

Levelling Up Fund Application Form

This form is for bidding entities, applying for funding from the Levelling Up Fund (LUF) across the UK. Prior to completing the application form, applicants should read the [LUF Technical Note](#).

The Levelling Up Fund Prospectus is available [here](#).

The level of detail you provide in the Application Form should be in proportion to the amount of funding that you are requesting. For example, bids for more than £10m should provide considerably more information than bids for less than £10m.

Specifically, for larger transport projects requesting between £20m and £50m, bidding entities may submit the Application Form or if available an Outline Business Case (OBC) or Full Business Case (FBC). Further detail on requirements for larger transport projects is provided in the [Technical Note](#).

One application form should be completed per bid.

Applicant & Bid Information

Local authority name / Applicant name(s)*: [Derbyshire County Council \(Lead\)](#), [Derby City Council](#)

**If the bid is a joint bid, please enter the names of all participating local authorities / organisations and specify the lead authority*

Bid Manager Name and position: [Chris Henning, Executive Director, Place](#)

Name and position of officer with day-to-day responsibility for delivering the proposed scheme.

Contact telephone number: [01629 538112](#) **Email address:** chris.henning@derbyshire.gov.uk

Postal address: [North Block, County Hall, Smedley Street, Matlock DE4 3AG](#)

Nominated Local Authority Single Point of Contact: [Joe Battye](#)

Senior Responsible Officer contact details: [Chris Henning](#)

Chief Finance Officer contact details: [Peter Handford. Email: \[peter.handford@derbyshire.gov.uk\]\(mailto:peter.handford@derbyshire.gov.uk\)](#)

Country:

☒ **England**

☐ **Scotland**

☐ **Wales**

☐ **Northern Ireland**

Please provide the name of any consultancy companies involved in the preparation of the bid:

[Bentley Project Management](#)

[Systra Ltd](#)

[Pegasus Group](#)

[BWB Consulting Limited](#)

For bids from **Northern Ireland applicants** please confirm type of organisation

☐ Northern Ireland Executive

☐ Third Sector

☐ Public Sector Body

☐ Private Sector

☐ District Council

Other (please state)

PART 1 GATEWAY CRITERIA

Failure to meet the criteria below will result in an application not being taken forward in this funding round

1a Gateway Criteria for **all** bids

Please tick the box to confirm that your bid includes plans for some LUF expenditure in 2021-22

Please ensure that you evidenced this in the financial case / profile.

☒ Yes

☐ No

1b Gateway Criteria for private and third sector organisations in **Northern Ireland bids only**

(i) Please confirm that you have attached last two years of audited accounts.

☐ Yes

☐ No

(ii) **Northern Ireland bids only** Please provide evidence of the delivery team having experience of delivering two capital projects of similar size and scale in the last five years. (Limit 250 words)

PART 2 EQUALITY AND DIVERSITY ANALYSIS

2a Please describe how equalities impacts of your proposal have been considered, the relevant affected groups based on protected characteristics, and any measures you propose to implement in response to these impacts. (500 words)

Derbyshire County Council follows a standardised Equality Impact Analysis process for all of its identified major projects, following eleven stages including implementation plans for any mitigation measures. The process is as follows:

- Stage 1. Prioritising what is being analysed
- Stage 2. The team carrying out the analysis
- Stage 3. The scope of the analysis – what it covers
- Stage 4. Data and consultation feedback
- Stage 5. Analysing the impact or effects
- Stage 6. Ways of mitigating unlawful prohibited conduct or unwanted adverse impact, or to promote improved equality of opportunity or good relations
- Stage 7. Do stakeholders agree with your findings and proposed response?
- Stage 8. Main conclusions
- Stage 9. Objectives setting/ implementation
- Stage 10. Monitoring and review/ mainstreaming into business plans
- Stage 11. Agreeing and publishing the completed analysis

The infrastructure forming the basis of this application will be delivered across land to be developed for both housing and commercial uses, but in itself, affects no such existing uses. The project team is therefore currently reviewing:

- the Development Framework Document which is in place and adopted by Derby City and South Derbyshire District Council (SDDC) and applies to the land use associated with the infrastructure
- the analysis contained within the Environmental Statement submitted with the planning application for the infrastructure (Chapter 5 – Socio-Economics)

Derby City Council and South Derbyshire District Council's equalities teams and processes will work together with Derbyshire on this cross-boundary project, with further supporting evidence to be provided as part of the business case submission. The full review to Stage 11 is to be completed by 31 July 2021 so that findings can be incorporated in the commissioning of detail design.

When authorities submit a bid for funding to the UKG, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, they must also publish a version excluding any commercially sensitive information on their own website within five working days of the announcement of successful bids by UKG. UKG reserves the right to deem the bid as non-compliant if this is not adhered to.

Please specify the weblink where this bid will be published:

<https://www.derbyshire.gov.uk/transport-roads/transport-plans/transport-funding-bids/transport-funding-bids.aspx>

PART 3 BID SUMMARY

3a Please specify the type of bid you are submitting

☒ Single Bid (one project)

☐ Package Bid (up to 3 multiple complimentary projects)

3b Please provide an overview of the bid proposal. Where bids have multiple components (package bids) you should clearly explain how the component elements are aligned with each other and represent a coherent set of interventions (Limit 500 words).

Derbyshire County Council is submitting this Application Form as a request to be granted provisional status within the Levelling Up programme pending completion of a Full Business Case (FBC). The South Derby Growth Zone/Infinity Garden Village (SDGZ/IGV) is an important project with both public and private sector support and many years of work and investment behind it. The infrastructure to be funded already has planning consent and also business case approval for its alteration of the Strategic Road Network. The project can meet the main constraints of the Levelling Up programme for large transport schemes; substantial investment during 2021/22 and drawing down the grant by March 2025. It has a strong economic and strategic case. Confirmation of all of the local (public and private sector) contributions, though, can not be put in place until all partners can see that the project has the required momentum. An invitation from Government to prepare the FBC, based upon an assessment of the case made in this application, and together with a provisional funding allocation, will facilitate the negotiation of the finance case and land assembly. To reflect this being an application for provisional status, the form does not necessarily meet all word limits, the text of Declaration 7.1 has been amended and signature against 7.2 omitted.

This is an application for a new junction on the A50 and an associated link road, to unlock strategic housing and employment growth within IGV. This new A50 junction and link road gained planning consent in February 2021, following approval of the strategic outline business case by the Department for Transport. The new A50 junction will be positioned between Junction 4 (A43 Toyota Island, adjacent to the East Midlands Intermodal Park (EMIP site) and Junction 3 (A514 Bonnie Prince Roundabout) and will make use of an existing bridge structure that enables Deep Dale Lane to pass beneath the A50.

The area subject to this bid is long established as a proposed development site in both the Derby City Local Plan and the South Derbyshire District Council Local Plan.

Government recognised the strategic importance of this site in confirming it as 'garden village' in 2017 and supporting capacity building for the project. The site also

sits partly within the administrative boundary of Derby City, a priority 1 area for the Levelling Up Agenda. Government confirmed the East Midlands Freeport had been shortlisted in the March 2021 Budget – which includes EMIP, situated on the A50 in South Derbyshire. SDGZ/IGV sits within the Freeport's Outer Boundary and, unlocked by this infrastructure, provides complementary housing and commercial opportunities.

This is a partnership project for Derby City Council and Derbyshire County Council, the two local highways authorities within which the new infrastructure will be situated and facilitates housing and commercial development in South Derbyshire District.

The new A50 junction and north-south link road, highlighted in orange on figure 1, is the subject of this Levelling Up Fund application. Other internal infrastructure is expected to be funded by developers as the developments progress and remains important to the success of the overall infrastructure package.

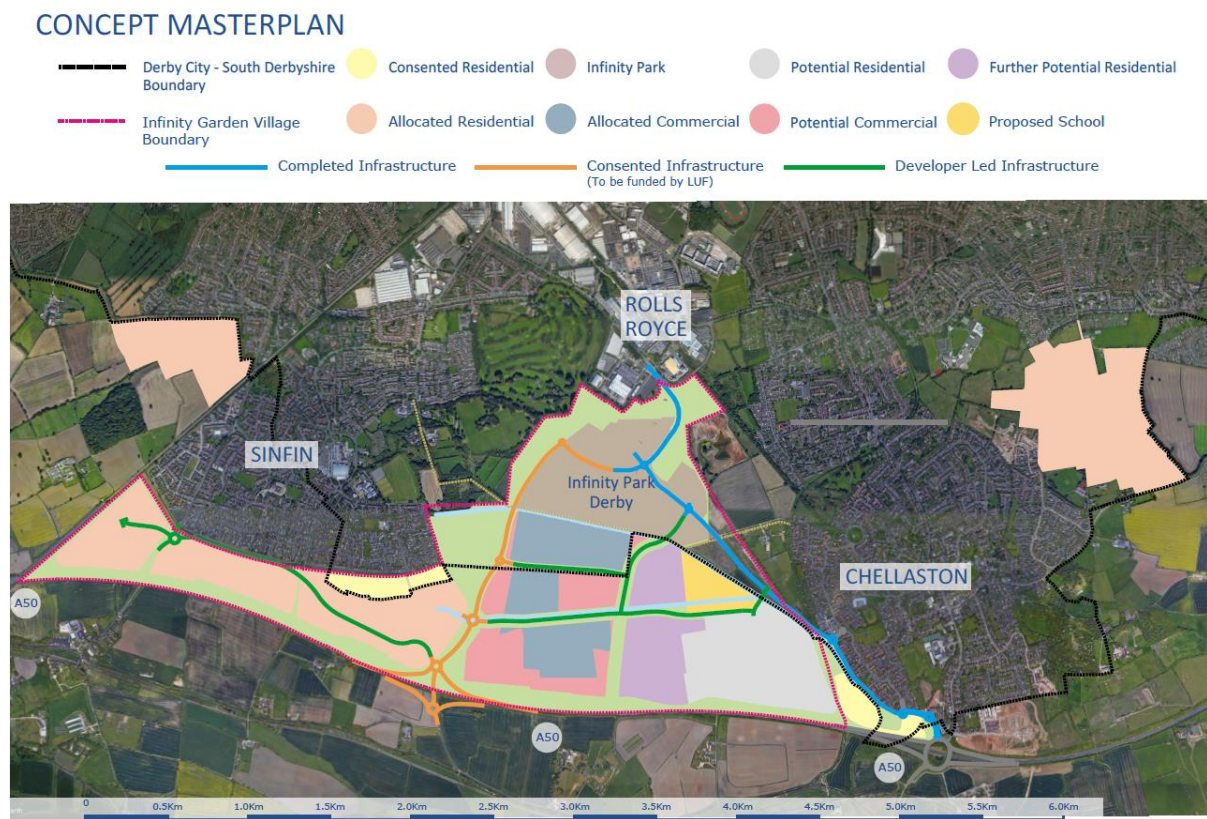


Figure 1: Concept Masterplan

IGV is part of the wider South Derby Growth Zone, which is one of the most important strategic growth areas in Derbyshire and includes the southern extension of Infinity Park Derby, Derby's flagship regeneration project and Government Enterprise Zone.

Sustainable housing provision in this area will support Derby's significant housing need, which recently increased by a further 35% following changes to the standard methodology for calculating housing need. Evidence for Derby's Local Plan demonstrates that Derby cannot meet its housing need within the city boundary and

South Derbyshire may need to accommodate some of this growth. The increased also need will require a consistent build rate between 2021 and 2041 that significantly exceeds levels that have previously been achieved in Derby and will require the swift delivery of strategic housing sites.

IGV has the potential to accommodate up to 4,500 much needed new homes. However, the local highway network in the area is severely constrained, with significant delays and congestion around the existing A50 junctions where it meets the strategic road network. Without investment in strategic transport infrastructure, including the provision of a new junction of the A50 and an associated link road, only 280 of these homes can be delivered and employment growth at Infinity Park Derby will be limited. The new A50 junction will greatly benefit existing employment sites and unlock nearly 50ha of allocated land for development at Infinity Park Derby, within IGV. Housing provision alongside this employment growth will enable the sustainable vision for IGV to be realised, with access to Derby's major employers, including Rolls-Royce, offering residents access to substantial employment opportunities within and adjacent to the site. The new A50 junction will also provide vital connections to the newly announced Freeport and the Toyota site, next to Junction 4.

3c Please set out the value of capital grant being requested from UK Government (UKG) (£). This should align with the financial case:		£49,597,972
3d Please specify the proportion of funding requested for each of the Fund's three investment themes	Regeneration and town centre	%
	Cultural	%
	Transport	100%

PART 4 STRATEGIC FIT

4.1 Member of Parliament Endorsement (GB Only)

See technical note section 5 for Role of MP in bidding and Table 1 for further guidance.

4.1a Have any MPs formally endorsed this bid? If so confirm name and constituency. Please ensure you have attached the MP's endorsement letter.	<input checked="checked" type="checkbox"/> Yes <input type="checkbox"/> No
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Heather Wheeler, Conservative MP for South Derbyshire.

4.2 Stakeholder Engagement and Support

See technical note Table 1 for further guidance.

4.2a Describe what engagement you have undertaken with local stakeholders and the community (communities, civic society, private sector and local businesses) to inform your bid and what support you have from them. (Limit 500 words)

Engagement with stakeholders and the wider community on this key project has been extensive and thorough, including through the establishment of ongoing groups and forums that continue to inform the design and development processes.

The South Derby Growth Zone benefits from a Steering Group that meets quarterly and consists of stakeholders from the public and private sector. This includes local authority partners and key Government agencies such as Highways England and Homes England, alongside landowners and business representatives linked to the housing and employment allocations within Infinity Garden Village. The Steering Group also has specialist sub-groups for design and infrastructure delivery, in which the private and public sector partners work together to ensure progress and shared understanding. The strategic transport infrastructure proposed through this LUF submission is the agreed key priority for the partners in unlocking the delivery of Infinity Garden Village and has the full support of all members, as illustrated in the letters of support provided with this submission.

The project also benefits from ongoing engagement through the Infinity Garden Village Liaison Group. This group was set up by project partners to facilitate community input into the design of the new garden village. It is chaired by a Local Councillor and includes elected members from all wards within Infinity Garden Village, plus local community representatives. This has become an excellent group for direct communication and consultation and meets quarterly. The membership, who bring feedback from the wider community and influence prioritisation in delivery and design. The strategic transport infrastructure has been discussed extensively in this forum and is strongly supported by the group.

To support the planning application process for the new A50 Junction and north/south link road a public engagement exercise ran from week commencing 18th February 2019 to 10th March 2019. A dedicated webpage was hosted on the Derbyshire

County Council website in support of this, providing information about the emerging proposals and the consultation process.

