# Major Road Network (MRN) & Large Local Majors (LLM) Schemes

# Outline Business Case Submission

All submissions for entry to the DfT’s MRN or LLM programmes must be supported by:

* A completed this bid pro-forma (Part One).
* A checklist to highlight where key information can be found in the OBC (Part Two).
* An Outline Business Case (OBC) as defined in the Department’s [Transport Business Case](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85930/dft-transport-business-case.pdf) Guidance and any Annexes as necessary. Please see:

<https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85930/dft-transport-business-case.pdf>

Checklist (b) details some key items we would expect to be included within the OBC for a candidate for the MRN or LLM programmes.

In summary, the OBC should be submitted when a preferred option with a defined scope has been identified, detailed costings and appraisal have been undertaken, and a firm delivery plan is in place for construction. The OBC should also be submitted alongside the MRN Regional Evidence Base and scheme priorities.

**We will be assessing schemes across the five cases and will be considering the following issues in particular:**

**Strategic**

* How clear, robust and well evidenced is the strategic case?
* How clearly are the objectives set out?
* How robust was the options assessment process?
* To what extent will the scheme address key national strategic priorities? For example, access to international gateways, HS2 connections, and the following MRN and LLM objectives:
* To ease congestion and provide upgrades on important national, regional or local routes.
* To unlock economic and job creation opportunities, and support rebalancing in order to enable the delivery of new housing development, support all road users and support the Strategic Road Network.

**Value for Money**

* What is the scheme’s overall value for money taking into account monetised and non-monetised benefits?
* How strongly do the benefits align with the scheme’s stated objectives?

**Financial**

* How robust are the cost estimates?
* What local contributions are there to the total scheme costs? As a general guideline MRN and LLM schemes should aim for a local contributions of at least 15%.
* What is the promoter’s contribution to scheme costs?
* What is the private sector or other third party contribution to overall scheme costs and how firm is that guarantee?
* For LLM schemes, to what extent is the scheme genuinely unaffordable via other funding streams?
* Management
* How soon will the project be delivered?
* How robust and realistic is the plan for delivery?
* Commercial
* How robust is the commercial and procurement strategy?

Proposed MRN and LLM schemes should only be road schemes as both programmes are now funded from the National Roads Fund. MRN schemes should be situated on the MRN, while LLM schemes should be for local roads which could include but are not limited to roads on the MRN. The Department's contribution will normally be between £20 million and £50 million for MRN schemes and above £50 million for LLM schemes.

# Part One: Pro-forma

## Basic Information

Complete the table below to provide basic scheme information.

|  |  |
| --- | --- |
| Scheme Name |  |
| STB Region / Regional Group |  |
| Promoting Authority |  |
| Scheme location  (Road name/number and section) |  |
| Scheme location  (Latitude and longitude) |  |

## Contact Details

Enter contact information in the table below.

|  |  |
| --- | --- |
| Please provide a contact **name** from the promoting authority for enquiries relating to this bid: |  |
| Please provide a contact **email** from the promoting authority for enquiries relating to this bid: |  |
| Please provide a contact **phone number** from the promoting authority for enquiries relating to this bid: |  |

## Consultancy Input

|  |  |
| --- | --- |
| Please provide the name of any consultancy companies/lead consultants involved in the preparation of the **OBC.** |  |
| Please provide the name of any consultancy companies/lead consultants involved in the preparation of the **modelling** (if different from above). |  |

1. Introduction

Please provide a clear narrative to describe the scheme in the text box below: (max 100 words)

|  |
| --- |
|  |

Please describe the problems the scheme is designed to solve and how the schemes will support MRN and LLM objectives and key national strategic priorities: (max 250 words)

|  |
| --- |
|  |

Please describe/explain the impact of not taking forward this scheme: (max 200 words)

|  |
| --- |
|  |

1. Capital cost of scheme (£000s)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Preparation costs  (between OBC and start of construction) | Land purchase | Construction  costs | TOTAL |
| Base cost |  |  |  |  |
| Risk |  |  |  |  |
| Inflation |  |  |  |  |
| TOTAL |  |  |  |  |

**Notes**

Please note the risk cost should be as generated by a Quantitative Risk Assessment (QRA) and should not include optimism bias.

