
Decision Session
Executive Member for City Strategy

1 February 2011

Report of the Director of City Strategy

ACCESS YORK PHASE 1 – UPDATE REPORT

Summary

1. The Access York Phase 1 scheme aims to expand the existing and successful Park & Ride mass transit system whilst assisting with traffic congestion and reducing emissions in the city centre. The improved transport infrastructure will help York to realise its economic growth potential.
2. In support of the above, this report provides an update on the current situation regarding the Access York Phase 1 scheme. It confirms the submission of the Expression of Interest (EoI) to the Department for Transport (DfT) on 4 January 2011 and sets out the ongoing issues associated with the preparation and eventual submission of the Best and Final Funding Bid (B&FFB) in summer 2011, prior to the autumn 2011 deadline.
3. Proposals for preparation of the B&FFB are outlined and information gained in the process of completing the EoI document will assist with this. The report also examines the costs of continuing with the DfT bidding process, both in the remainder of 2010/11 and 2011/12.

Recommendation

4. The Executive Member for City Strategy is recommended to:
 - Approve the proposals for the preparation and submission of the B&FFB as set out in paragraphs 16 to 19.
 - Approve a revised budget for the Access York Phase 1 scheme in 2010/11 as proposed in paragraphs 22 to 24.

Reason: To ensure that the Access York Phase 1 project continues to progress satisfactorily and to maximise the potential for DfT funding.

Background

Major Scheme Bid Process

5. DfT placed the Major Scheme Bid process on hold for most schemes, including Access York Phase 1, in June 2010, effectively withdrawing the Programme Entry status previously obtained in March 2010.
6. Further information became available from DfT at the end of October 2010, as part of the Comprehensive Spending Review (CSR), and the key points are as set out below.
7. An EoI was required by early January 2011 and this document needed to substantially reflect what will follow later, in the B&FFB to be submitted by or before autumn 2011.
8. The process, between January 2011 and autumn 2011 is as follows:
 - submit additional detailed value for money evidence not available previously.
 - submit views from Local Enterprise Partnerships and other interested parties, particularly on wider strategic factors that may not be captured in value for money assessments.
 - submit the best and final funding bid to DfT (DfT wants this to maximize value for money and increase the local contribution where possible).
9. Decisions will be made by the DfT by the end of 2011, which would re-activate the Programme Entry status for successful schemes and allow them to proceed, with DfT funding in 2012/13.
10. The terms under which the Major Schemes will be funded will be changed with the risk layer concept being removed. This will mean that the DfT will provide a maximum fixed contribution and Local Authorities will have to carry more risk.
11. Preparatory costs will be expended at risk but will only be funded by the DfT if the scheme is progressed. Removal of preparatory costs from the scheme total would potentially make it more attractive in the bidding process.

Expression of Interest

12. The EoI was completed and submitted to the DfT by the 4 January 2011 deadline.
13. The DfT did not issue revised technical guidance prior to 4 January 2011, as indicated, and the EoI was therefore submitted without any comments on this awaited guidance. This was agreed with DfT in advance.

14. The DfT made it clear that nothing in the EoI will be binding until the B&FFB is submitted in the autumn of 2011.
15. The EoI's main significance for DfT is to give some indication of where the scheme has got to and what is intended as part of the B&FFB process. For CYC it is an opportunity to demonstrate commitment.

Proposals for preparation of the Best & Final Funding Bid

16. The new technical guidance, when issued, will provide detailed information but it is expected that, to be able to fully re-examine the cost of the scheme to achieve the best benefit to cost ratio (BCR), a complete review of the following is required:
 - estimates for preparatory costs
 - estimates for all construction related works
 - estimates for the various risks
 - the timescales for all elements of the scheme
 - third party contributions
 - the local authority contribution
 - the inflation indices to be applied to different aspects of the scheme over its anticipated lifespan
17. The above will be an extensive exercise but it is the best way to ensure that the most affordable scheme is identified and that the costs are as realistic as possible. An unrealistically low cost will not help in the long run if the costs allocated to the various risks are inadequate. DfT has made it clear that there will be no 'additional risk layer', as applied in the past and if there are costs overruns then CYC would have to find a way of resolving them.
18. The work streams for those contributing to the B&FFB preparation are:
 - Halcrow - design and risk overview with associated cost estimates plus assistance with bid preparation
 - Halcrow - further modeling to review benefits, costs and BCR values
 - CYC Engineering Consultancy - design and risk, with cost estimates
 - CYC Architect & sub-consultant - design and risk, with cost estimates
 - Project Team - update costs related to great crested newts and archaeology
 - Project Team - review all preparatory costs
 - Project Team - arrange buy-in from the Local Enterprise Partnership and other interested parties
 - Project Team - coordinate the preparation of the revised B&FFB documents and to take the draft B&FFB through the CYC approvals process prior to it being submitted to DfT.
19. With the exception of the last bullet point, the majority of the above will be completed by the end of March 2011 and the proposed process from then on is as follows:

- Preparation of the final documentation - April 2011
- Project Board meeting to review the draft B&FFB - early May 2011
- City Strategy DMT meeting in late May 2011 regarding the draft B&FFB report to the Executive
- Report to the Executive - 21 June 2011
- Submission of B&FFB - July 2011.

Bus operator procurement

20. As part of the B&FFB it will be important to demonstrate that a bus operator will be procured with the required fleet of buses.
21. Following a meeting with the existing Park & Ride site operator, First Group, it is clear that the key issue for any proposed operator of the new Park & Ride sites is the capital investment in buses and the timescale to recoup the cost of this investment. The contract options are now being assessed in more detail so that this matter can be properly evaluated and any actions taken to provide sufficient time for the bus operator to purchase the required fleet of buses.