A leaflet setting out information about the proposals and explaining the rationale behind the engagement was also produced to solicit feedback from residents and businesses in the local area. Some 1,714 leaflets were delivered to homes and businesses in the vicinity of the site. A public exhibition event was then held in the local district centre, to allow local residents to view the proposals for development and ask representatives from the development team questions.

Interested parties were encouraged to provide feedback online, by post or via questionnaires provided at exhibition event. Out of the 118 comments received during this public engagement exercise, 61% were in support of the proposals or offered a neutral position. A pre-application engagement report is available on request.

Following engagement with the project stakeholders about the LUF opportunity, the following letters of support are provided with this submission:

- Private Sector
- Landowners
- Homes England
- Highways England
- D2N2 Local Enterprise Partnership (LEP)
- Derby City Council

4.2b Are any aspects of your proposal controversial or not supported by the whole community? Please provide a brief summary, including any campaigns or particular groups in support or opposition? (Limit 250 words)

The new grade separated A50 Junction and north/ south link road benefit from planning permission and a public consultation exercise was undertaken between February and March 2019. This exercise demonstrated that out of the 118 comments received 61% were in support of the proposals or offered a neutral position.

During the initial optioneering stages, a local residents group known as Friends of Sinfin Moor Park and Local Nature Reserve raised concerns over the proximity of the new road to a local nature reserve. Several meetings were held with this interest group to understand their concerns and discuss suitable mitigation measures. Following feedback from the group, the road was subsequently re-positioned eastwards (further away from the nature reserve) and an acoustic fence was positioned between the road and the nature reserve to help alleviate noise impacts.

Communities in South Derbyshire also raised the significance of both greenways and effective traffic mitigation south of the new A50 Junction. The highway authorities secured amendments to the applications and attached conditions with these issues in mind.

It is understood that these alterations have addressed the principal concerns and the project team are not aware of any opposition groups/campaigners to the scheme.

4.2c Where the bidding local authority does not have the statutory responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support? [NB bidding authority, Derby City Council and Highways England all carry statutory responsibilities]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
For Northern Ireland transport bids, have you appended a letter of support from the relevant district council	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
4.3 The Case for Investment See technical note Table 1 for further guidance.	
4.3a Please provide evidence of the local challenges/barriers to growth and context that the bid is seeking to respond to. (Limit 500 words)	
<p>Recent changes to the changes to the standard methodology for calculating housing need resulted in a 35% uplift for Derby. Meeting this need will require a much higher rate of housing delivery than has ever been achieved in Derby and the surrounding area. This has increased the urgency for investment in transport infrastructure that will unlock strategic housing in Infinity Garden Village (IGV), consistent with Derby and South Derbyshire's aligned Local Plans.</p> <p>Similarly, the delivery of Infinity Park Derby within IGV is also constrained by the need for improved access and transport network capacity without which, delays and congestion on the local and strategic road networks will prevent currently allocated employment land from being occupied. This further limits our ability to address the higher than national average (4.8%) unemployment rate, combined with a relatively high working age unemployed claimant count (7.6%).</p> <p>The delivery of IGV is complex, even without the exemplar sustainability credentials required for the development of a designated garden community. The area also includes Flood Zone 2 and 3, which require comprehensive flood mitigation and drainage strategies to enable development, resulting in significantly higher abnormal costs. The need for strategic and internal transport infrastructure, local centres and essential facilities such as schools, coupled with consistently lower land values than the East and South East of England over the past 25 years, as evidenced by Savills Research https://infogram.com/land-values-by-region-over-past-25-years-1hzj4oqpmkvo2pw, has led to viability challenges that cannot be overcome without financial support from Government.</p> <p>This investment is much needed, as highlighted by <u>The Institute for Fiscal Studies</u>, which found that GVA and Research and Development spend in the East Midlands lags behind London and the South East, despite the manufacturing base. HM Treasury data also identifies that transport spending per head in the East Midlands was the lowest in the country in 2018/19 at £268 compared with £903 in London.</p> <p>This historic disparity has exacerbated the following challenges for Derby:</p>	

- Deprivation – Derby is ranked 67th out of 317 local authority areas on the IMD (index of multiple deprivation) measure;
- Sinfen, the area immediately adjacent to IGV, is the most deprived area within Derby, with relatively low incomes and high unemployment rates. Sinfen would directly benefit from the proposed connectivity to employment through investment in the transport network;
- Derby has a proportionately lower number of working age residents in a highly skilled occupation, with over one in ten working age residents employed in a low skilled occupation. The LUF scheme will unlock the provision of skilled employment and provide access to these jobs;
- Gross median annual pay of people that work full time in Derby is about 27% higher than gross median annual pay of Derby's residents - £40,722 vs £32,181.

Investment that supports employment-based economic growth alongside housing at IGV provides an ideal opportunity to address social inequalities and encourage continued investment from major employers, including Rolls Royce, Toyota and Alstom, which has become less certain over the course of the recent pandemic. Derby has been identified as a Priority One area for Levelling up Funding and investment in IGV will be key to realising the Government's Levelling Up Agenda.

4.3b Explain why Government investment is needed (what is the market failure)? (Limit 250 words)

There is strong evidence in South Derbyshire that key infrastructure such as proposed through this application will only be delivered with substantial public investment. The Woodville to Swadlincote Regeneration Route, currently under construction, has required both Local Growth Fund and local authority support amounting to £13 million in order to provide core highway infrastructure and facilitate mixed-use development of a very similar nature to that within SDGZ/IGV.

The viability of IGV depends on external investment. Land prices in the area are consistently lower than for comparable land in the South East (Savills Research) and construction costs are increasing. Developers must provide local centres with essential facilities, including schools, and also significant investment in comprehensive drainage and flood mitigation to address Flood Zone 2 and 3 designations. This means the majority of the housing and the remaining employment allocations in IGV cannot be delivered without strategic public investment.

Nationally, there is housing market failure. The Housing White Paper 'Fixing Our Broken Housing Market' explains "the starting point is to build more homes. This will slow the rise in housing costs so that more ordinary working families can afford to buy a home." Demand for new homes has far outstripped supply for many years, pushing up house prices consistently.

This is especially true in Derby, where opportunities for major housing development within the city are extremely limited and the delivery of housing to meet Derby's need has been constrained by the need for significant investment to support viability and unlock delivery on difficult sites.

Major sites in south Derbyshire also have issues with securing the full physical, social and green infrastructure provision to create fully sustainable places.

As reflected in the Garden Villages, Towns and Communities Prospectus 2016 (P4), “crucial towards meeting our long-term housing needs” was the cross-boundary development of Infinity Garden Village (IGV), one of 14 new Garden Villages approved by the Government in 2017. However, this critical housing cannot come forward without investment in strategic transport infrastructure to unlock the area.

4.3c Please set out a clear explanation on what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, we would expect to understand the rationale for the location. (Limit 500 words)

LUF support is sought to enable the delivery of a new junction (slip roads east and west bound, plus roundabout) on the A50 and an associated new road linking the new roundabout to the heart of the Infinity Garden Village (IGV) site to join with the local highway network at Infinity Park. The new infrastructure will unlock strategic housing and employment growth to support Derby’s needs as a priority 1 area in the Levelling Up agenda and will facilitate improved connection to the proposed EMIP site at the East Midlands Freeport.

The proposed investment in strategic transport infrastructure at IGV presents a unique opportunity to unlock vital employment land together with strategic housing growth on a scale that is not possible elsewhere in the Housing Market Area. This has been underpinned by the extensive evidence base and scrutiny processes for Derby and South Derbyshire’s adopted local plans.

Transport modelling and extensive analysis has been undertaken of the highway network in the vicinity of the proposed scheme. A Reference Case has been developed (committed developments and infrastructure only) and the impact of the IGV development proposals tested, using the East Midlands Gateway Model. The full results of this work are presented in the East Midlands Gateway Model – Local Model Validation Report, Forecasting Report and the SDGZ Options Appraisal Report provided in Appendices 2,3 and 6 respectively.

The analysis has demonstrated that, by 2025, the existing traffic and committed development will result in significant congestion in the vicinity of the site and the wider South Derby Growth Zone, including the existing A50 junctions with the A514 and the A38 to the east and west of the site.

This will severely constrain economic growth for employment and residential developments in the southern and central areas of Derby City. This especially affects the existing residential districts of Sinfen and Chellaston and also the key employment zones of Rolls Royce, Infinity Park and Derby City Centre.

To facilitate the continued growth and vitality of the existing and committed residential and employment areas and to allow the further expansion of these areas within IGV, a significant infrastructure package is required to provide alternative access routes to and

from this important growth area for Derby City and South Derbyshire and alleviate the predicted congestion issues.

There have been a significant number of studies to identify the preferred option to support the area. These studies have considered active mode, public transport and highway options and have concluded that whilst facilities to encourage greater use of pedestrian, cycling and public transport modes should be incorporated into any infrastructure package, a significant highway based scheme is required to ensure continued economic growth in this important area of the region.

The addition of a new junction onto the A50, in conjunction with the North/South link road provides a direct, 'all movement access' to the A50 for Sinfin, Infinity Park, Rolls Royce and SDGZ thereby reducing reliance on the highly congested A514/A50 junction, Infinity Park Way and the A514 corridor. This in turn, will reduce rat running through the Sinfin and Chellaston residential areas which relocates back to the main routes into Derby City Centre. The new junction provides alternative access to the strategic road network, delivering significant congestion relief to the local, major and strategic road networks surrounding the Sinfin, Rolls Royce, Infinity Park and SDGZ areas.

The infrastructure mitigates 89% of the overall congestion impacts of the development. When the east-west developer led link is added this increases the mitigation to 91%.

4.3d For Transport Bids: Have you provided an Option Assessment Report (OAR)

☒ Yes (Appendix 6)

☐ No

4.3e Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions. This should be demonstrated through a well-evidenced *Theory of Change*. Further guidance on producing a Theory of Change can be found within [HM Treasury's Magenta Book](#) (page 24, section 2.2.1) and [MHCLG's appraisal guidance](#). (Limit 500 words)

It is important to demonstrate how the proposed indicators relate to the desired outcomes. A Logic Map is included within Appendix 1 and will be used to aid the development of the monitoring and evaluation strategy for the scheme. The Logic Map supports the monitoring and evaluation process by presenting the schemes casual pathways, whereby the chain of connections shows how a scheme is expected to achieve desired results and anticipated benefits.

The key items from the Logic Model are summarised below:

Inputs

- Capital funding from Government via LUF (£49.6m)
- Capital Investment from private sector partners (£6.0m)
- Revenue Investment from local councils, including delivery teams, legal support etc.

Outputs

- New grade separated junction on the A50 SRN

- New north/south link road
- Circa 2km of additional pedestrian and cycle infrastructure
- Introduction of two flood alleviation areas

Outcomes

- Unlock land for 1850 dwellings on IGV's western side
- Unlock land for 240,000 sqm of employment floor space
- Support the delivery of a possible further 2400 dwelling and 80,000 sqm employment floor space.
- As outlined above, the key outputs comprise the delivery of essential infrastructure that will unlock the Infinity Garden Village (IGV) development, improve accessibility and reduce congestion.

The new A50 Junction, link road and flood alleviation areas already benefit from planning permission, which was secured in February 2021, following Secretary of State approval for a new junction on the Strategic Road Network (secured January 2021). These are crucial milestones in helping to ensure the scheme outputs can be delivered by March 2025.

As the project progresses into the Detail Design stages discussions are being held with Highways England and the Environment Agency to map out the approval process for the infrastructure outputs.

Discussions are also progressing with all affected landowners, with a view to ensuring land can be secured in a timely manner. To date, a Memorandum of Understanding (MoU) has been drafted to confirm landowners' commitment to the delivery of this project. Whilst every effort will be made to secure land by negotiation, the Council will run a twin-tracked approach to land acquisition, by progressing Compulsory Purchase Orders (CPO) at the same time. The programme accompanying this bid allows an 18-month period for this process, making reasonable allowances for a public inquiry.

From the Outputs, the plan demonstrates the infrastructure will directly unlock land for new housing and employment through the provision of additional highway capacity and land removed from the existing flood plain through the introduction of two flood alleviation areas. These outcomes will stimulate economic growth, by facilitating development across South Derbyshire and the wider area.

The transport modelling has also demonstrated that in addition to unlocking sites for development, the scheme will provide improved journey times for motorists and logistic, improved accessibility for all modes and reduced congestion on both the local and strategic road network.

Outcome indicators will be used to set targets and measure progress and determine whether outcomes have been delivered. In general, it is easier to measure achievement of the objectives (e.g. changes in traffic volume or journey time) than the strategic outcomes (e.g. economic growth) because the latter often take time to achieve and can be influenced by external factors. In most cases specific objectives will be measures directly by Traffic Counts, Journey time data etc.

Strategic outcomes are more challenging to measure directly, but can be seen to be logical consequences of achieving specific outcomes. However, longer term monitoring of local development, business growth and relocations, employment, air quality and economic growth/development will continue to take place, and will contribute to an understanding of the success of the scheme. Anecdotal information, especially in relation to perceptions of congestion and resilience also has a supporting role in evidencing the success of the scheme.

4.4 Alignment with the local and national context

See technical note Table 1 for further guidance.

4.4a Explain how your bid aligns to and supports relevant local strategies (such as Local Plans, local economic strategies or Local Transport Plans) and local objectives for investment, improving infrastructure and levelling up. (Limit 500 words)

The proposed investment in transport infrastructure at Infinity Garden Village (IGV) demonstrates a high-level of strategic fit with key national, regional and local policies and responds directly to the challenges set by Central Government to promote sustainable growth in the UK. The 2017 Housing White Paper sets out (p28), “We need to make the most of the potential for new settlements alongside developing existing areas...Policy Exchange have highlighted the benefits of garden villages.’ In response we developed IGV, one of 14 new Garden Villages approved by the Government in 2017.

The Derby City Council Local Plan: Core Strategy and the South Derbyshire Local Plan contain policies supporting the principle of growth to the south of the city. The growth agenda in the south of Derby is also supported by Local Transport Policy (Derby and Derbyshire’s Local Transport Plans), the Strategic Housing Market Assessment (SHMA) for the Derby Housing Market Area (HMA) and the Sustainable Communities Plan (The Derby Plan).

The aligned Local Plans set out that new highway infrastructure is required to help mitigate the impact of the development on the local and strategic road networks. Derby City Local Transport Plan³ 2011-2026 also identifies the “role for targeted new transport infrastructure where it can deliver wider benefits, particularly in terms of new housing or economic regeneration. Such schemes that would fit into this category would be the A50 - Wilmore Road link. This will provide access to a planned new employment area known as Chellaston Business Park in the south of the city.”

Chellaston Business Park is the previous name for Infinity Park Derby and the infrastructure referred to is the subject of this LUF application. Infinity Park Derby has been designated as one of the Government’s Enterprise Zones in the D2N2 area, which will be directly supported by the proposed strategic transport infrastructure.

