available.

Reference may also be made to other programmes of investment such as the City Deal agenda and whether the project supports any priority sectors or areas of public sector vulnerability.

This is an opportunity to explain how the project will provide value for money over and above the response given to earlier questions.

E13 Summarise the expected impact of the project on carbon emissions. What impact will the project have on carbon emissions either through changes in activity, a change in carbon output, or efficiency? Summarise the expected impact of the project on local air quality. Make reference to any Air Quality Management Areas affected by the project. Summarise the expected impact of the project on absolute disturbance from noise. For further information please refer to page 10 of the [Early Assessment and Sifting Tool \(EAST\) guidance](#).

E14 Summarise the expected impact of the project on the natural environment, including impact on landscape, biodiversity and water environment. For further information please refer to pages 10-11 of the [Early Assessment and Sifting Tool \(EAST\) guidance](#).

E15 Summarise the expected impact of the project on streetscape and the urban environment, including impact on heritage. For further information please refer to page 11 of the [Early Assessment and Sifting Tool \(EAST\) guidance](#).

Section F – The Financial Case

- F1 State the total cost of the transport project. Split the total cost between capital and revenue where applicable. LTB funding is capital only.
- F2 State the capital funding request from the LTB.
- F3 State what percentage the LTB capital request would be of the total project cost (capital and revenue). Where the transport scheme forms part of a wider project, funding for the wider project will not be counted as match-funding for the transport component, unless an explicit allocation to the transport component is available. Investment in the wider project can be identified under leverage (question H1).
- F4 Explain how the remainder of the project is to be funded. Contributions may come from a variety of sources including Local Authority fund, Developer Contributions, Contributions from Non-Governmental Organisations or Private Sector Funding.
- F5 Set out the indicative funding profile in the table provided and adapt as required. It is accepted that this will be indicative, but will be used to provide the LTB with a potential profile of its overall programme.
- F6 Set out whether the project will require on-going revenue funding and if so, identify how this will be funded.
- F7 Confirm whether any funding awarded to this project would comply with European State Aid regulations. For further information on these regulations see: <https://www.gov.uk/state-aid>.
- F8 For loan applicants only, list the source(s) of loan repayment.
- F9 For loan applicants only, state the preferred period over which loans will be repaid. Should the application be shortlisted, the term will be negotiated with the LTB.

Section G – The Management Case

- G1 State whether the project is deliverable within the 2015-19 period. The preference of the LTB is to fund projects that are deliverable within the 2015-19 period and LTB funding should be spent within the 2015-19 period. Delivery may, by exception, begin or end outside of this period and this should be funded by third party contributions. By exception only will LTB funding be available for delivery outside of the 2015-19 period. For projects not deliverable exclusively within the 2015-19 period, provide details of the delivery programme.
- The contract agreed between the accountable body and the delivery body will clearly set out that the liability rests with the delivery body (not the accountable body) should funding not be devolved or there is a change in the amount of funding devolved.
- G2 For projects on the strategic road or rail networks, the relevant infrastructure owner must support the bid.
- G3 If the project has an impact on public transport operations, state the extent to which operators have been involved in the project development and whether they are supportive.
- G4 Demonstrate the design and implementation resources that will be in place to develop and deliver this project. This may include internal resources or procurement options available to the lead applicant. Please also confirm who the senior officer responsible for the delivery of the project will be.
- G5 Confirm your commitment to maintain the asset post delivery and briefly describe what relevant

maintenance programmes are in place.

- G6 Set out the high level project stages. Adapt the table as required.
- G7 Timely delivery is imperative and it will be important for the LTB, when prioritising, to understand the level of public support for the project. If the project is unlikely to be publically acceptable, please describe how you propose to overcome this potential delivery barrier.
- G8 State whether any consultation has taken place to date and if so, list the consultation activities. Are any consultation activities planned?
- G9 Briefly summarise an example of examples of where similar projects have been successfully delivered elsewhere.
- G10 Set out the key risks associated with the delivery of the project in the table provided. Adapt the table as required. These should include, amongst other considerations, reference to planning permissions, consents, third party land requirements, and the need for an Environmental Impact Assessment (EIA). Please assign each risk a Red, Amber or Green status against 'Likelihood' and 'Impact'.

Section H – The Commercial Case

- H1 The ability of projects to lever in funding is a key aim for the Solent LTB. This does not relate to third party contributions to the costs of the project but, rather, to the wider investments that the project will provide a catalyst for.
- H2 Divide the private sector investment contribution to this transport project and/ or leveraged in by this project by the public investment in the transport project (including the LTB contribution). For example, a £3m project funded by public investment that levers in £10m of private sector investment would produce a ratio of 3.33:1)

Section I – Monitoring and Evaluation

- I1 State which of the KPIs the project can be measured against.
- I2 Provide a short summary of how you will monitor and evaluate this project, making reference to the KPIs. (No more than 200 words).

