



Capital Scheme Strategic Business Case

Rail and Bus Infrastructure Project

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Introduction

The Strategic Business Case is the first major step in developing a project or programme and is used as an early check by decision-makers to decide whether to invest more resources to develop an Outline Business Case which will present the costs and benefits in more detail. The Outline Business Case will then develop into the Full Business Case for delivery and implementation.

1. Strategic Case – Is there a compelling reason to do this?

1.1 Scheme objective

The project seeks to deliver schemes that provide improvements to bus stops across Torbay and seeks to work with Network Rail to make improvements to Torbay's railways stations.

In line with the Capital Corporate Strategy agreed by Full Council on 9 February 2017 a Capital Scoring Matrix has been undertaken for this project and is included at Appendix 1 to aid the decision-making process on whether to proceed with the project.

The primary drivers of the project are:

Project Primary Driver (Please indicate all that apply)	Maintaining/Improving service delivery	Cost Avoidance	Cash Savings	Risk Avoidance	Delivering a Piece of Legislation
	X				

1.2 Key Objectives

The key objectives of the project are to:

Objectives	
Objective 1	Support Torbay's Town Centre Regeneration programme.
Objective 2	Improve Torbay's railway stations to ensure the best facilities for residents and visitors.
Objective 3	Improve Torbay's bus stops so they provide clear signage, adequate shelters, raised kerbs, tactile paving and appropriate road markings.
Objective 4	Ensure Torbay's public transport network is fully accessible to all.

1.3 Statutory Framework

There is no legislative driver for the project, but it will need to comply with English and European law.

The Council has a number of statutory responsibilities relating to highways management:

- Transport Act 2000 (and Transport Act 2008 Amendment).
- Highways Act 1980.
- Countryside and Rights of Way Act 2000.
- Road Traffic Regulation Act 1984.
- New Roads and Street Works Act 1991.

- Traffic Management Act 2004.

However, within the Highways Act there is no definition on the level of maintenance required and national code of practice provide the standards we adhere to.

1.4 Policy Framework

Corporate Plan

The project meets the Mayor's ambition of creating a prosperous Torbay as it seeks to promote economic development by improving access and by stimulating new economic opportunities across Torbay.

In particular the project will support Targeted Action 2 (Working towards a more prosperous Torbay) in the Corporate Plan of which the following specific actions are relevant:

- Continue delivery of the Local Plan and associated growth.
- Deliver the Corporate Capital Plan.
- Deliver transport improvements around Torquay Gateway.
- Create vibrant and attractive town centres through the delivery of Masterplan projects (including Torquay and Paignton town centres).

The project will also underpin the delivery of Targeted Action 4 (Ensuring Torbay remains an attractive and safe place to live and visit) by:

- Helping to deliver capital schemes to improve the highways and transport network and be proactive in seeking new funding to improve infrastructure and support the economic growth of Torbay.
- Helping to deliver a new Tourism Strategy for Torbay.

Local Transport Plan 2011-2026

- A key tenet of the Local Transport Plan (LTP) is to deliver and support new development and economic growth. The Local Transport Implementation Plan (2016 – 2021), which has been agreed by Council, advises that “Sustainable transport investment provides opportunities to improve the quality of public spaces and road junction improvement (supporting town centre Masterplans), improve road safety across the network for all users.”
- It states that the benefits of investment in sustainable transport are well evidenced and positively impact on both economy and health for example:
 - a healthier and more physically active population
 - reduced air and environmental pollution
 - reduced road traffic congestion and accidents
 - reduced noise and vibration
 - increased community well-being
 - better functioning social support networks

Local Plan

The project supports the delivery of the following aspirations in Torbay Council's Local Plan:

- Aspiration 1 – Secure economic recovery and success

- Aspiration 2 – Achieve a better connected, accessible Torbay and critical infrastructure
- Aspiration 4 – Create more sustainable communities and better places.

Supplementary Planning / Policy Documents

Healthy Torbay SPD – The proposal encourages walking, cycling and other active travel; the proposal will make it safer to undertake journeys.