Derby has been identified as a Priority One area for Levelling Up funding and investment in IGV will be key to realising the Government’s Levelling Up Agenda. In addition, one of the key tax and customs sites included in the new East Midlands Freeport (the East Midlands Intermodal Park, EMIP) lies only five miles to the west of IGV and will provide transformational opportunities for sustainable economic growth.

The Freeport is designed to capitalise on existing sectoral strengths and appetite for opportunities in new sectors to generate large-scale inward investment, agglomeration effects and economic expansion in the region.

Three existing industrial clusters are included within the outer boundary of the Freeport site and specifically, Toyota Manufacturing UK and Rolls Royce's headquarters and manufacturing plants are located close to the EMIP and the East Midlands Airport. Additionally, large multinational companies including DHL, Boots and Alstom also operate within the Outer Boundary. SDGZ/IGV will provide the opportunity for further complementary manufacturing and logistics operations as well as an uplift in the housing offer within sustainable commuting distance of EMIP, TMUK and Rolls Royce.

Existing and planned strategic infrastructure encouraging freight modal shift from road to rail transportation have been identified as key levers for connecting the East Midlands and the UK to foreign markets via the Freeport proposals. This includes the East Midlands Airport – UK's largest freight airport, Maritime's Strategic Rail Freight Interchange, the Uniper railhead, the future HS2 station at Toton and the M1 motorway. This multimodal, low-carbon transportation network will further establish the region as a major hub for trade and investment. The A50 and its importance to manufacturing and logistics operations is already recognised through Midlands Connect's work into the A500.

These investments also support the COVID recovery strategies covering this geography: the Derby Recovery Plan 2021/22, which identifies investment in Infinity Park as a key objective.

Within the South Derby Growth Zone, IGV is a core priority for many key policy drivers (Local Enterprise Partnership D2N2 Strategic Economic Plan, Infinity Park Enterprise Zone, Midlands Engine/Midlands Connect) and provides an outstanding opportunity to secure and accelerate significant development and boost economic growth and opportunity.

This LUF proposal is also consistent with Derby's strategy to become the UK Centre of Excellence for Future Fuels. This sets out plans to use the city's advanced manufacturing expertise to revolutionise the way low-carbon energy is used to power businesses, transport and homes. IGV will present an excellent opportunity to showcase these technologies once unlocked by the proposed infrastructure, enabling low carbon transport linkages across IGV, with Derby and with employment sites in the wider area via the new A50 junction.

The proposed investment in strategic transport infrastructure at IGV exemplifies the Department for Transport's statement that 'transport is at the heart of the economy' by facilitating at the heart of a much wider development project to deliver over 5,000 new jobs. In addition, the project reflects all five of the Strategic Outcomes within the Highways England Delivery Plan, including:

- Supporting economic growth;
- A safe and serviceable network;

- A more free-flowing network;
- Improved Environment; and,
- An accessible and integrated network.

4.4b Explain how the bid aligns to and supports the UK Government policy objectives, legal and statutory commitments, such as delivering Net Zero carbon emissions and improving air quality. Bids for transport projects in particular should clearly explain their carbon benefits. (Limit 250 words)

The carbon benefits of the scheme have been estimated using ENEVAL, a bespoke tool which produces environmental impacts. The scheme generated an overall carbon benefit in Derby City and South Derbyshire. The statistics in the table below show that the infrastructure is beneficial for carbon emissions and therefore contributes to the local and national Carbon Net Zero targets. The scheme leads to a reduced level of congestion and more direct traffic routings across the highway network. **Carbon in Derby City reduces by 2%** as a result of the scheme. In **South Derbyshire a 14% reduction in carbon** is achieved as the scheme positively affects two of the most congested junctions in the local authority area (A50 junctions 3 (A514) and J4(A38)).

AREA	YEAR	CARBON EMISSIONS (KG)		DIFFERENCE (KG)	DIFFERENCE (%)
		DM	DS		
South Derby	2025	250,820,059	216,026,059	-34,793,892	-14%
Derby City	2025	192,350,053	188,550,488	-3,799,566	-2%
South Derby	2040	278,200,826	238,486,128	-39,714,698	-14%
Derby City	2040	210,491,439	205,373,564	-5,117,875	-2%

The East Midlands Freeport is crucial to accelerating the region's decarbonisation and contributing to the UK's Net Zero target and the Ten-point Green Plan for Growth. It includes opportunities linked to the new rail freight terminal at the EMIP site within the Freeport which will enable Toyota's automotive exports to shift from road to rail freight, reducing carbon emissions. As part of the wider Freeport area, opportunities for further low carbon fuel production and technology centred are provided at the Ratcliffe-on-Soar site with ambitious plans to transform from fossil fuels to a low-carbon fuel centre of excellence.

Provision for cycling and walking are also key elements of the proposed infrastructure provision, supporting local journeys within Infinity Garden Village by active modes in line with health and air quality agendas.

4.4c Where applicable explain how the bid complements / or aligns to and supports other investments from different funding streams. (Limit 250 words)

Government has recognised the strategic importance and potential of the IGV site as evidenced by the following complementary investment to date. Whilst capacity funding has been made available previously, no other funding source has been made available for the transport infrastructure.

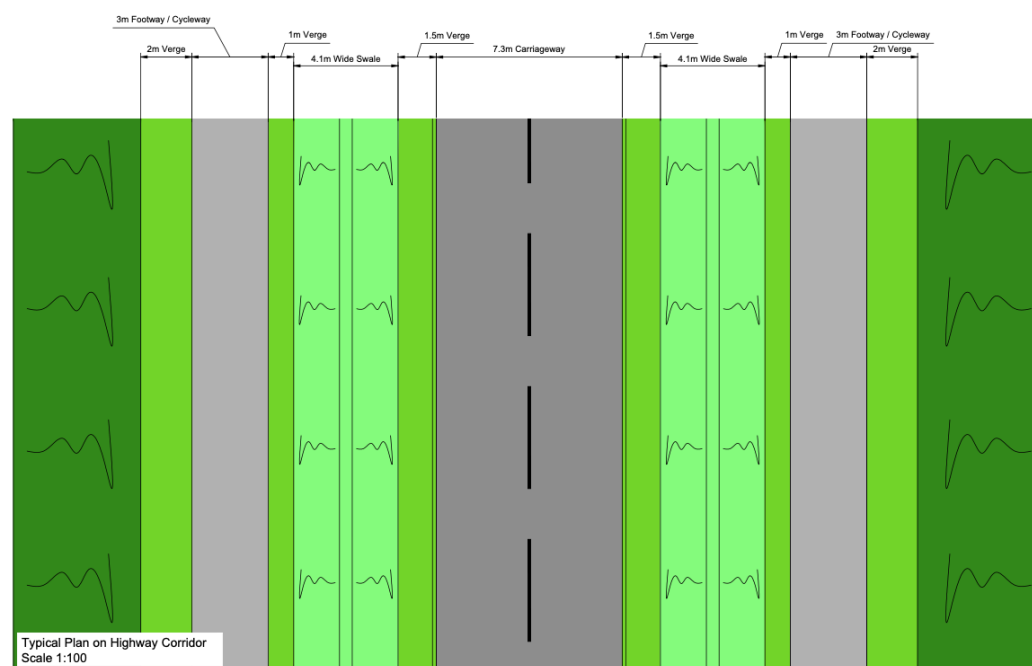
- Regional Growth Fund – Infinity Park Derby was the beneficiary of £40m RGF (when), which included support for the iHub, the first building at IPD, T12 Phase 1 road (now called Infinity Park Way) and the Derby Enterprise Growth Fund, which provides grant assistance to businesses.
- Local Growth Fund (LGF) – DCC was awarded £13m by D2N2 Local Enterprise Partnership for IPD, which supported T12 Phase 1 road (Infinity Park Way), T12 Phase 2, a Local Sustainable Transport Programme for IPD and the realignment of the existing Victory Road, to pave the way for the new Rolls-Royce Aerospace Campus.
- Garden Villages Capacity Funding - £805k provided by Homes England to South Derbyshire District Council and Derby City council, to develop IGV.
- Business Rates pilot funding - £150k towards Business Case development.
- Housing Infrastructure Fund (HIF) Co-Development funding £58k – to prepare the HIF Business Case.
- Homes England direct support - £94k to support traffic modelling and further develop the Business Case.
- Private sector leverage to date - £8.5m contributions to IPD (check with JS and PM whether there is any more than this).
- Infinity Park Derby, as a Government Enterprise Zone, benefits from discounted Business Rates and Enhanced Capital Allowances
- Getting Building Fund - £6.875M support via D2N2 LEP for the development of the Nuclear Advanced Manufacturing Research Centre at Infinity Park – due for completion 2022.
- East Midlands Freeport; the ‘minimum viable’ investment model set out to Government totals £664m across site remediation, development and infrastructure.

4.4d Please explain how the bid aligns to and supports the Government’s expectation that all local road projects will deliver or improve cycling and walking infrastructure and include bus priority measures (unless it can be shown that there is

little or no need to do so). Cycling elements of proposals should follow the Government's cycling design guidance which sets out the standards required. (Limit 250 words)

The new highway infrastructure has been designed to facilitate access to the Infinity Garden Village (IGV), which comprises residential, employment and education uses. Sustainable travel is at the forefront of the IGV design process, which aims to ensure future residents have the ability to access a range of facilities through walking, cycling and public transport.

The new A50 Junction and Link Road has currently been designed with 3m shared footway cycleways on both sides of the carriageway, segregated from road users by a circa 4m wide swale. The current cross section is shown below.



It should be noted that the scheme was originally designed in 2018 and subsequently granted planning permission in February 2021. The scheme plans were therefore developed prior to the publication of Local Transport Note 1/20, which supports a greater level of segregation between pedestrian and cyclists. In light of this new guidance, the design team are examining ways in which the current cross-sections could be adapted to meet this new guidance.

Whilst the mixed use nature of the IGV development helps to ensure a range of facilities can be accessed by walking or cycling, it is recognised that key employment facilities including Toyota Manufacturing UK (TMUK) and parts of the East Midlands Freeport proposals are located less than 5km from the site, situated at Junction 4 of the A50. Given the proximity between these two strategically significant projects DCC are currently working with wider development partners to examine opportunities to introduce dedicated shuttle services that enable direct public transport connections between IGV and key employment facilities including EMIP and TMUK. These services will connect with wider active travel interchanges that Derby City Council are promoting as part of their Transforming Cities proposals.

Officers in Derby are currently exploring sites for flexible and scalable mobility hubs that will complement this strategic transport infrastructure. These could include innovation linked to the delivery of public transport via an on-demand or responsive services, and options for onward mobility from walking routes to innovations in smaller zero emission vehicles, including small 'cars', cycles, scooters and future options. It is anticipated that these mobility hubs will provide a community resource and involve the community in the associated operation and management.

PART 5 VALUE FOR MONEY

5.1 Appropriateness of data sources and evidence

See technical note Annex B and Table 1 for further guidance.

All costs and benefits must be compliant or in line with [HMT's Green Book](#), [DfT Transport Analysis Guidance](#) and [MHCLG Appraisal Guidance](#).

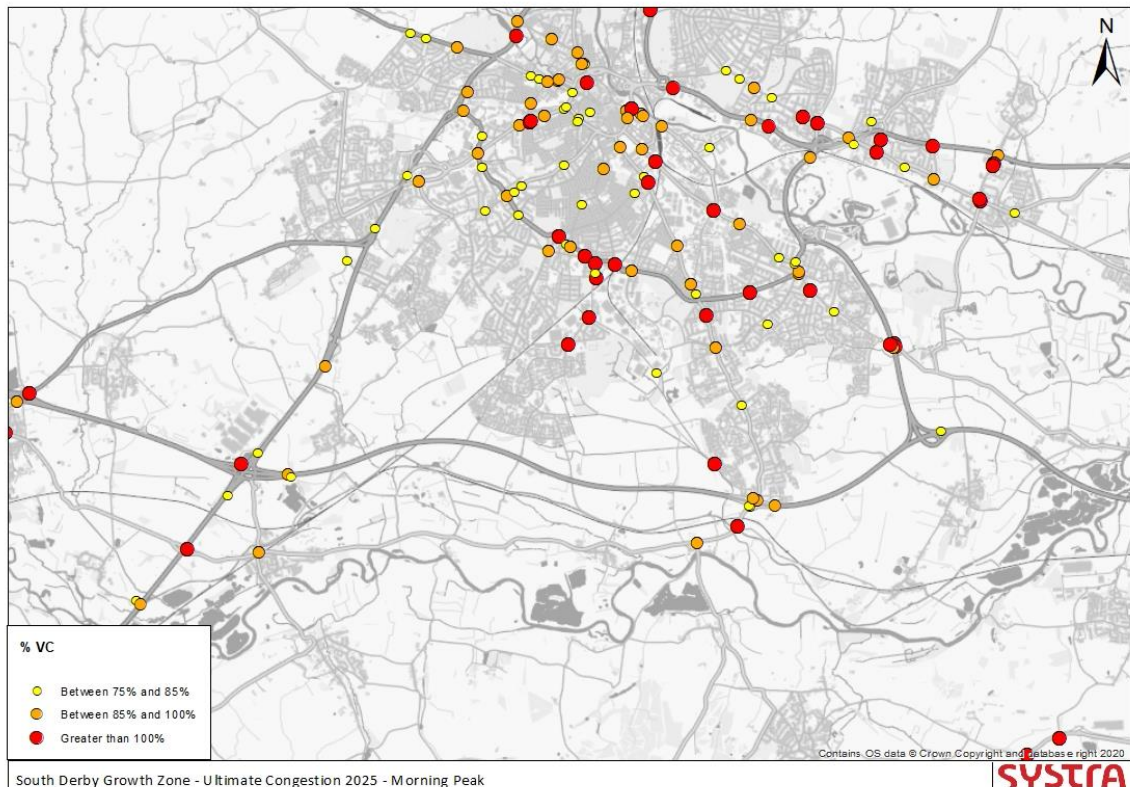
5.1a Please use up to date evidence to demonstrate the scale and significance of local problems and issues. (Limit 250 words)

Transport modelling has been undertaken using the East Midlands Gateways Model (EMGM) - a TAG compliant multi-modal model covering Derby City and Derbyshire. By 2025, committed development and existing traffic will result in significant congestion in the vicinity of the scheme, including at key junctions on the SRN. These conditions will be exacerbated by 2040 with most of the critical junctions on local, major and strategic routes in the vicinity of the site congested resulting in significant queues and delays throughout the network. This will affect access to existing and committed residential and employment areas, including Infinity Park and Rolls Royce constraining the ability for economic growth in this important growth area.

The plot below shows congestion in 2025. It demonstrates that a significant number of junctions are approaching capacity in the vicinity of the proposed scheme by 2025 with just committed development and infrastructure schemes in place:

- along the A50 corridor including at junctions 3 and 4.
- on radial routes into Derby City (Infinity Park Way, A514).
- on routes parallel to the A50.
- through residential areas north of the scheme.