Section J - Declaration

- J1 Please arrange for applications to be signed off by a senior officer at the LTA/LEP. For LTAs it is expected that this would be the relevant Director, and for the Solent LEP it is expected that this would be the Executive Director.

8. Prioritisation Process

It is anticipated that the form of evidence and level of detail provided in application forms will vary from scheme to scheme depending on the state of development of the projects. However, it is worth noting that lack of evidence or poor quality data in any section of the application form will negatively impact upon the assessment of the project's deliverability and increase its risk of being unsuccessful.

On a similar note, lack of certainty around economic outputs and their timescales would also imply higher risk in achieving the reported benefits. This could result in reconsideration of the stated outputs in Part B of the application form.

Assessment Methodology

The following questions within the application form will be given a Red, Amber, Green (RAG) status:

B1-B11; C4-C6, C10; D1-D8; E1-E15; F1-F7, F8-F9 (if applicable); G1-G9; H1-H2; I1; J1.
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The purpose of assigning these questions a RAG status will be to provide an overview of each section, highlight risks, and assess the impact of the project against the particular question, relative to the focus for this Fund (as set out in section 1).

Each of the five Business Case sections (D-H) will be scored between 1-10. The upper, middle and lower score descriptors are provided in table 1, below. The "10" score descriptor provides the 'target' for applications. The score descriptors are designed to be wide enough to cover the breadth of transport projects that could be received. Assessment descriptors will apply relative to the focus of individual projects.

Table 1: Assessment Score Descriptors

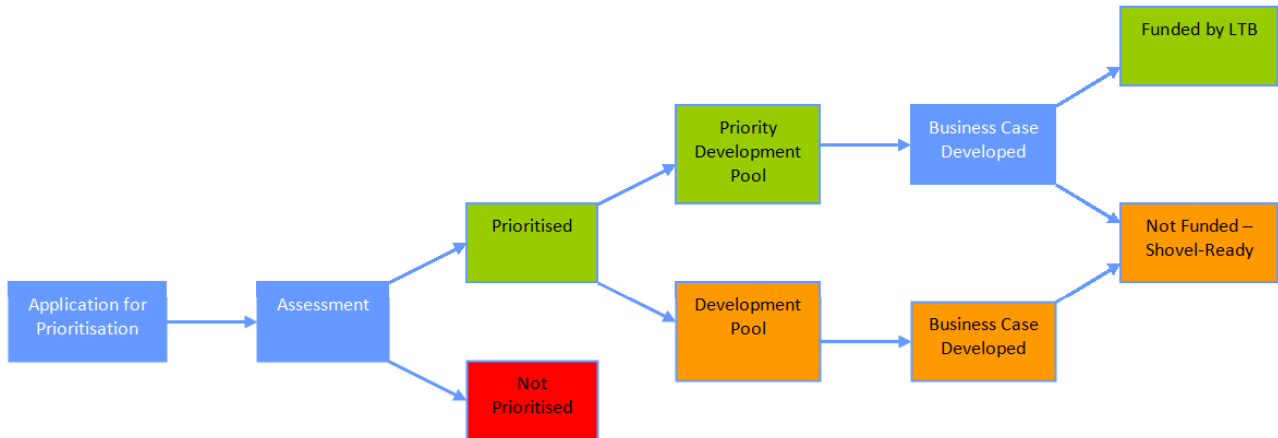
Top, Mid, and Low Scores	Strategic Case	Economic Case: Transport Benefits, Wellbeing and Environment	Economic Case: Growth	Financial Case	Management Case	Commercial Case
Score: 10	Well defined strategic case with a clear rationale and evidence for investment in the transport network; Makes major contributions to the LTA policies and the LEP's growth agenda; Significantly tackles evidenced transport problems that are acting as a barrier to economic growth, new development or the safeguarding of employment; The project does deliver significant additionality.	BCR expected to be greater than 4; Value of benefits is at least £5 million (and limited inaccuracies in the assessment); Significant impact on end-to-end journey time, journey time reliability, cost of travel, safety, and network resilience (relative to the focus of the project); The project results in significant benefits for wellbeing (severance, physical activity, injury or deaths, crime, accessibility) and/ or environment (carbon reduction, air quality, noise, natural and/or urban environment) relative to the focus of the project.	The project results in significant benefits for the economy (jobs, new development, GVA), supported by a very strong economic and market evidence base; The project is expected to achieve excellent value for money in terms of gross cost per outputs created; Significant wider economic benefits clearly demonstrated.	Greater than 30% local contribution; No state aid issues; Other funds (third party or applicant's own resources) confirmed; There is no overall cost risk.	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 to programme; The project will be publically acceptable, has a realistic delivery timetable and has been successfully delivered elsewhere.	Ratio of public sector investment v/s direct private sector investment is at least 1:4.
Score: 5	Adequately defined strategic case with a clear rationale for investment in the transport network and notable contributions to the LTA policies and the LEP's growth agenda; Tackles evidenced transport problems that are acting as a barrier to economic growth, new development or the safeguarding of employment; The project does deliver some	BCR is expected to be between 1.5 and 2; Value of benefits is at least £2 million (with only marginal inaccuracies in the assessment); Adequate impact on end-to-end journey time, journey time reliability, cost of travel, safety and network resilience (relative to the focus of the project); The project results in adequate benefits for wellbeing (severance, physical	The project results in some benefits for the economy (jobs, new development, GVA); The evidence presented needs to be strengthened; The project doesn't achieve good value for money in terms of gross cost per outputs created; Wider economic benefits are demonstrated.	25% local contribution; Other funds (third party or applicant's own resources) are confirmed; No state aid issues; The overall cost risk is medium.	Level of residual risk associated with delivery of such projects is typical and manageable; Some unknown factors which may impact on the delivery of the project to programme. The project is likely to be publically acceptable; The delivery timetable is ambitious; Similar projects have had varying levels of success elsewhere.	Ratio of public sector investment v/s direct private sector investment is at least 1:1.