Torquay and Paignton Town Centre Masterplans SPDs – The project complements the delivery of successful town centre regeneration.

1.5 Equality, Diversity and Deprivation

As part of the development of the Outline Business Case an Equality Impact Assessments will be undertaken to assess the impacts on a range of groups with protected characteristics and will inform the project as it develops.

1.6 Condition of the asset

Whilst the Council will work with the rail industry to ensure that the stations make a positive contribution to the local area and provide appropriate facilities for residents and visitors, these assets are (and will remain) the responsible of Network Rail and the Train Operating Companies.

Bus Stop shelters are only installed where they can be funded through the contractual agreement that exists with suppliers. This ensure that they take the responsibility for maintenance. Some older shelters exist which are not part of this contract and a view on a case by case basis would be appropriate for those or similar sites.

Improving the pavement and road condition at bus stops through targeted infrastructure investment can reduce the need for future maintenance.

1.7 Scope of Project

The project will consist of the following:

- Schemes to support improvements to key sites in the town centre regeneration programme.
- Schemes to support improved facilities at public transport interchanges.
- Schemes to provide clear signage, adequate shelter, raised kerbs, tactile paving and appropriate road markings for bus stops.
- Providing appropriate facilities to enable services to expand or operate commercially.

1.8 Benefits, Risks, Dependencies and Constraints

Benefits

The project will seek to deliver the following benefits:

- Supporting the regeneration of the town centres.
- Providing improved public transport facilities and services.

- Enabling onward and wider travel opportunities for residents without access to a car.

Risks

The project has identified the following key risks which will require management during the project:

- Cost of Solutions – the cost of implementing the identified solution exceeds estimate leading to requirement for additional funds.
- Condition of Asset – the condition of the asset, is worse than anticipated leading to potential increase in time and costs of project.
- Reliance on other organisations and their processes to progress schemes – can cause delay and increased costs.

Each project will produce and maintain a Risk Register to identify, manage and monitor the risks associated with the project.

Dependencies

The key dependencies of the project are as follows:

- The project will need to interact with the town centre regeneration programme.
- The projects objective in relation to improvements on Torbay’s railway stations will be dependent on Network Rail’s appetite to work with the council.
- The project will need to interact with the development of a new Tourism Strategy for Torbay.
- The project will need to interact with the current highway/transport programme such as the Western Corridor Regeneration Project.
- The project will need to take account of potential highway/transport projects such as Transport Network Resilience and Management Tools, Health Mobility/Access for All and Torquay/Rathmore Road Junction.

Constraints

The project has the following key constraints:

- The financial envelope agreed for the project.
- Network Rail’s appetite to work with the council.
- The law and council’s standing orders in relation to the procurement of solutions.
- Torbay’s existing transport network.

2. Financial Case – Can we afford to pay for the solution?

2.1 Financial Investment

The project is estimated to cost £200,000.

2.2 Financial Savings

It is anticipated that there will be non-cashable benefits and these will be calculated at the

outline business case stage. There are no cashable financial benefits from this project.

Officers will continually look for alternative funding mechanisms, particularly Government Grant Funding and Development Contributions. These will often need funding to be matched by the Council's Capital resources but it will enable delivery of more and higher quality improvements.

2.3 Ongoing financial implications

It is anticipated that there will be ongoing financial obligations in maintaining the improved bus stops and railway stations and these will be detailed in the Outline Business Case.