Widespread congestion can also be seen across the wider Derby City area, along the A511 Ring Road and on routes into the city centre including the A52 and A6 London Road.



As a result, there is limited opportunity for further development of the South Derby Growth Zone development without the provision of further infrastructure to increase the local highway network capacity and access to the Strategic Road Network.

5.1b Bids should demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased. (Limit 500 words)

The EMGM has been used to identify, design and appraise the infrastructure proposals required to facilitate the SDGZ development. The EMGM is a TAG compliant multi-modal model covering the Derby and Nottingham cities core catchments which includes the southern parts of Nottinghamshire and Derbyshire. The EMGM has the following main characteristics:

- Base year of 2016;
- Development distributions and growth are based on a TRICS based trip end model and internal gravity model;
- Cube Variable Demand Model includes frequency, time of day, destination and mode choice demand responses;
- SATURN highway model; and
- Cube Voyager public transport model.

The highway model was subject to a local validation exercise in the vicinity of the scheme prior to the forecasting modelling. This utilised count data and journey times from the last 5 years to ensure the model was representing local conditions. The model achieves good levels of validation throughout its simulation area, with

especially good correlation between modelled and observed conditions in the scheme's Area of Influence and along the Strategic Highway Network around Derby including the A50.

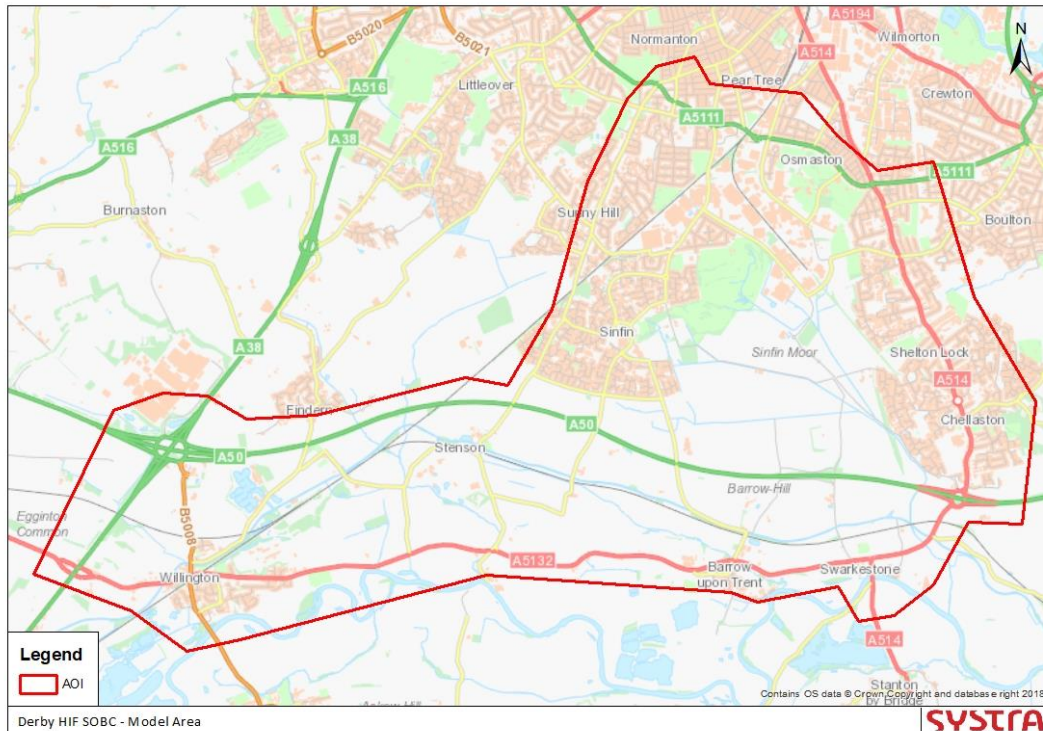
In the AM Peak 86% of links in the AOI meet TAG guidelines. This is greater than the recommended 85% target specified by WebTAG. In the IP 83% links meet TAG guidelines. In the PM 79% of links meet guidelines. Whilst the IP and PM are marginally lower than the 85% target, they still demonstrate a strong level of model validation given the size of the model, the number of counts within the data set and the complexities of route choice available within the model. Further details on the model validation can be found in the validation report included as Appendix 2.

As recommended in TAG Unit M4, forecasts have been undertaken for an opening year of 2025 and a forecast year of 2040, 15 years after opening, so that long term effects can be captured. Forecast scenarios have been developed in line with TAG guidance. They are constrained to TEMPRO 7.2 and use standard modelling parameters from TAG databook July 2020. The core scenario only includes developments deemed 'near certain' or 'more than likely'.

5.1c Please demonstrate that data and evidence chosen is appropriate to the area of influence of the interventions. (Limit 250 words)

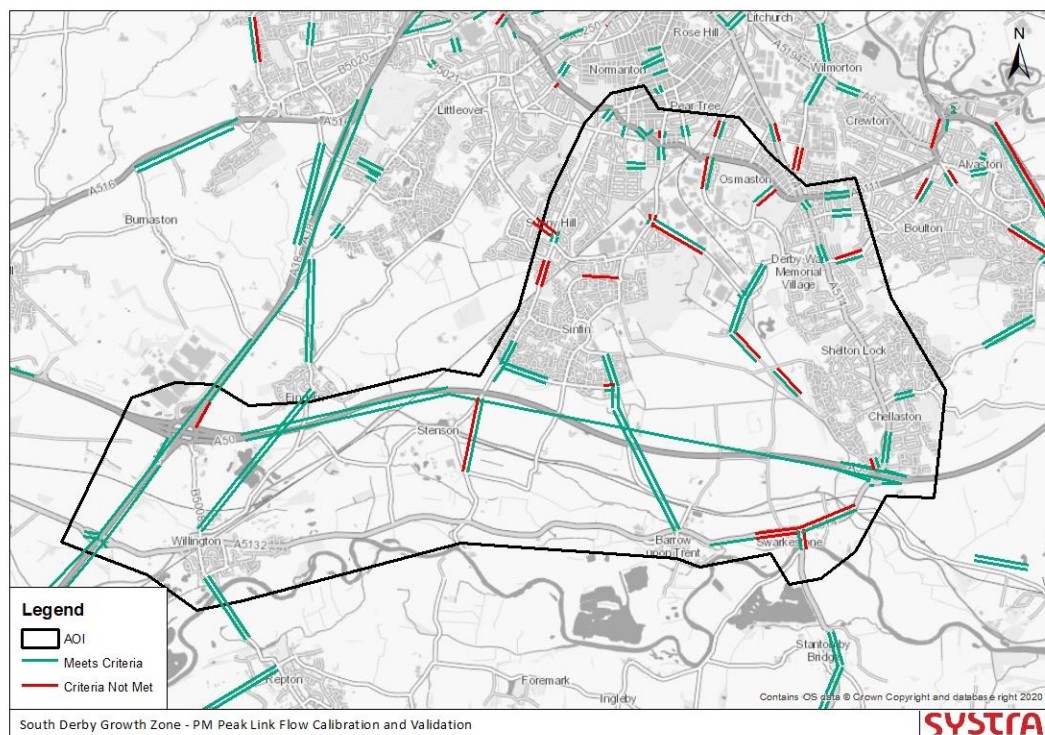
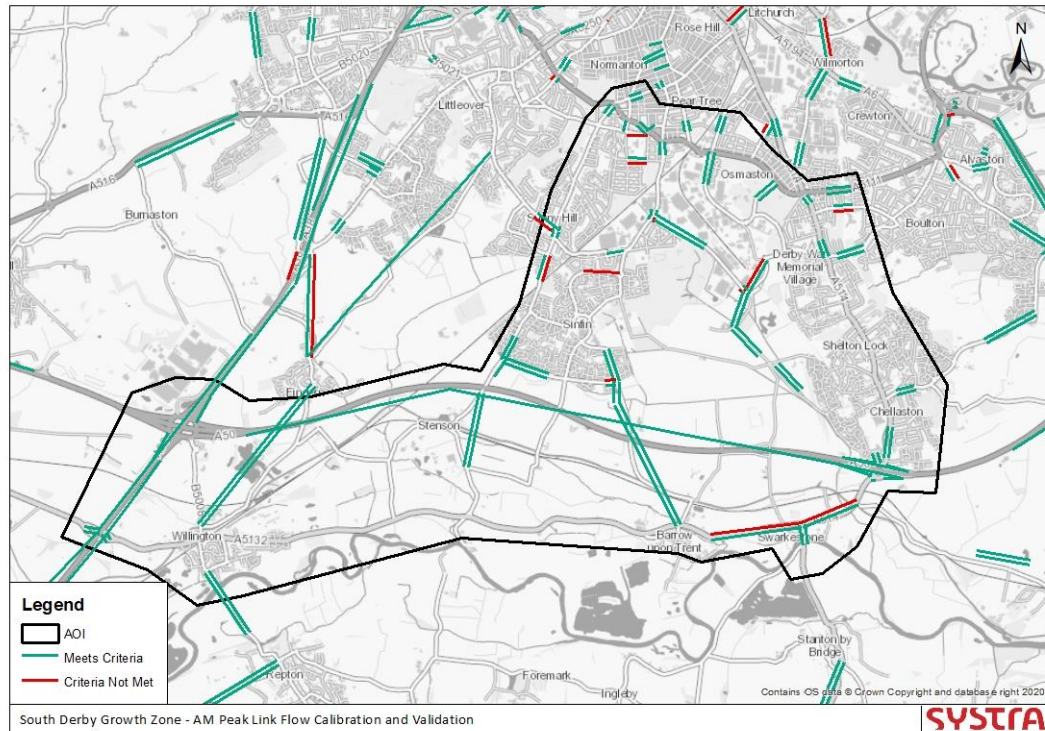
The scheme is situated in the centre of the EMG model. The networks contain all key SRN, A roads and B roads along with key minor roads which are integral to route choice. The zoning system for the model is based on MSOA and OA boundaries.

The scheme's Area of Influence was determined comparing flow changes from with and without scheme model runs. The with scheme scenario also included the full development. The resultant AOI, based on links with flows greater than 50 pcus which change by more than 5%, is shown below.



A detailed review of the network was carried out to ensure the coding through the AOI accurately represents the highway network in 2016. Traffic count data held by SYSTRA was supplemented with additional survey data provided by Derby City Council. Counts were processed, factored to 2016 (using TEMPRO data) and cleaned resulting in a total of 128 individual counts to use in the morning peak and 117 counts in the evening peak.

The location of AOI counts and how they perform against the TAG guidance is shown in the plots below.



The model achieves good levels of validation throughout its simulation area, with especially good correlation between modelled and observed conditions in the scheme's Area of Influence and along the Strategic Highway Network around Derby including the A50.

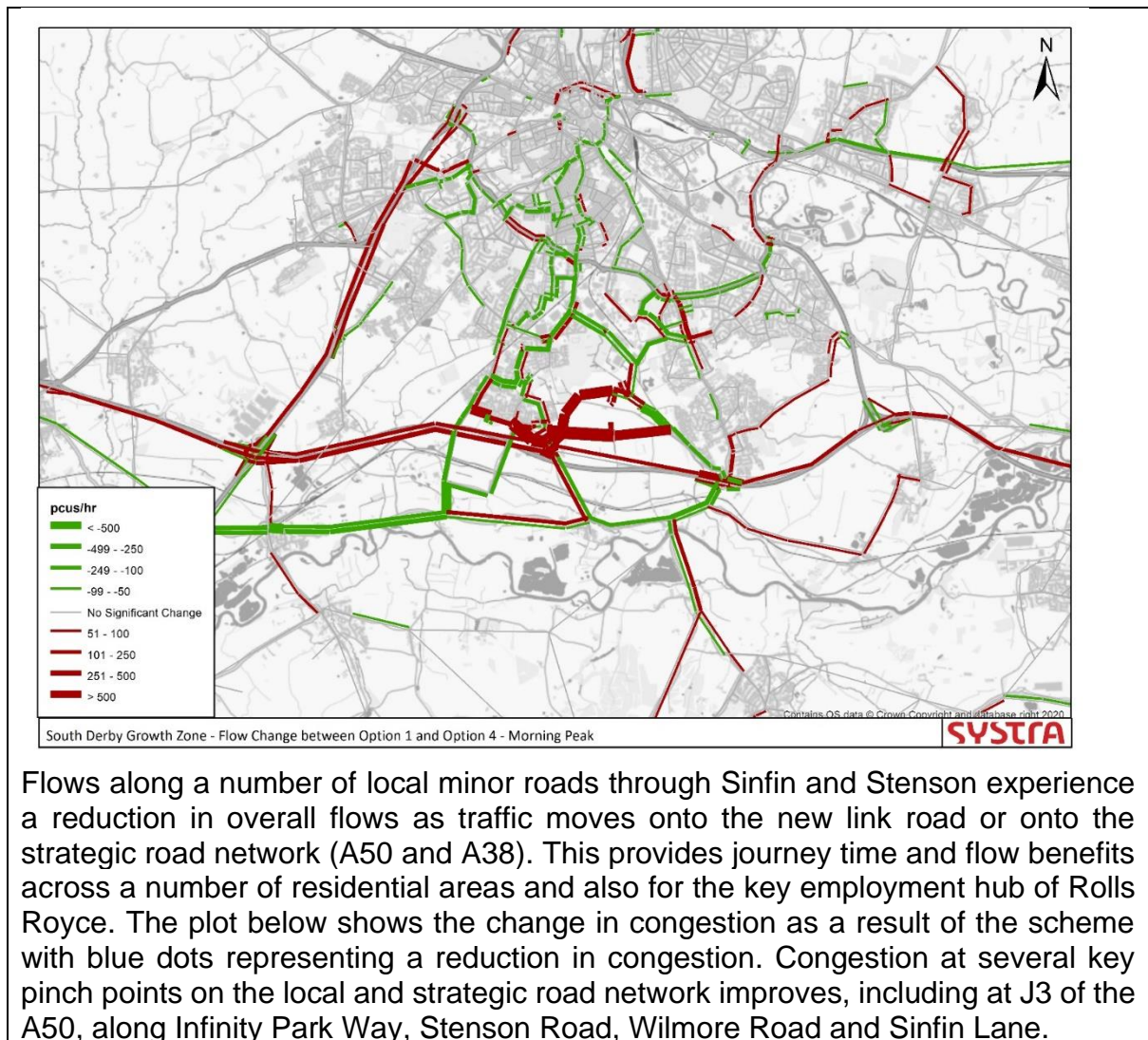
5.2 Effectiveness of proposal in addressing problems