	<p>additionality; There is a need to strengthen the evidence base to support the arguments.</p>	<p>activity, injury or deaths, crime, accessibility) and/ or environment (carbon reduction, air quality, noise, natural and/or urban environment) relative to the focus of the project.</p>				
Score: 0	<p>Poorly defined strategic case: no evident need for investment in the transport network and no contributions to LTA policies and the LEP's growth agenda; The project does not tackle evidenced transport constraints and does not deliver any additionality.</p>	<p>BCR is expected to be less than 1 (or significant inaccuracies in the assessment); No impact on end-to-end journey time, journey time reliability, cost of travel, accessibility, safety and network resilience (relative to the focus of the project). The project results in no benefits for wellbeing (severance, physical activity, injury or deaths, crime, accessibility) and/ or environment (carbon reduction, air quality, noise, natural and/or urban environment) relative to the focus of the project.</p>	<p>The project results in disbenefits for the economy (measured as job losses); or there is no economic / market evidence to support the stated impacts; No wider economic benefits demonstrated.</p>	<p>Source of Local Contributions is not secure; State aid non-compliance issues; The overall cost risk is high.</p>	<p>Insufficient management arrangements in place; Incomplete risk assessment or significant residual risks associated with the delivery of project to programme; lack of engagement / commitment from the owners or no consultation has been undertaken or planned; The project is not expected to be publically acceptable, does not have a realistic delivery timetable or is not feasible.</p>	<p>Scheme levers in no private sector investment.</p>
Weights	28.57%	14.29%	14.29%	14.29%	14.29%	

The Strategic and Economic cases each carry a double-weighting to recognise their relative importance over the other three 'cases.' The Economic Case will be scored in two sections (each carrying equal weight). One section will score transport benefits, and the other scoring the economic benefits (including employment and new development). The relative weighting to be used in assessment is shown in the table above.

The steps prior to a final funding award are shown in the figure below. Following submission, applications will be independently assessed by the LTB secretariat (or its appointed consultant). This may include the need for face-to-face meetings between the applicant(s) and the assessor(s). A report will be produced recommending schemes for prioritisation to the LTB Senior Management Board (SMB). The SMB will then make recommendations on prioritisation to the LTB Board.

Figure 1: Steps Towards an Investment Decision



Following formal prioritisation by the LTB Board, those projects prioritised will be required to develop a full transport Business Case at the cost of the lead applicant. A date for submission of the Business Case will be agreed between the applicant and the LTB. Following submission of the Business Case, it will be reviewed by an Investment Panel. The Investment Panel will include amongst its small membership a WebTAG expert. This panel will provide the independent scrutiny as required by DfT. Following review, the Investment Panel will submit a report on each Business Case reviewed to the LTB SMB, which will include a value for money statement, and recommendation on whether projects are funded. The advice of the Investment Panel is non-binding and its purpose is not to question the prioritisation of projects but to review the quality of the Business Case and consider the impact of the investment in supporting economic growth in the Solent area.

The LTB SMB will review the advice of the Investment Panel and make recommendations to the LTB Board. The LTB Board will then make the final decision on whether to fund a project. Once the LTB Board provides Full Funding Approval the LTB will be fully committed to the funding and cannot re-direct funding to an alternative project.




9. How to Apply

Applications must be submitted to the Solent LTB by 1800 on Wednesday 12th June 2013. Please submit electronic versions of this form along with any accompanying documentation to: stuart.baker@hants.gov.uk. Where email attachments sum to 10mb or above in file size, you should ensure that arrangements are made for these to be received by the LTB by the above deadline.

Please note, your Project Application Forms will be published on the Solent LTB website.

10. Contact Information

For further information please contact Stuart Baker:

-  01962 846741
-  07557 562422
-  stuart.baker@hants.gov.uk