Please do not include:

* Any costs prior to completion of the OBC
* Part 1 claims
* Evaluation and monitoring

1. Funding request and profiling (£000s)

|  | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | Total | (%)  Total |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Requested funding from DfT |  |  |  |  |  |  |  |
| LA contribution (separate line for each LA) |  |  |  |  |  |  |  |
| Third Party contribution (separate line for each body) |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |

1. Value for Money

Please provide a short description of your assessment of the value for money of the scheme including your estimate of the Benefit Cost Ratio.

This should cover both monetised and non-monetised costs and benefits. The full assessment, as set out in the Value for Money Guidance <https://www.gov.uk/government/publications/dft-value-for-money-framework> should be provided in the OBC. Valuation of any dependent development, should be reported here, separately from the central value for money evidence and supporting evidence, and a full description of the approach taken should be included in the OBC.

|  |
| --- |
|  |

|  |  |
| --- | --- |
| Benefit to Cost Ratio |  |
| Value for money category |  |

1. Affordability (LLM schemes only)

Please provide a brief summary of why the scheme would be unaffordable other than via this bid to the LLM fund. Proposed LLM schemes should be single schemes that can only be delivered or justified as a whole. The Department's contribution will normally be above £50 million for LLM schemes.

|  |
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1. Delivery

Please state the estimated delivery milestones as below, assuming programme entry is granted at least 3 months after submission of the OBC. Please amend/add to milestones as necessary.

|  |  |
| --- | --- |
| Submission of planning application |  |
| Determination of planning decision |  |
| Publication of scheme orders/CPOs (see section 7 below) |  |
| Completion of Public Inquiry |  |
| Confirmation of all statutory orders and consents |  |
| Completion of procurement |  |
| Full Business Case submitted to DfT |  |
| Start of Construction  (assume 3 months from FBC to funding commitment) |  |
| Scheme open to public |  |

Note: If planning consent, scheme orders, CPOs or a public inquiry are not required please insert ‘n/a’ and provide an explanation in Section 7 below

1. Orders and consents

|  |  |
| --- | --- |
| Do you envisage that CPOs will be necessary?  If not please explain here or insert appropriate reference to relevant OBC paragraph. | (Y/N)? |
| Are other statutory/highways orders required that would normally require a Public Inquiry (e.g. Side Roads Orders, Transport and Works Act Order)? Please specify | (Y/N)? |
| What other statutory orders/consents are required? (e.g. heritage, environmental consents | (Y/N)? |
| If CPO and other orders are required does your timetable assume that there will be a public enquiry?  If not please explain here or insert appropriate reference to OBC document | (Y/N)? |

1. Stakeholder Support

Does this scheme have implications for Highway England or Network Rail infrastructure? If so, what discussions have taken place with either of these organisations to facilitate this scheme?

|  |
| --- |
|  |

1. Section 151 Officer Declaration

As Section 151 Officer for [name of promoting authority] I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that [name of authority] has allocated sufficient budget to deliver the scheme on the basis of its proposed funding contribution accepts responsibility for meeting any costs of delivering the scheme over and above the DfT contribution requested, including potential cost overruns, and the underwriting of any third party contributions

accepts that no further increase in DfT funding will be considered beyond the maximum contribution requested.

|  |  |
| --- | --- |
| Name: | Signed: |

Please email this completed form to:

[LT.plans@dft.gov.uk](mailto:LT.plans@dft.gov.uk)

Please note that the size limit for attachments to a single incoming

email to DfT is 20MB. If your submission is larger than this please

submit separate emails, use a zip folder, or convert large files to an

alternative format.

We would prefer it if annexes are separated out into individual pdf

documents.

# Part Two: Checklist

Please complete this checklist by referencing locations where the relevant material can be found in the OBC document.