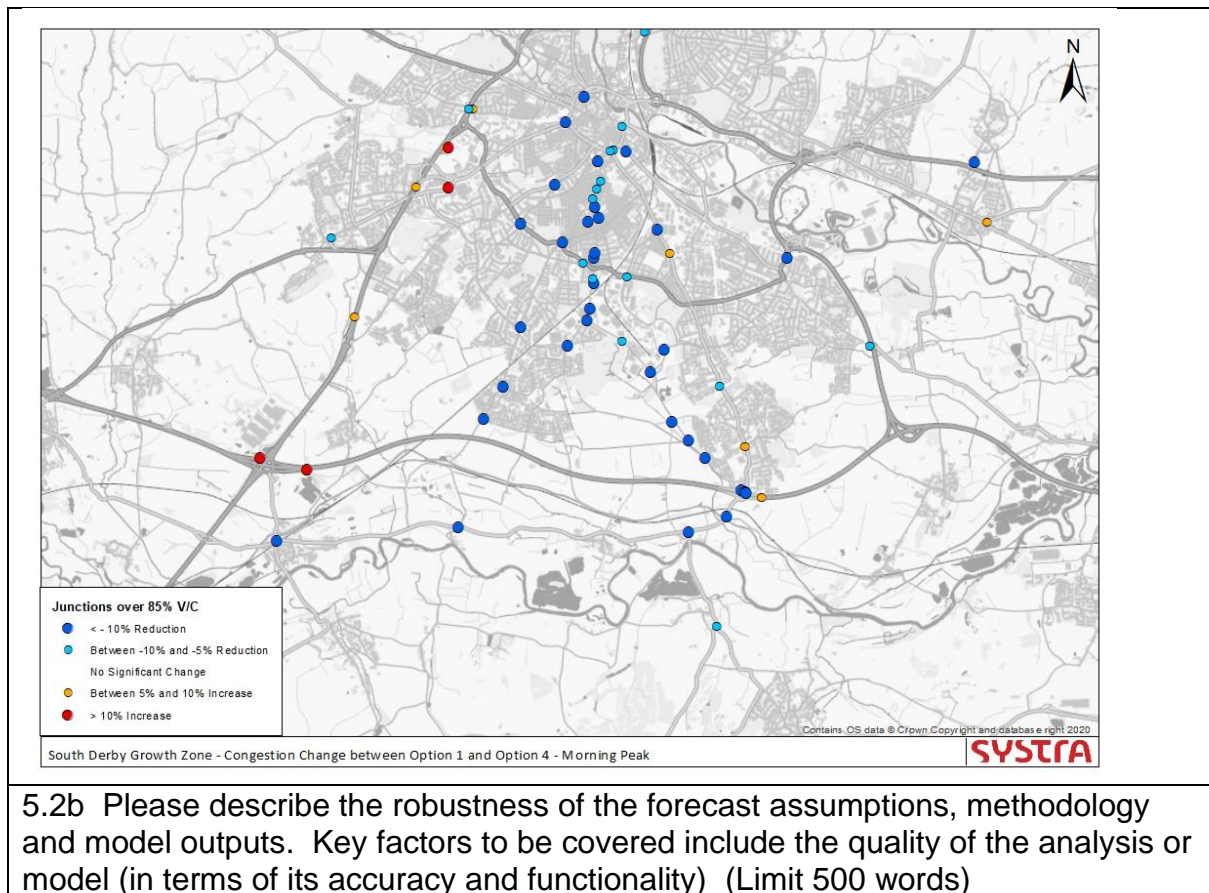
5.2a Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems. Quantifiable impacts should usually be forecasted using a suitable model. (Limit 500 words)

The full scheme has been assessed using the EMGM in two years; 2025 and 2040. The modelling indicates that the new infrastructure will be used by a mixture of traffic and it will significantly change the routing of traffic in the local area, drawing traffic from minor - and often unsuitable - local roads onto more suitable routes.

The scheme provides essential access to the SDGZ growth site. In the absence of the scheme traffic associated with the SDGZ site would be forced onto existing highway network, much of which is expected to already be congested by 2025. The scheme is crucial for facilitating accessibility of the site. Without the infrastructure the growth zone will be less attractive for residents and businesses and this would have a significant impact on wider economic growth.

The scheme also provides wider community benefits to surrounding residential areas and businesses such as Rolls Royce. The infrastructure provides a convenient access to the SRN and it is consequently used by a significant amount of traffic as an alternative to the J3 (A514) of the A50 which already experiences congestion in peak hours. The scheme also provides an alternative route between areas of South Derbyshire and the A50 and south and west Derby, improving accessibility and journey times between these areas. The flow change plot below illustrates the impact the scheme has on the existing highway infrastructure. Roads shown in green are forecast to experience a reduction in flow. Roads shown in red experience an increase.





The development of the forecast year core scenarios can be subdivided into the following elements:

Forecast Identification

As recommended in TAG Unit M4, forecasts have been undertaken for an opening year of 2025 and a forecast year. The forecast year is 2040, 15 years after opening, so that long term effects can be captured. This is in line with standard practice. TAG requires that most transport investments are appraised over a period of 60 years from opening year so that the benefits which accrue over the long term can be compared with the investment costs. Benefits arising after 2040 have been calculated based on the 2040 model outputs and assumed to remain constant until 2084, other than to adjust parameters such as value of time and vehicle operating costs in line with TAG guidance.

Incorporation of Base Year Improvements

The forecast year scenarios include the changes made to the highway model as part of the highway model validation report.

Land Use and Infrastructure Assumptions

Land use and infrastructure assumptions for the forecast scenarios have been agreed with all local authorities. The land use is based on sites which have a planning commitment or consent, and therefore only include developments which are classified as 'certain' or 'more than likely' in TAG guidance.

All developments that are considered to be dependent on the proposed scheme been excluded from the Core Scenario in line with the TAG requirements for the appraisal of the Land Value Uplift associated with these developments.

Growth Assumptions

The growth in the forecast scenarios is constrained to TEMPRO 7.2. In addition, SYSTRA has obtained information on passenger, employee and freight growth for East Midlands Airport as well as proposals for the expansion of ancillary development in and around the site for East Midlands Airport. Subsequent growth predictions for trips associated with the airport zones have been agreed with the airport. These zones have been amended outside of any TEMPRO constraint as growth in airport trips is not fully represented in the TEMPRO growth assumptions.

Modeling Parameter Assumptions

Values of time and vehicle operating costs have been calculated from the information in the TAG data book, issued July 2020. The value of time in the public transport model has been calculated from the same TAG data book. Bus and tram fares have been assumed to increase at 1% above inflation for all years between 2016 and 2040. Rail fares have been assumed to grow 1% above inflation each year between 2018 and 2040.

Model Convergence

The forecast scenarios have been run through the full demand model. All forecast scenarios have a demand model convergence level less than the recommended TAG value of 0.2. The highway assignments also achieve model convergence with the %GAP convergence for all scenarios well below the 0.1% threshold specified by

TAG. This demonstrates that the model is stable and is capable of providing robust results.

Further information is provided in the Reference Case report appended to this document as Appendix 3.

5.3 Economic costs of proposal

5.3a Please explain the economic costs of the bid. Costs should be consistent with the costs in the financial case, but adjusted for the economic case. This should include but not be limited to providing evidence of costs having been adjusted to an appropriate base year and that inflation has been included or taken into account. In addition, please provide detail that cost risks and uncertainty have been considered and adequately quantified. Optimism bias must also be included in the cost estimates in the economic case. (Limit 500 words)

Scheme Construction Costs

The scheme costs have been divided into three sections as detailed below:

- A50 Junction and N/S Link Road between A50 and Infinity park Way including improvements to Merrill Way and Wilmore Road junctions.
- East – West Link.
- Wragley Way Link.

It is anticipated the A50 junction and north-south link will be funded through the Levelling Up Fund and have therefore been classed as public funds. The Wragley Way link and the east-west link are expected to be funded by the developer and have therefore been treated as developer contributions. The tables below provide a summary of the costs by component and year of spend. The costs have been derived by Bentley Project Management in conjunction with Derby City Council. All costs are in 2021 Q1 prices and allow for inflation.

Public Funding Investment Costs in 2021 Prices, £000s

YEAR	CONSTRUCTION	PREP	SUPERVISION	LAND	BONDS	TOTAL
21/22	£0	£951	£0	£0	£0	£951
22/23	£0	£1,940	£0	£2,549	£0	£4,489
23/24	£15,992	£0	£771	£0	£0	£16,763
24/25	£16,669	£0	£789	£0	£5,137	£22,596
TOTAL	£32,661	£2,891	£1,560	£2,549	£5,137	£44,799

Developer Contribution Base Investment Costs in 2021 Prices, £000s

YEAR	CONSTRUCTION	PREP	SUPERVISION	LAND	BONDS	TOTAL
21/22	£0	£1,069	£0	£0	£0	£1,069
22/23	£0	£2,179	£0	£0	£0	£2,179
23/24	£17,966	£0	£417	£0	£0	£18,383
24/25	£18,728	£0	£426	£0	£0	£19,154
TOTAL	£36,694	£3,248	£843	£0	£0	£40,784

Maintenance Costs

Traffic-related maintenance costs have been estimated using QUADRO Manual (DfT, 2020) Table 4/1. Non traffic-related maintenance costs were estimated using the COBA User Manual Table 9/1 (DfT, 2020). QUADRO and COBA costs are provided in 2010 prices, which were converted to 2021 prices using a general RPI indexation.

Risk Adjustment

Derby City Council has undertaken a Quantified Risk Assessment (QRA) for the SDGZ scheme. In line with this Risk Assessment a risk of 24.1% has been applied to the north/south link and A50 junction. A risk of 20.8% has been assumed for the developer led infrastructure.

Optimism Bias

Optimism Bias has been applied as per TAG Unit A1-2. The A50 junction and link road is classed as Stage 2 and has been assigned an OB of 15%. The Wragley Way and East-West links are Stage 1 and assigned a 44% OB. Optimism bias has not been applied to the traffic maintenance or operating costs estimated using QUADRO and COBA figures.

The table below summarises the risk and optimism bias adjusted costs by year of spend.

Risk Adjusted Costs, 2021 Prices £000s			
YEAR	INVESTMENT	OPERATING	TOTAL
2021/2022	3,217	-	3,217
2022/2023	10,197	-	10,197
2023/2024	55,899	-	55,899
2024/2025	65,564	-	65,564
Beyond 2020	7,607	6,572	14,179
Total 60 Years	142,483	6571.838664	149,055

Discounting and Market Prices

Scheme costs have been converted to 2010 discounted market prices using the standard GDP deflator based on Jan 2021 RPI figures, the standard indirect tax correction factor (1.19) and the Green Book schedule of discount rates. The resultant Public Accounts (PA) table is provided below.

PA Table

	2010 £'000
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LUF Funding: Transport	
Operating costs	2,704
Investment Costs	84,831
Developer and Other Contributions	-43,827
NET IMPACT	43,709
LUF Funding: Non-Transport	
Indirect Tax Revenues	810
Homes and Community Agency	
NET IMPACT	810
TOTALS	
Broad Transport Budget	43,709
Wider Public Finances	810

5.4 Analysis of monetised costs and benefits

5.4a Please describe how the economic benefits have been estimated. These must be categorised according to different impact. Depending on the nature of intervention, there could be land value uplift, air quality benefits, reduce journey times, support economic growth, support employment, or reduce carbon emissions. (Limit 750 words)

In accordance with latest TAG guidance, the economic benefits have been assessed in three stages.

- Level 1 assessment: initial BCR focusing on user benefits.
- Level 2 assessment: adjusted BCR reflecting wider economic impact benefits
- Level 3 assessment: adjusted BCR assuming a different land use scenario which reflects dependent development and associated land value uplift benefits.

Following guidance in TAG A2-2, the South Derby Growth Zone development has been classed as Dependent Development as it possesses the following key features:

- There is a clear intention to develop the site through local plan allocations
- The existing transport network cannot reasonably accommodate the additional traffic associated with the development, hence the need for a transport investment.

The EMG model has been used to assess the impact of the SDGZ scheme and development in stages. Model outputs highlight that the existing local network is congested and the A50 junction and associated infrastructure schemes would be required in order for further residential and employment development to

proceed. In the absence the scheme the transport network would not provide a 'reasonable level' of service to new and/or existing users.

Land value uplift has been calculated in line with TAG guidance using local 2019 land values provided by Derby City. The land is currently classed as agricultural (low/medium grade) valued at a total rate of £23,412 per hectare for undeveloped land in 2019 prices. The following local estimates of land values in 2019 prices were used:

- Residential - £1,000,000 per ha (£774,238 per ha 2010 prices)
- Employment - £1,081,063 per ha (836,999 per ha 2010 prices)

These land values were sense checked against those provided in the TAG guidance. The residential value stated above is broadly consistent with TAG values however the employment value for commercial land (out of town) is considerably lower at 660,000 per ha (£541,563 per ha 2010 prices). This assessment has used the TAG employment value.

The appraisal benefits have been estimated using the following approaches. Further detail on the approach can be found in the Appraisal Specification Report provided as Appendix 4.

Economic Appraisal

SUB-IMPACT	TAG	APPROACH
Business users & transport providers	A1-1 A1-3	User and Transport Provider benefits assessed using TUBA v1.9.14 software with standard economic parameters.
Reliability impact on Business users	A1-3 (section 6.3)	TAG approach based on standard deviation of travel time.
Regeneration	A2-2 and A2-3	Land Value Uplift for Dependant Developments assessed in line with TAG A2.2. The associated Transport Externalities Costs and Land Amenity Value also be calculated as per TAG A2.2 guidance
Wider Impacts	A2-1	The DfT's WITA v2.0 Beta software used and parameters taken from DfT's Wider Impacts Dataset.

Environmental Appraisal

SUB-IMPACT	TAG	APPROACH
Noise	A3 (Ch 2)	Not assessed at this stage
Air Quality	A3 (Ch 3)	Not assessed at this stage
Greenhouse gases/Carbon	A3 (Ch 4)	Greenhouse gas benefits generated using TUBA software with standard economic parameters.