Financial issues

Financial Issues in 2010/11

22. A revised budget of £385k has previously been approved as part of the Monitor 2 Capital Programme report to the Decision Session for City Strategy in December 2010. The budget was increased from the previous figure of £350k to enable preparatory work on the Eol to be carried out following the outcome of the CSR at the end of October 2010.
23. The intention is to carry out as much work as possible for the B&FFB in the remainder of 2010/11. Other costs, mainly associated with land purchase and additional design work at Askham Bar, will also require a budget in the last quarter 2010/11, raising the total budget figure in 2010/11 from £385k to £418k. Details are shown in the table below:

Item	1 April to 31 December 2010 £k	1 January to 31 March 2011 £k
Halcrow - design	167.3	25.0 (*)
Halcrow - A59 traffic modelling	23.3	-
Halcrow – B1363 traffic modelling	6.0	-
CYC Engineering Consultancy - design	37.0	5.0
CYC Architectural Services - design	20.9	2.0
BREEAM registration	2.3	-
Project Team	49.0	16.0

Gas monitoring at Askham Bar	2.6	1.0
Ground investigation at Askham Bar by geotechnical contractor	15.6	-
Land at Clifton Moor	9.1	22.0
Land at Askham Bar	-	5.0
Legal fees	7.0	2.0
Totals	340.1	78.0

(*) Incorporates some of the preparation of drawings and specifications for Askham Bar, based on the detailed design work carried out to date.

24. The overall total budget estimate is £418.1k in 2010/11 and, due to lower costs and slower progress on other schemes across the transport capital programme, it is anticipated that funding will be available to undertake the proposed additional Access York work in 2010/11. Progress on the proposed Access York work will be managed over the year end to ensure that the overall capital programme spend is within the budget allocation.

Financial Issues in 2011/12

25. It is intended to submit the B&FFB in July 2011, ahead of the autumn deadline. Costs associated with completion of drawings and specifications for Askham Bar, the submission and subsequently dealing with the questions raised by DfT, are estimated to be £67k, as shown below.

Item	1 st April to 31 st December 2011 £k
Halcrow	30.0
CYC Engineering Consultancy	3.0
CYC Architectural Services	10.0
Project Team	24.0
Totals	67.0

26. It is proposed to include an allocation in the 2011/12 capital programme to enable the design work and bid preparation to be completed.

Consultation Proposals

27. The scheme has already obtained approval to progress through the DfT's Major Scheme Bid process. Advice from the DfT is that public consultation on the scheme should not be carried out whilst in this period of uncertainty.
28. Consultation proposals were set out in the Decision Session report on 11 May 2010 but the suspension of the Major Scheme Bid process by DfT meant that this consultation could not proceed. It is expected that something very similar will happen in the future should Programme Entry be obtained.

Corporate Priorities

29. This project assists in meeting the following Corporate Priorities:

Thriving City – the scheme will improve the sustainable transport network along the bus corridors and assist the economy by reducing the impact of congestion.

Sustainable City - this scheme will reduce the number of vehicles travelling into and out of the city centre with the consequent overall improvement in air quality.

Healthy City – the scheme will encourage walking and cycling through the provision of additional footways, cycleways and crossing facilities.

Inclusive City – the scheme helps people to access services and facilities.

Implications

Financial

30. Financial information is included within the report. The budget to develop the Access York Phase 1 scheme is already in place for 2010/11 but this is now insufficient to cover the costs associated with the preparation of the B&FFB. As this is an ongoing process, that was totally unforeseen, prior to the start of the financial year when the original budget was set, an increase in the budget figure is now requested. This increase can be accommodated within the overall capital programme for 2010/11.
31. There remain risks that to date, capital budgets have supported the preliminary design work for the scheme. However, should the scheme not ultimately be granted government support, other funding sources based on a phased construction approach, would be investigated and reported to Members. At this stage it is not anticipated that the costs incurred to date would become abortive or that there would need to be a charge through to revenue or ultimately a charge against reserves.

Human Resources (HR)

32. There are no HR implications.

Legal

33. There are no legal implications.

Crime and Disorder

34. There are no crime and disorder issues.

Information Technology (IT)

35. There are no IT implications.

Property

36. There are no property implications with this report.

Sustainability

37. The assets proposed will increase the Park & Ride offer and will assist in reducing car journeys which also help to improve air quality.

Other

38. There are no other implications.

Risk Management

39. The Access York Phase 1 Project has a risk register which is regularly reviewed. Any severe risks have been identified and in some cases escalated to the Project Board. There is no further change in the risk profile of the project at this stage although the preparation of the B&FFB may well identify changes to the risk register.
40. At this point the risks need only to be monitored, as they do not provide a real threat to the achievement of the objectives of this report.

Ward Member Comments

41. As there are no specific proposals at this stage Ward Members have not been contacted. Should the B&FFB be successful then there will be considerable consultation in connection with all works affecting the public highways at the Park & Ride sites and along the bus corridors.

Contact Details

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Report Approved

Date 18/01/2011

Specialist Implications Officer

There are no specialist implications.

Wards Affected:

All

For further information please contact the author of the report.

Background Papers:

1. Access York Phase 1 Park & Ride Development – Update Report Following Programme Entry – to the Executive 13 April 2010.
2. Bus Corridor Works on A59 Boroughbridge Road and B1363 Wigginton Road – to the Decision Session - Executive Member for City Strategy 11 May 2010.