## Strategic Case

| Item | Section/Page |
| --- | --- |
| A detailed description of the physical scope of the scheme |  |
| The objectives of the scheme |  |
| A description of the process by which the scheme came to be identified as the preferred option for meeting those objectives including why alternative options were discarded |  |
| For schemes that directly aim to facilitate commercial or housing development on specific sites, details of the sites, current planning status, status of developer commitment and the expected impact of the scheme |  |
| The impact the scheme would have on:  • Access to planned HS2 stations or sites.  • Access to International Gateways. |  |
| Details of public consultation activities on the scheme to date, and key findings including how any key questions/concerns have been addressed. |  |

## Economic Case

As well as referencing the location of these within the OBC, please supply each of the following documents and refer to Annex A for the checklist of appraisal and modelling supporting material.

| Item | Section/Page |
| --- | --- |
| Option Assessment Report (OAR) |  |
| Data Collection Report |  |
| Local Model Validation Report (LMVR) |  |
| Present Year Validation Report (if required) |  |
| Forecasting Report |  |
| Economic Appraisal Report |  |
| Social and Distributional Impacts Assessment |  |

## Management Case

| Item | Section/Page |
| --- | --- |
| Governance structure  including SRO, Project Board, Project Manager, and other key roles, and resourcing levels |  |
| Detailed Project Plan |  |
| Risk Management :   * Detailed Risk Register * Narrative to explain the most significant risks; how they are being managed and their potential impact on time and budget. * Risk management strategy |  |
| Project Assurance e.g. Gateway Reviews |  |
| Evaluation  Outline evaluation plan including a statement of core evaluation objectives |  |

## Commercial Case

| Item | Section/Page |
| --- | --- |
| Description of the preferred procurement strategy. |  |
| Rational for the selection of preferred procurement route against possible alternatives. |  |
| Explanation of how costs and risks will be shared throughout the contract. |  |

## Financial Case

| Item | Section/Page |
| --- | --- |
| Detailed cost breakdown. |  |
| Independent surveyor's report verifying cost estimates. |  |
| Details of and justification for inflation assumption used. |  |
| Quantified Risk Assessment  All scheme costings should include an amount for risk, based on the results of a Quantified Risk Assessment (QRA) which should be proportionate to the nature and complexity of the project. |  |
| Evidence of commitment for any third party contributions. |  |

# Annex A: Checklist of appraisal and modelling supporting material

## Option Assessment

| Item | Section/Page |
| --- | --- |
| An Option Assessment Report to include steps 1 to 8 set out in WebTAG – the transport appraisal process. |  |