Landscape	A3 (Ch 6)	Landscape not be assessed at this stage
Townscape	A3 (Ch 7)	Assumed to have limited impacts – not assessed at this stage.
Heritage of Historic resources	A3 (Ch 8)	Not assessed at this stage
Biodiversity	A3 (Ch 9)	Not assessed at this stage
Water Environment	A3 (Ch 10)	Assumed to have limited impacts – not assessed at this stage.
Social Appraisal		
SUB-IMPACT	TAG	APPROACH
Commuting and Other users	A1-3	Same approach as for “Business users & transport providers”
Accessibility:	A1-3	Not assessed at this stage
Reliability impact on Commuting and Other users	A1-3	Same approach as for “Reliability impact on Business users”
Physical activity	A4-1 (Ch 3)	Assumed to have insignificant impacts – no assessment.
Journey quality	A4-1 (Ch 6)	No significant Impact
Accidents	A4-1 (Ch 2)	DfT’s COBALT v2.0 using accident rates and values from the TAG Data Book.
Security	A4-1 (Ch 4)	Assumed to have insignificant impacts – no assessment.
Access to services	A4.2 (Ch 8)	Assumed to have insignificant impacts – no assessment at this stage.
Affordability	A4.2 (Ch 9)	Limited impacts on the money costs of travel. Any changes to vehicle operating costs will be captured in TUBA.
Severance	A4-1 (Ch 5)	No significant impact is anticipated
Option values	A4-1 (Ch 7)	No significant impact is anticipated

Public Account Appraisal		
SUB-IMPACT	TAG	APPROACH
Cost to Broad Transport Budget	A1-2	Cost estimates developed by LA's. Costs then processed in line with TAG A1.2, allowing for risk and optimism bias.
Indirect Tax Revenues	A1-1	Indirect tax revenues generated using TUBA software with standard economic parameters.

5.4b Please complete Tab A and B on the **appended excel spreadsheet** (Appendix 9) to demonstrate your:

Tab A - Discounted total costs by funding source (£m)

Tab B – Discounted benefits by category (£m)

5.5 Value for money of proposal

5.5a Please provide a summary of the overall Value for Money of the proposal. This should include reporting of Benefit Cost Ratios. If a Benefit Cost Ratio (BCR) has been estimated there should be a clear explanation of how this is estimated ie a methodology note. Benefit Cost Ratios should be calculated in a way that is consistent with [HMT's Green Book](#). For non-transport bids it should be consistent with [MHCLG's appraisal guidance](#). For bids requesting funding for transport projects this should be consistent with [DfT Transport Analysis Guidance](#). (Limit 500 words)

A detailed Economic Case can be found in Appendix 5. A summary of the key elements is provided below.

Core Transport and Carbon Benefits

The value for money assessment has been undertaken in line with the DfT's Transport Analysis Guidance with the resultant BCR calculated using the TAG proformas. TUBA 1.9.14 has been used to calculate the economic efficiency of the scheme.

This process provided the data required in order to gain the Benefit Cost Ratio (BCR) and Transport Economic Efficiency (TEE). **The TEE benefits of the scheme over the 60 year appraisal period is £201m. Carbon benefits are £1.7 million.**

Reliability Benefits

Reliability impacts have been calculated in line with TAG Unit A1-3 by applying the equation in section 6.3 using a process that takes modified time skims and demands as input. Interrogation of time savings from TUBA indicated that the business reliability benefits were approximately 12% of the standard TUBA

business time savings benefit. The consumer reliability benefits are approximately 9% of the standard TUBA consumer benefits. **The reliability benefits of the scheme are £19.8m.**

Accident Benefits

COBALT (COst and Benefit to Accidents – Light Touch) was used to undertake accident analysis in accordance with TAG. COBALT uses “Without-Scheme” and “With-Scheme” model specific flows, speeds, distances and road types alongside pre-defined accident rates, costs and growth rates to assess the safety benefits of a particular road schemes. **The accident benefit of the scheme is £5.7m.**

Wider Impacts (Level 2)

The DfT software ‘Wider Impacts in Transport Appraisal’ (WITA) has been used in this assessment. Over the 60 year appraisal period **the scheme generates £80m benefits.**

Land Value Uplift (Level 3)

Following guidance in TAG A2-2, the South Derby Growth Zone development has been classed as ‘Dependent Development’. Land value uplift has been calculated in line with TAG guidance using local 2019 land values provided by Derby City.

The following local estimates of land values in 2019 prices were used:

- Residential - £1,000,000 per ha (£774,238 per ha 2010 prices)
- Employment - £660,000 per ha (£541,563 per ha 2010 prices)

The method used to calculate the Transport External Costs (TEC) of this dependent development is in-line with TAG Unit A2.2 and uses the transport model. The externalities were discounted and aggregated over the 60 year appraisal from 2025 to 2084.

The resultant land value uplift benefit - including associated transport externalities and landscape amenity costs - is: 18.5m

BCRs

The Core Level 1 BCR is 5.21. When considering Wider impacts (Level 2) the BCR increases to 7.05. With Land Value Uplift (Level 3) the BCR increases to 7.48. The details of the BCR calculations are provided below.

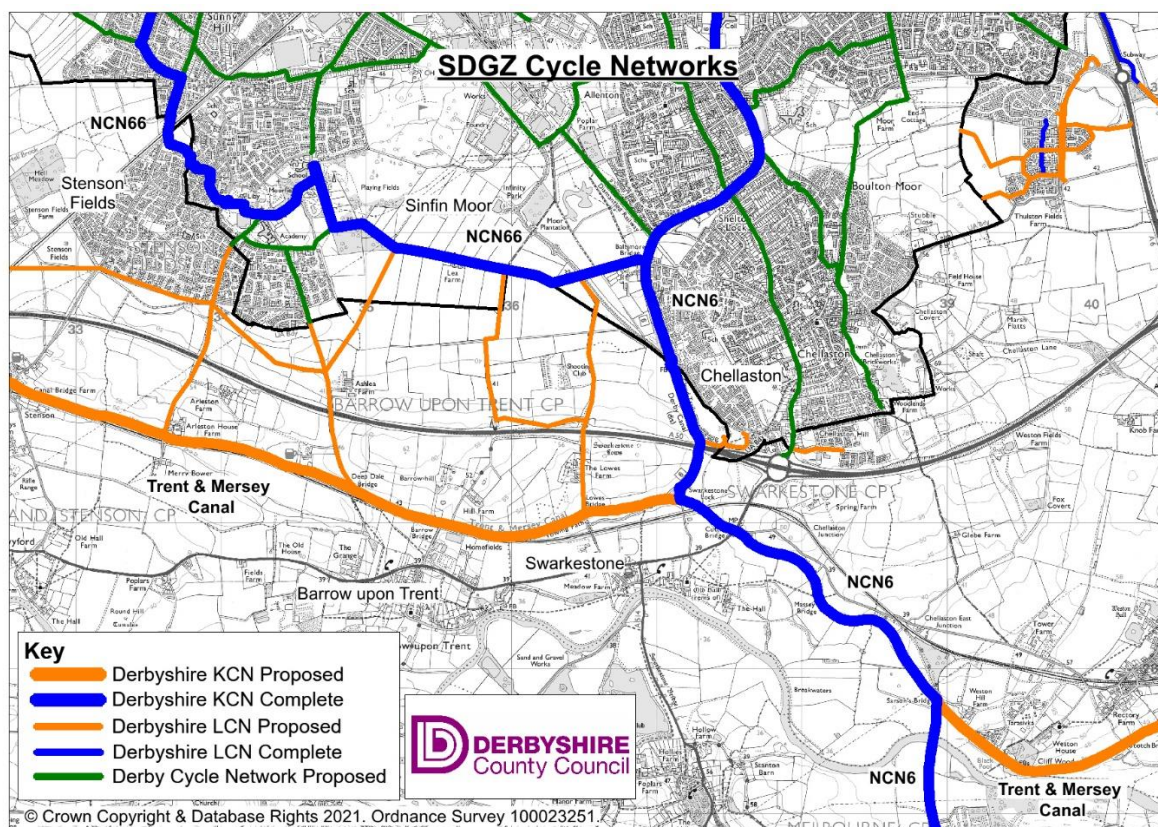
£'000 2010 prices and values	Level 1	Level 2	Level 3
Present Value of Benefits (see notes) (PVB)	£227,652	£308,319	£326,854
Present Value of Costs (see notes) (PVC)	£43,709	£43,709	£43,709
Net Present Value (NPV)	£183,943	£264,610	£283,145

Benefit to Cost Ratio (BCR)	5.21	7.05	7.48
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5.5b Please describe what other non-monetised impacts the bid will have, and provide a summary of how these have been assessed. (Limit 250 words)

The proposals contained in this LUF proposal will generate a number of additional benefits linked to the Government's wider ambitions to 'build back better' and the COVID recovery strategies for Derby and Derbyshire. Specifically, this includes:

- Connectivity to the county's Key Cycle Network (KCN) and Local Cycle Network (LCN), both of which are adopted by Derbyshire County Council. The 'amber' cycle links shown below are aspirational and (where these sit within the red line) will be delivered as closely as possible through the Development Framework Document
- Flood alleviation
- Investor confidence on the back of COVID recovery
- Setting standards for quality of development expected
- The scheme encourages more direct traffic routings and eases congestion within Derby and South Derbyshire. This will have a positive impact on local air quality, with reductions in NO₂ and CO₂ expected.



5.5c Please provide a summary assessment of risks and uncertainties that could affect the overall Value for Money of the bid. (Limit 250 words)

The Value for Money assessment has been undertaken in line with TAG July 2020 guidance. It includes a sensitivity test in line with the economic forecasts provided in the Sensitivity Testing Databook v1.14. The sensitivity test lowers the overall Level 1 BCR slightly (to 4.4) but this is still considered to be a very high value for money. Forthcoming changes to TAG (May 2021) include revised economic forecasts, optimism bias figures and uncertainty testing surrounding COVID. It is likely that these will have a small impact on the overall VfM bid, however, the scheme is still expected to provide significant benefits across Derby and South Derbyshire.

5.5d For transport bids, we would expect the [Appraisal Summary Table](#), to be completed to enable a full range of transport impacts to be considered. Other material supporting the assessment of the scheme described in this section should be appended to your bid. **This is included as Appendix 7, with supporting appraisal tables in Appendix 16.**

PART 6 DELIVERABILITY

6.1 Financial

See technical note Table 1 for further guidance.

6.1a Please summarise below your financial ask of the LUF, and what if any local and third party contributions have been secured (please note that a minimum local (public or private sector) contribution of 10% of the bid costs is encouraged). Please also note that a contribution will be expected from private sector stakeholders, such as developers, if they stand to benefit from a specific bid (Limit 250 words)

Based on the assessments and design work undertaken to date, the estimated total outturn cost for the project is £55,597,972.

The financial ask of the LUF is £49,597,972.

The private sector developer partners have committed to providing a contribution of £6,000,000 equivalent to 10.7%. Letters from both Wilson Bowden Developments (WBD) and Hallam Land Management (HLM) confirming this contribution are included as Appendix 8.

HLM are the main promoters for the Wragley Way housing development situated to the west of the proposed link road and WBD the promoters for the commercial land located to the east of the proposed link road. Both developments make up a significant proportion of the Infinity Garden Village masterplan.

6.1b Please also complete Tabs C and D in the **appended excel spreadsheet** setting out details of the costs and spend profile at the project and bid level in the format requested within the excel sheet. The funding detail should be as accurate as possible as it will form the basis for funding agreements. Please note that we would expect all funding provided from the Fund to be spent by 31 March 2024, and, exceptionally, into 2024-25 for larger schemes. **Included as Appendix 9.**

The Funding Profile and Costing Estimates are included within Tables C and D. As this is considered to be a larger scheme the cost plan extends to March 2025.

A more detailed Cost Plan is also included within Appendix 10

6.1c Please confirm if the bid will be part funded through other third-party funding (public or private sector). If so, please include evidence (i.e. letters, contractual commitments) to show how any third-party contributions are being secured, the level of commitment and when they will become

☒ Yes (Appendix 8)

☐ No

<p>available. The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Where relevant, bidders should provide evidence in the form of an attached letter from an <u>independent</u> valuer to verify the true market value of the land.</p>	
<p>6.1d Please explain what if any funding gaps there are, or what further work needs to be done to secure third party funding contributions. (Limit 250 words)</p>	
<p>In line with the estimated outturn costs outlined in section 6.1, no funding gaps have been identified at this point.</p> <p>Private sector developer contributions for the project equate to a total of £6.0m. Letters from the developers are attached to this bid as Appendix 8. In addition to the letters, a Memorandum of Understanding (MoU) has been drafted which demonstrates the intent and co-operation between all parties (the three local authorities, landowners and developers) to deliver this strategically important project. Support from these partners is set out in Appendix 11.</p> <p>Following a positive funding announcement, a more formalised Infrastructure Delivery Agreement (IDA) will need to be prepared setting out the mechanisms by which private sector contributions can be secured. Within this, or under a separate Collaboration Agreement, the public sector partners will agree the apportionment of project risk.</p>	
<p>6.1e Please list any other funding applications you have made for this scheme or variants thereof and the outcome of these applications, including any reasons for rejection. (Limit 250 words)</p>	
<p>In March 2019, the Infinity Garden Village (IGV) formed part of a wider Housing Infrastructure Fund (HIF) bid led by Nottinghamshire County Council. The bid entitled, 'East Midlands Hs2 network of garden villages', was derived from the East Midlands HS2 Growth Strategy which was approved by Derby City Policy Committee and other partners across the East Midlands in September 2017. The bid combined three strategic developments across the East Midlands comprising: IGV, East Midlands Hs2 Hub Growth Zone (in Nottinghamshire) and North Derbyshire Hs2 Growth Zone (in Chesterfield). Collectively; these sites sought £76m to provide key infrastructure to unlock 14,000 new homes.</p> <p>Funding was not allocated at this time, but the partners were encouraged to make adjustments to their bid and work towards the next round of funding – Single Housing Infrastructure Fund (SHIF), not yet announced.</p>	

Specific feedback on the IGV proposals included questions over the deliverability of the project as, at the time of the submission, the infrastructure proposals did not have planning permission and Secretary of State (SoS) approval was required to deliver a new junction on the Strategic Road Network (SRN). The DfT also requested further transport modelling was undertaken to demonstrate the scheme's Benefit to Cost ratio using the recently developed 'Gateway Model'.

Since 2019, the project team has worked in partnership with Homes England to strengthen the IGV business case. This has included securing Garden Village Capacity Funding from Homes England, which helped to fund a planning application for the infrastructure proposals (approved February 2021) and secure SoS approval for a new junction on the SRN (obtained January 2021).

Furthermore, the project team has been actively engaging with the DfT to scope and agree the traffic modelling requirements for an Outline Business Case. This methodology has been documented in an Appraisal Specification Report, which was issued to the DfT in February 2021.

6.1f Please provide information on margins and contingencies that have been allowed for and the rationale behind them. (Limit 250 words)

The advanced design for the new A50, grade separated junction and North/South Link Road has resulted in an improved level of confidence in the financial figures provided. In these areas the cost plan includes detailed measures which have been costed using current market tested rates which include a suitable allowance for OH&P. The cost plan makes provision for a combined overheads and profit allowance of 10% (typically 7-8% overheads and 2-3% profit).

Bentley Project Management's long-term involvement in the scheme has also enabled specific contingency to be included within the main body of the costs. Our historic understanding of the existing constraints (e.g. existing utility services, ground conditions) will improve cost certainty. Liaison with the design team has also been undertaken to make sure all specific contingencies allowances are fully considered.