3. Capital Scoring Matrix

3.1 Capital Projects Assessment Criteria

The scheme has been scored using the Capital Projects Assessment Criteria which can be found below:

1 Statutory Status: includes support of a statutory Service requirement		Possible Weightings	
3 points	Meets a specific immediate or forthcoming statutory requirement	factor = x	3
2 points	Meets an underlying statutory duty	Max score	9
1 point	Meets a discretionary requirement		
0 points	no indication of status	Score	0

2 Corporate Plan Priorities			
3 points	Specifically identified in Corporate Plan	factor = x	2
2 points	Identified as a key Project/Activity in the Corporate Plan or directly supports a number of specific outcomes	Max score	6
1 point	Generally supports specific Actions or outcomes		
0 points	Will not deliver any identified outcomes	Score	6

3 Mayoral Promises (per Manifesto)

3 points	Identified as a specific Action or directly supports a number of specific outcomes	factor = x	1
2 points	Generally supports specific Actions or outcomes	Max score	3
1 point	Broadly related to achieving outcomes		
0 points	Will not deliver any identified outcomes	Score	3

4 Equality , Diversity & Deprivation Issues

3 points	Will achieve improvement in 3 issues	factor = x	1
2 points	Will achieve improvement in at least 1 issue	Max score	3
1 point	Possibility of improvement in at least 1 issue		
0 points	No demonstrated improvement in any issues	Score	3

5 Condition, Health and Safety risk and Strategic Importance of Asset Issues

3 points	Expenditure on asset will reduce impact of 3 issues	factor = x	1
2 points	Expenditure on asset will reduce impact of at least 1 issue	Max score	3
1 point	Expenditure will have a possibility of reduced impact in at least 1 issue		
0 points	No demonstrated impact on any issues	Score	3

6 Outcomes, Added Value, Cross-service benefit

3 points	Good - Large number of beneficiaries / target groups (>25,000)	factor = x	1
2 points	Satisfactory - Significant number of beneficiaries / target groups (10,000-25,000)	Max score	3
1 point	Fair - Reasonable number of beneficiaries / target groups (1,000-10,000)		
0 points	Poor - Few beneficiaries / target groups (<1,000)	Score	3

7 Risk to Community of NOT doing (i.e. identified in Risk Register)

3 points	High Risk (9-16)	factor = x	2
2 points	Medium Risk (5-8)	Max score	6
1 point	Low Risk (1-4)		
0 points	no Risk identified	Score	2

8 Risk of Doing (Can project be delivered?) - achievability, timescale, resources required

3 points	Low Risk (1-4)	factor = x	2
2 points	Medium Risk (5-8)	Max score	6
1 point	High Risk (9-16) with Mitigation		
0 points	High Risk (9-16) with no Mitigation	Score	6

9 Quality of Business Plan

3 points	Option proposed demonstrates a strong case based on full assessment of the options	factor = x	2
2 points	Reasonable case with some assessment of the options	Max score	6
1 point	Basic case presented		
0 points	Weak case with no comparison of options	Score	4

10 Potential to generate future investment return

3 points	Considerable additional net revenue income stream meets both £100k pa and > 25% of project cost)	factor = x	5
2 points	Moderate additional net revenue income stream (meets both £50k - £100k pa and 10-25% of project cost)	Max score	15
1 point	Small additional net revenue income stream (meets both <£50k pa and < 10% of project cost)		
0 points	No potential net revenue income	Score	0

11 Ongoing revenue costs over the life of the asset

2 points	Revenue saving or income exceeds borrowing and running costs	factor = x	2
1 points	Revenue saving or income exceeds running costs	Max score	4
0 points	Additional costs can be met solely from within existing resources		
-2 points	Additional on going resources required over existing budgets	Score	0

12 Specific External resources to support scheme (including Regional funding)

3 points	Specific (ring fenced) funding requires no additional Council funds	factor = x	4
2 points	Specific (ring fenced) funding and requires Council funds of both 10% match funding or up to £250k	Max score	12
1 point	Specific (ring fenced) funding and requires Council funds of both 50% match funding or between £250-500k		
0 points	Specific (ring fenced) funding but requires Council funds of both 75% match funding or > £500k	Score	12

13 Deprivation Critical Factor

1 points	Project is able to reduce the level of deprivation within Bay	factor = x	5
0 points	Project does not impact or has minimal impact on reducing the level of deprivation within Bay	Max score	5
		Score	5

	Max score	81
	Score	47