## Modelling

| Item | | Section/Page |
| --- | --- | --- |
| Details of the sources, locations (illustrated on a map), methods of collection, dates, days of week, durations, sample factors, estimation of accuracy, etc. | |  |
| Details of any specialist surveys (e.g. stated preference). | |  |
| An Existing Data and Traffic Surveys Report to include: | |  |
| Traffic and passenger flows; including daily, hourly and seasonal profiles, including details by vehicle class where appropriate. | |  |
| Journey times by mode, including variability if appropriate. | |  |
| Details of the pattern and scale of traffic delays and queues. | |  |
| Desire line diagrams for important parts of the network. | |  |
| Diagrams of existing traffic flows, both in the immediate corridor and other relevant corridors. | |  |
| An Assignment Model Validation Report to include: | |  |
| Description of the road traffic and public transport passenger assignment model development, including model network and zone plans, details of treatment of congestion on the road system and crowding on the public transport system. |  | |
| Description of the data used in model building and validation with a clear distinction made for any independent validation data. |  | |
| Evidence of the validity of the networks employed, including range checks, link length checks, and route choice evidence. |  | |
| Details of the segmentation used, including the rationale for that chosen. |  | |
| Validation of the trip matrices, including estimation of measurement and sample errors. |  | |
| Details of any 'matrix estimation' techniques used and evidence of the effect of the estimation process on the scale and pattern of the base travel matrices. |  | |
| Validation of the trip assignment, including comparisons of flows (on links and across screenlines/cordons) and, for road traffic models, turning movements at key junctions. |  | |
| Journey time validation, including, for road traffic models, checks on queue pattern and magnitudes of delays/queues. |  | |
| Detail of the assignment convergence. |  | |
| Present year validation if the model is more than 5 years old. |  | |
| A diagram of modelled traffic flows, both in the immediate corridor and other relevant corridors. |  | |
| A Demand Model Report to include: |  | |
| Where no Variable Demand Model has been developed evidence should be provided to support this decision (e.g. follow guidance in WebTAG M2 Variable Demand Modelling – section 2.2). |  | |
| Description of the demand model. |  | |
| Description of the data used in the model building and validation. |  | |
| Details of the segmentation used, including the rationale for that chosen. This should include justification for any segments remaining fixed. |  | |
| Evidence of model calibration and validation and details of any sensitivity tests. |  | |
| Details of any imported model components and rationale for their use. |  | |
| Validation of the supply model sensitivity in cases where the detailed assignment models do not iterate directly with the demand model. |  | |
| Details of the realism testing, including outturn elasticities of demand with respect to fuel cost and public transport fares. |  | |
| Details of the demand/supply convergence. |  | |
| A Forecasting Report to include: |  | |
| Description of the methods used in forecasting future traffic demand. |  | |
| Description of the future year demand assumptions (e.g. land use and economic growth - for the do minimum, core and variant scenarios). |  | |
| An uncertainty log providing a clear description of the planning status of local developments |  | |
| Description of the future year transport supply assumptions (i.e. networks examined for the do minimum, core scenario and variant scenarios). |  | |
| Description of the travel cost assumptions (e.g. fuel costs, PT fares, parking). |  | |
| Comparison of the local forecast results to national forecasts, at an overall and sectoral level. |  | |
| Presentation of the forecast travel demand and conditions for the core scenario and variant scenarios including a diagram of forecast flows for the do-minimum and the scheme options for affected corridors. |  | |
| If the model includes very slow speeds or high junction delays evidence of their plausibility. |  | |
| An explanation of any forecasts of flows above capacity, especially for the do-minimum, and an explanation of how these are accounted for in the modelling/appraisal. |  | |
| Presentation of the sensitivity tests carried out (to include high and low demand tests). |  | |

## Cost Benefit Analysis

| Item | Section/Page |
| --- | --- |
| A clear explanation of the underlying assumptions used in the Cost Benefit Analysis. |  |
| Information on local factors used. For example the derivation of growth factors and annualisation factors in TUBA (to include full details of any calculations). |  |
| A diagram of the network (if COBALT used). |  |
| Information on the number of junctions modelled (if COBALT used), for both the do-minimum and the do-something. |  |
| Details of assumptions about operating costs and commercial viability (e.g. public transport, park and ride, etc). |  |
| Full appraisal inputs/outputs (when used, COBALT and/or TUBA input and output files in text format should be supplied). |  |
| Evidence that TUBA/COBALT warning messages have been checked and found to be acceptable. |  |
| Spatial (sectoral) analysis of TEE benefits. |  |
| Details of the maintenance delay costs/savings. |  |
| Details of the delays during construction. |  |
| Appraisal tables (AMCB, PA, TEE) in excel format. |  |

## Economic Case Assessment

| Item | Section/Page |
| --- | --- |
| A comprehensive Appraisal Summary Table in excel format. |  |
| Assessment of Economic impacts. |  |
| Economic impacts worksheets. |  |
| Assessment of Environmental impacts, to include an environmental constraints map. |  |
| Environmental impacts worksheets. |  |
| Assessment of Safety impacts and the assumed accident rates presented (when used, COBALT output should be provided). |  |
| Assessment of Social impacts. |  |
| Assessment of Distributional impacts. |  |
| Social and distributional impacts worksheets (including DI screening pro forma). |  |
| Cost pro forma. |  |