The cost estimate has also been benchmarked to evaluate its cost against other similar schemes for the respective elements.

The approach above will provide further confidence that the Construction Budget for the scheme is robust and has considered all known constraints.

Further contingency has also been identified through a comprehensive Quantified Risk Assessment (QRA), which has been developed and refined throughout the scheme development. Inputs into the risk model have been gained through identifying risk and uncertainties at a series of risk workshops. Each risk has been assessed to determine its probability and maximum, minimum and most likely cost impact.

The cost risk exposure was then modelled and analysed using Monte Carlo modelling technique, to provide a range of potential outcomes and determine a suitable risk allowance for the project.

6.1g Please set out below, what the main financial risks are and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UKG funding partners. (you should cross refer to the Risk Register). (Limit 500 words)

Cost Overruns

Any cost overruns associated with delivering the project will be controlled through a joint Collaboration Agreement between Derbyshire County Council, Derby City Council, South Derbyshire County Council and Private Sector partners (HLM & WBD)

It is recognised that cost and time over-runs could have a significant impact on the delivery of the project and the project team have taken a number of positive steps to help mitigate this risk. These include:

- Ensure that all cost estimates are realistic and the appropriate allocation of contingency is applied, reviewed and managed throughout the project's life;
- Ensure a realistic programme is agreed for the delivery of the project and all possible and foreseeable eventualities are proactively considered;
- Ensure that a design is progressed that meets planning and other statutory requirements;
- Set objectives that are realistic and not changed during the course of the project / Avoid changes in scope mid-way through the delivery process;
- Provide clear leadership, excellent project governance, swift decision making and appropriate and proportionate management controls; and
- Provide an agreed project brief that is complete, clear and consistent and most critically understood and agreed by all parties to the project;
- Ensure that the design is fully and robustly coordinated and takes account of buildability, maintainability, health and safety and sustainability;

Financial Risks

A Quantified Risk Assessment has been created and is included within Appendix 12. The key financial risks and their associated mitigation measures are summarised within the table below along with their most likely financial impact .

Risk ID	Risk Summary	Mitigation	Most Likely Financial Impact
FND001	The cost of the project, exceeds funding available. Detailed design to be developed.	Regular reviews of forecast outturn cost of the project. Regular monitoring and review of the previously reported forecasts with timely adjustments .	£182,400
FND007	The costs of the project exceeds funding due to inflation	Include realistic forecast from BCIS and BOE	£780,000
CO001	Maintaining flood defence levels, when constructing impacts to the cost and schedule.	Time risk allowances to be included in programme	£500,000
CO003	Difficulties defining the exact time when to bring the Contractor on board	Clear scope and objectives optimised as part of the Project Implementation Plan	£750,000
CO006	Weather affects the schedule and works	Ensure expert advice is given on contract risk allocation and risk management	£500,000
CO007	Design ambiguity - Lack of clarity in ownership and responsibility within the scope documentation	Clearly define the scope of the project and manage effective collaboration of the design using a multi-disciplinary design team	£1,500,000
CO010	Additional measures need to be taken to comply with EA requirements	Early engagement with EA to mitigate ecology risks onsite	£600,000
CO020	Large-scale unplanned service diversions	Early engagement with utility companies	£2,000,000
PRG003	Length of programme affecting delivery of project	Monitor delivery programme and monitor key activities progress and resourcing	£564,600

PR004	Impacts of other large scale construction schemes limiting resources e.g. HS2	Procurement and risk strategy to reflect market needs	£564,600
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Measures for sharing risk with the contractor are detailed in the following sections.

6.2 Commercial

See technical note Section 4 and Table 1 for further guidance.

6.2a Please summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted. The procurement route should also be set out with an explanation as to why it is appropriate for a bid of the scale and nature submitted.

Please note - all procurements must be made in accordance with all relevant legal requirements. Applicants must describe their approach to ensuring full compliance in order to discharge their legal duties. (Limit 500 words)

Routes Considered

Derbyshire County Council has considered a full range of procurement options to secure best value through ensuring strong, fair and open competition, in line with best practice for managing public money. The key options considered are outlined below:

Options Considered	Overview
In House Delivery	DCC has no capacity to deliver a scheme of this size in house, and whilst considered this was dismissed at an early stage. DCC does however retain design and procurement specialists, and an in house major projects delivery team that will be used to oversee the procurement exercise and manage the contract.
Scape	The framework allows Early Contractor Involvement (ECI), which can positively impact delivery timescales and reduce costs. Design and build options available. However, limited to a very small number of companies on the framework.
Midlands Highway Alliance	The MHA framework allows ECI. There is no upper limit on the scheme costs. Design and build options are available. The MHA allows for mini-competition helping to demonstrate Value for Money, however, this would only be open to a small number of Contractors on the framework.
Open Tender	Allows the opportunity for prices from a wider range of contractors, potentially providing the most competitive scheme cost. However, The lengthy tender process could have significant

	impacts on programme and this approach limits the ability to secure ECI.
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Recommended Approach

At this stage DCC's preferred procurement route for the delivery of the A50 Junction and Link Road is the MHA framework. In its thirteenth year, the MHA framework's main objective is to develop an effective procurement route for the delivery of highway schemes, it allows clients to procure a contractor through one of three options via an NEC 4 ECC target cost [main Option C] contract including; a Direct Call Off, Mini-Competition and Sub Regional Call off.

At this initial stage of the project, DCC would recommend that contractors are engaged via a Mini Competition as this exercise would allow the Project Team to further assess the suitability of the contractors in relation to scheme specifics around cost and quality. The MHA also enables the use of ECI through secondary option X22 or a separate short form of contract, enabling a contractor to be engaged during the detailed design stages of the project helping to provide the Project Team with greater certainty on cost and programme, thereby helping to reduce overall risks.

Although early selection of a contractor causes some challenges in demonstrating that the target cost represents value for money, the appropriate appointment of cost consultants and a continual review of the construction budget at key stages in the programme will reduce any risk to an acceptable level. During the construction phase, the target cost contract ensures equitable cost sharing and transparency of cost.

Risk Allocation

A strategic aim and objective of the MHA framework and DCC's management of the contract is that risk is appropriately proportioned through the careful management of relationships within, and throughout the project.

The contractor will be required to produce a priced Early Warning Register that also demonstrates mitigation measures and the anticipated prices post mitigation. This has already been developed to inform the QRA and will be updated on commencement of detailed design later this year and regularly through to Early Contractor Involvement. Potential issues having been identified will be allocated a risk owner and appropriate resolutions sought to mitigate or eliminate the risk where possible.

Design risk will be retained by the contractor. Delivery and programme risk will be shared and incentivised through the MHA pain/gain mechanism. This approach has been reviewed in establishing the business case for MSF3 it has been agreed that this provides a fair and effective incentive to both parties and has been used on nearly all package orders procured through the framework to date.

Contractors are incentivised to beat the target cost as they will benefit from the savings as follows: The Contractor's share percentages and the share ranges are:

Share range	Contractor's share percentage
less than 80%	30%
from 80% to 110%	50%
greater than 110%	100%

Conversely if costs go over budget the contractor will have to bear their share of that cost.

6.3 Management

See technical note Section 4 and Table 1 for further guidance

Delivery Plan: Places are asked to submit a delivery plan which demonstrates:

- Clear milestones, key dependencies and interfaces, resource requirements, task durations and contingency.
- An understanding of the roles and responsibilities, skills, capability, or capacity needed.
- Arrangements for managing any delivery partners and the plan for benefits realisation.
- Engagement of developers/ occupiers (where needed)
- The strategy for managing stakeholders and considering their interests and influences.
- Confirmation of any powers or consents needed, and statutory approvals eg Planning permission and details of information of ownership or agreements of land/ assets needed to deliver the bid with evidence
- Please also list any powers / consents etc needed/ obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them.

6.3a Please summarise the delivery plan, with reference to the above (Limit 500 words)

The Project Delivery Plan sets out the key project milestones and dependencies that are required to deliver the IGV enabling infrastructure, which includes the construction of a new grade separated junction and north / south link road. The programme demonstrates that through the significant progress made to date, including securing planning permission for the highway infrastructure, the scheme can be delivered in line with the LUF timeframes by ensuring the scheme is constructed for March 2025.

The project is supported by a strong Governance structure that incorporates key decision makers at each of the three local authorities, which has also been expanded to include interactions with key development partners and stakeholders. This comprehensive approach to project Governance helps to ensure difficult decisions

are made quickly and complex matters can be discussed / resolved with all project partners/stakeholders.

As outlined above, the scheme benefits from planning permission and is primed to move into the detail design stages later this year. Procurement routes for the design team are currently being evaluated and recommended technical approval timeframes have been discussed and agreed with Highways England and are factored into the latest project programme.

All affected land owners and developer partners are aware of the land required to deliver this project and are party to a draft MoU which demonstrate their commitment to the project. At this stage, it is envisaged that land can be secured via treaty, but DCC will adopt a twin tracked approach to land acquisition by running a Compulsory Purchase Order (CPO) process alongside land negotiations. The CPO process is programmed to start later this year with a planned duration of 18 months to allow for a public inquiry.

The project is considered essential to helping stimulate and sustaining economic and housing growth in the midlands region. The benefit realisation plan demonstrates that the scheme will directly unlock land for 1850 dwellings and c.240,000sqm of employment floor space. This is coupled with significant transport user benefits the scheme provides to both the local and strategic road users. The scheme benefits will be assessed through the monitoring and evaluation process that comprises a combination of project specific metrics (traffic data) and strategic metrics (house completions / jobs created).

The project programme is included as Appendix A (to the Delivery Plan at Appendix 13).

6.3b Has a delivery plan been appended to your bid?

☒ Yes (Appendix 13)

☐ No

6.3c Can you demonstrate ability to begin delivery on the ground in 2021-22?

☒ Yes

Yes; on fees in accordance with guidance on Larger Projects.

☐ No

6.3e Risk Management: Places are asked to set out a detailed risk assessment which sets out (word limit 500 words not including the risk register):

- the barriers and level of risk to the delivery of your bid
- appropriate and effective arrangements for managing and mitigating these risk
- a clear understanding on roles / responsibilities for risk

Project Barriers

It should be noted that a number of significant barriers to the delivery of this project have been actively progressed and addressed. Notably the scheme benefits from planning approval, which was granted in February 2021, following confirmation from the Secretary of State that they supported the principal of a new junction on the A50. Copies of the Decision Notice and SoS letter are provided as Appendices 14 and 15.

The public sector partners have also been working collaboratively with developers and landowners to ensure all land required to deliver the project can be secured in a timely manner (however the programme makes allowances for a CPO, if needed). This intent to cooperate is outlined within a draft MoU.

Risk Identification, Assessment and Level of Risk

DCC recognise that effective risk management is vital, alongside a continual process involving the identification and assessment of risk.

A Project Risk Register has been developed to consider the risks associated with the delivery of the scheme. The register logs risks identified during the planning and design phases and outlines any unrealised issues that have the potential to adversely impact the scheme delivery programme and cost. The risk register is updated through a series of workshops which are attended by specialists in highways and structural engineering, geotechnics, transport planning, quantity surveying and the environmental disciplines. The aim of the risk workshops is to:

- To update the risk register.
- To agree the probability, cost and time impact of risks.
- Where possible, to assign responsibility to risks.

All risks within the register are assessed and classified across three areas: the probability of the risk occurring and the most likely impact on costs and time which would arise if the risk did occur.

During the latest risk workshop undertaken on 1 June 2021, the probability, cost and time impacts were reviewed for each existing risk and the register updated accordingly. The workshop involved a review of the proposed risk mitigation and assessed whether it remained valid and appropriate. The workshop also involved the identification of any new or emerging risks, assessing them using the same criteria and assigning any appropriate mitigation measures.

The impact of each risk identified in the register has been quantified and an overall risk value calculated. The purpose of this approach is to provide a robust risk value that can be included within the overall scheme cost estimate. The Quantified Risk Value is calculated using the Monte Carlo simulation, which is recommended by the DfT and considered a robust way of calculating risk.

The Quantified Risk Value for this project is currently calculated at: circa £9.9m (2021 prices)

Risk Management

Risk management is a continual process involving the identification and assessment of risks, prioritisation of them and the implementation of actions to mitigate the likelihood of them occurring and impact if they did.

At a project level, risks are managed by the Project Control Board with risks forming a specific item on the agenda. The Board's approach to risk management is proportionate to the decision being made or the impact of the risk, to enable the Council to manage risks in a consistent manner, at all levels.

In response to question 6.2a, the procurement strategy describes how the Council will seek to place risk with the party best placed to manage or mitigate that risk, or manage the consequences should they transpire.

A strategic aim and objective of the MHA is the sharing of risk and that risk is appropriately proportioned through the careful management of relationships within, and throughout the project.

Early involvement with the contractor will include an assessment of the appropriate balance of risk. Design risk could be retained by the council or transferred to the contractor. Delivery and programme risk will substantially rest with the contractor and detailed through the pain/gain mechanism embedded into the MHA framework contracts.

6.3f Has a risk register been appended to your bid?	<input checked="" type="checkbox"/> Yes (Appendix 12) <input type="checkbox"/> No
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6.3g Please evidence your track record and past experience of delivering schemes of a similar scale and type (Limit 250 words)

Derbyshire County Council maintains a substantial portfolio of major infrastructure projects, operating within a 'mixed economy' delivery model using in-house contracting services, frameworks and open tender. The Council is also accustomed to adopting formal shared client and risk models. Examples include:

- Seymour Link Road, Markham Vale - £7.5m infrastructure scheme to enable access to manufacturing and logistics development (MHA framework)
- Woodville-Swadlincote Regeneration Route - £13m infrastructure scheme to enable access to housing and commercial development. Currently on-site, with all programme obligations met relating to Local Growth Fund Grant (open tender)
- Ashbourne Airfield Industrial Estate expansion - £6m infrastructure scheme to enable access to housing and commercial development. Currently on-site, with all programme obligations met relating to Local Growth Fund Grant (two contracts; open tender and MHA framework)

- Hollis Lane Link Road Phase 1 - £11m project to deliver highway infrastructure enabled by site provision for displaced businesses (joint client roles with Chesterfield Borough Council; two contracts; Pagabo framework and in-house highways team)

Relevant City Council Projects:

- Regional Growth Fund - £40m programme, including T12 (above), iHub innovation centre, Derby Enterprise Growth Fund. Delivery timeframe 5 years.
- Inner Ring Road (Mercian Way) - £36m scheme. Delivery timeframe 10 years.
- T12 (now called Infinity Park Way) - £19m road project, delivered by DCC, using a combination of Regional Growth Fund and Local Growth Fund money. Delivery timeframe 18 months.
- Victory Road - £8.5m project, funded by £2.5m LGF and 6m private sector leverage. Delivery timeframe 12 months.

6.3h Assurance: We will require Chief Financial Officer confirmation that adequate assurance systems are in place.

For larger transport projects (between £20m - £50m) please provide evidence of an integrated assurance and approval plan. This should include details around planned health checks or gateway reviews. (Limit 250 words)

The full assurance plan will be produced within the Management Case of the FBC.

As a defined 'major project' within the County Council's portfolio SDGZ/IGVs core highway infrastructure will report to a corporate Programme Management Officer via a Place Department Major Projects Delivery Board. The Board will undertake stop/go project reviews between each of the remaining stages:

4. Statutory Procedures
5. Detailed Design
6. Procurement and Construction
7. Closedown and Monitoring

6.4 Monitoring and Evaluation

See technical note Section 4 and Table 1 for further guidance.

6.4a Monitoring and Evaluation Plan: Please set out proportionate plans for M&E which should include (1000 word limit):

- Bid level M&E objectives and research questions
- Outline of bid level M&E approach
- Overview of key metrics for M&E (covering inputs, outputs, outcomes and impacts), informed by bid objectives and Theory of Change. Please complete Tabs E and F on the **appended excel spreadsheet** (Appendix 9)
- Resourcing and governance arrangements for bid level M&E

The Monitoring and Evaluation Plan will be structured to follow DfT guidance for a 'fuller evaluation', and referencing Highway England's Post Opening Project Evaluation approaches given the strong links to the A50 trunk road.

The outline bid-level plan here provides an initial approach and indicators that can be developed into a Monitoring and Evaluation Plan (M&EP) designed to provide a guide to the teams who will be undertaking the monitoring and evaluation work. The M&EP will need to confirm the availability and approach to the monitoring metrics, evaluation objectives and research questions, and determining and securing the required delivery resources.

Whilst the scheme is large and with a range of potentially significant economic, environmental and transport related impacts, there is a need to ensure that monitoring and evaluation is proportionate. Existing data and data collection will therefore be reused as much as possible, particularly where additional information can be obtained at marginal cost by extending existing programmes. Inevitably there will be some need for new data collection and care will be taken to ensure the approaches offer value for money, but also take account any constraints or impacts of the COVID-19 pandemic on travel volumes and behaviours, especially in respect of baseline data or early scheme impacts.

Governance, Reporting and Resources

It is essential for local accountability and the wider Levelling Up agenda, that the governance and resourcing arrangements for the M&EP are planned to ensure this activity is integrated into wider project delivery whilst remaining cost effective.

The responsibility for the M&EP will lie with Derbyshire, Derby City and South Derbyshire District councils, during the development, implementation and post implementation phases of the scheme. The evaluation team will call on the delivery contractor and inputs from others including private sector developers and community groups.

With some impacts expected to be realised only in the longer-term, there is a need to ensure continuity is maintained beyond the scheme delivery. Following the Year One reporting cycle, the M&EP will revisit the impacts evaluation for the Year Five evaluation and beyond to meet the planning and economic objectives of the scheme

The required resources for the M&EP will be determined as the Plan is developed and confirmed. A clear driver will be the need for proportionality, including the potential use of suitable proxies and indicators from earlier or similar schemes

elsewhere. In addition to the council's network of contacts on scheme delivery and access to specialist external advice, it may be possible to draw on additional supporting advice and resources offered by other Levelling Up Fund promoters.

Objectives and Research Questions

The approach to producing the Plan will involve workshop discussions with members of the construction project management team, associated developers and wider council teams to ensure that both Process and Impact Evaluations can be adequately captured.

To support this step, a Theory of Change Evaluation Approach will be adopted based around the primary objectives to:

- Reduce Congestion to facilitate the SDGZ development;
- Support Economic Growth and Government priorities for the area, including the Levelling Up agenda;
- Support all road users including active mode provision; and
- Supporting wider environmental, social and community objectives, including a contribution to Net Zero Carbon.

One or more Logic Maps will be developed to chart the causal effects between inputs, outputs, outcomes and the relationship these have back to the project objectives and rationale for intervention. This step will allow an open view on scheme development processes and potential scheme impacts, ensuring considerations such as community impacts are considered in the evaluation framework. The Logic Maps will be tested through the governance structures and used to inform the key research questions that will frame the evaluation delivery.

A series of process evaluation questions will be configured to provide learning from the experience of scheme development and how delivery has influenced the observed outcomes and impacts. The impact evaluation will evidence the extent to which the scheme will enable change, for example in travel behaviour, accessibility and community connectivity and on the environment. The evaluation design will ideally recognise attributable of impacts to the investment, although full attribution may be a challenge, particularly in respect to some of the 'difficult to obtain' economic impact metrics.

Monitoring and Evaluation Metrics

The following list provides a number of potential metrics that can be used for process and impact evaluations. Of these, a number of indicators will be readily available from existing monitoring, including baseline data and that used for the development of the Economic Case. New analysis and primary research may be needed, particularly for some of the economic indicators and local resident and business perceptions. Suitable proxies for some of these indicators may also need to be identified to maintain the proportionality.

Scheme Delivery

- Project costs
- Programme - delivery plan, resource availability, decision making, risk, etc
- Procurement - supplier performance, materials

- Actual build - scheme details as implemented
- Actual build - delivery of supporting measures

Economic vitality and growth impacts

- Delivery context – SDGZ development build-out
- Strategic housing and commercial developments enabled
- Construction and long-term employment enabled
- Local business perceptions, including connectivity, activity rates, access to employees and competitiveness
- Market perceptions of development sites.

Traffic Impacts

- Scheme traffic flows - local road network, including traffic compositions
- Wider traffic flows - local, strategic road network
- Impacts on rat running within local communities and on the rural routes to the south.
- Road traffic journey times and delays
- Accidents and collisions
- User perceptions of driving conditions and road safety

Sustainable Transport and Accessibility Impacts

- Pedestrian and cycleway provision and use including access the planned new secondary school
- Perceptions of accessibility, safety and quality changes

Environmental Impacts

- Air Quality and Noise impacts for key receptors
- Carbon emissions

PART 7 DECLARATIONS

7.1 Senior Responsible Owner Declaration

As Senior Responsible Owner for South Derby Growth Zone I hereby submit this request for approval to UKG on behalf of Derbyshire County Council and confirm that I have the necessary authority to do so.

Name: Chris Henning

Signed:



7.2 Chief Finance Officer Declaration

As Chief Finance Officer for [name of organisation] I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that [name of organisation]

- has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs over and above the UKG contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties
- accepts responsibility for meeting any ongoing revenue requirements in relation to the scheme
- accepts that no further increase in UKG funding will be considered beyond the maximum contribution requested and that no UKG funding will be provided after 2024-25
- confirm that the authority commits to ensure successful bids will deliver value for money or best value.
- confirms that the authority has the necessary governance / assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to.

Name:

Signed:

7.3 Data Protection

Please note that the The Ministry of Housing, Communities and Local Government (MHCLG) is a data controller for all Levelling Up Fund related personal data collected with the relevant forms submitted to MHCLG, and the control and processing of Personal Data.

The Department, and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the Department for funding from the Levelling Up Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the Department may need to share your Personal Data with other Government departments and departments in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Any information you provide will be kept securely and destroyed within 7 years of the application process completing.

You can find more information about how the Department deals with your data [here](#).

Annex A - Project One Summary (only required for a package bid)

Project 1	
A1. Project Name	
A2. Strategic Linkage to bid: Please enter a brief explanation of how this project links strategically to the overall bid. (in no more than 100 words)	
A3. Geographical area: Please provide a short description of the area covered by the bid (<u>in no more than 100 words</u>)	
A4. OS Grid Reference	
A5. Postcode	
A6. For Counties, Greater London Authority and Combined Authorities/Mayoral Combined Authorities, please provide details of the district council or unitary authority where the bid is located (or predominantly located)	
A7. Please append a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	<input type="checkbox"/> Yes <input type="checkbox"/> No
A8. Project theme Please select the project theme	<input type="checkbox"/> Transport investment <input type="checkbox"/> Regeneration and town centre investment <input type="checkbox"/> Cultural investment
A9. Value of capital grant being requested for this project (£):	
A10. Value of match funding and sources (£):	
A11. Value for Money	

<p>This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. However there may be some impacts where only a qualitative assessment is possible due to limitations in the available analysis. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, bidders should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment (Limit 250 word)</p>	
<p>A12. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then the application should include a clear explanation of why not.</p>	
<p>A13. Where available, please provide the BCR for this project</p>	
<p>A14. Does your proposal deliver strong non-monetised benefits? Please set out what these are and evidence them.</p>	
<p>A15. Deliverability Deliverability is one of the key criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.</p>	
<p>A16. The Bid – demonstrating investment or ability to begin delivery on the ground in 2021-22</p> <p>As stated in the prospectus UKG seeks for the first round of the funding that priority will be given to bids that can demonstrate investment and ability to deliver on the ground in 2021-22</p>	
<p>A17. Does this project includes plans for some LUF expenditure in 2021-22?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>A18. Could this project be delivered as a standalone project or do it require to be part of the overall bid?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

A19. Please provide evidence	
A20. Can you demonstrate ability to deliver on the ground in 2021-22.	<input type="checkbox"/> Yes <input type="checkbox"/> No
A21. Please provide evidence	
Statutory Powers and Consents	
A22. Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.	
A23. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them.	

Annex B - Project Two description and funding profile (only required for package bid)

Project 2	
B1. Project Name	
B2. Strategic Linkage to bid:	
Please enter a brief explanation of how this project links strategically to the overall bid. (in no more than 100 words)	
B3. Geographical area:	
Please provide a short description of the area covered by the bid (<u>in no more than 100 words</u>)	
B4. OS Grid Reference	
B5. Postcode	
B6. For Counties, Greater London Authority and Combined Authorities/Mayoral Combined Authorities, please provide details of the district council or unitary authority where the bid is located (or predominantly located)	
B7. Please append a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	
B8. Project theme Please select the project theme	<input type="checkbox"/> Transport investment <input type="checkbox"/> Regeneration and town centre investment <input type="checkbox"/> Cultural investment
B9. Value of capital grant being requested for this project (£):	
B10. Value of match funding and sources (£):	
B11. Value for Money	

<p>This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. However there may be some impacts where only a qualitative assessment is possible due to limitations in the available analysis. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, bidders should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment</p>	
<p>B12. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then the application should include a clear explanation of why not.</p>	
<p>B13. Where available, please provide the BCR for this project</p>	
<p>B14. Does your proposal deliver strong non-monetised benefits? Please set out what these are and evidence them.</p>	
<p>B15. Deliverability Deliverability is one of the key criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.</p>	
<p>B16. The Bid – demonstrating investment or ability to begin delivery on the ground in 2021-22</p> <p>As stated in the prospectus UKG seeks for the first round of the funding that priority will be given to bids that can demonstrate investment and ability to deliver on the ground in 2021-22</p>	
<p>B17. Does this project includes plans for some LUF expenditure in 2021-22?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>B18. Could this project be delivered as a standalone project or do it require to be part of the overall bid?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

B19. Please provide evidence	
B20. Can you demonstrate ability to deliver on the ground in 2021-22.	<input type="checkbox"/> Yes <input type="checkbox"/> No
B21. Please provide evidence	
Statutory Powers and Consents	
B22. Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.	
B23. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them.	

Annex C – Project Three- description and funding profile (only required for package bid)

Project 3	
C1. Project Name	
C2. Strategic Linkage to bid:	
Please enter a brief explanation of how this project links strategically to the overall bid. (in no more than 100 words)	
C3. Geographical area:	
Please provide a short description of the area covered by the bid (<u>in no more than 100 words</u>)	
C4. OS Grid Reference	
C5. Postcode	
C6. For Counties, Greater London Authority and Combined Authorities/Mayoral Combined Authorities, please provide details of the district council or unitary authority where the bid is located (or predominantly located)	
C7. Please append a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	
C8. Project theme Please select the project theme	<input type="checkbox"/> Transport investment <input type="checkbox"/> Regeneration and town centre investment <input type="checkbox"/> Cultural investment
C9. Value of capital grant being requested for this project (£):	
C10. Value of match funding and sources (£):	
C11. Value for Money	

<p>This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. However there may be some impacts where only a qualitative assessment is possible due to limitations in the available analysis. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, bidders should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment</p>	
<p>C12. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then the application should include a clear explanation of why not.</p>	
<p>C13. Where available, please provide the BCR for this project</p>	
<p>C14. Does your proposal deliver strong non-monetised benefits? Please set out what these are and evidence them.</p>	
<p>C15. Deliverability Deliverability is one of the key criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.</p>	
<p>C16. The Bid – demonstrating investment or ability to begin delivery on the ground in 2021-22</p> <p>As stated in the prospectus UKG seeks for the first round of the funding that priority will be given to bids that can demonstrate investment and ability to deliver on the ground in 2021-22</p>	
<p>C17. Does this project includes plans for some LUF expenditure in 2021-22?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>C18. Could this project be delivered as a standalone project or do it require to be part of the overall bid?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

C19. Please provide evidence	
C20. Can you demonstrate ability to deliver on the ground in 2021-22.	<input type="checkbox"/> Yes <input type="checkbox"/> No
C21. Please provide evidence	
Statutory Powers and Consents	
C22. Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.	
C23. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them.	

ANNEX D - Check List Great Britain Local Authorities

Questions	Y/N	Comments
4.1a Member of Parliament support		
MPs have the option of providing formal written support for one bid which they see as a priority. Have you appended a letter from the MP to support this case?	Y	Contained within Appendix 11
Part 4.2 Stakeholder Engagement and Support		
Where the bidding local authority does not have responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support?	Y	Highways England and Derby City support contained within Appendix 11
Part 4.3 The Case for Investment		
For Transport Bids: Have you provided an Option Assessment Report (OAR)	Y	Appendix 6
Part 6.1 Financial		
Have you appended copies of confirmed match funding?	Y	Appendix 8
The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Please provide evidence in the form of a letter from an independent valuer to verify the true market value of the land. Have you appended a letter to support this case?	N	
Part 6.3 Management		
Has a delivery plan been appended to your bid?	Y	Appendix 13
Has a letter relating to land acquisition been appended?	N	See letters of support from affected landowners in Appendix 11
Have you attached a copy of your Risk Register?	Y	Appendix 12
Annex A-C - Project description Summary (only required for package bid)		
Have you appended a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	Y	[Not a package bid but] see Figure 1

Annex E Checklist for Northern Ireland Bidding Entities

Questions	Y/N	Comments
Part 1 Gateway Criteria		
You have attached two years of audited accounts		
You have provided evidence of the delivery team having experience of delivering two capital projects of similar size and in the last five years		
Part 4.2 Stakeholder Engagement and Support		
For transport bids, have you appended a letter of support from the relevant district council		
Part 6.1 Financial		
Have you appended copies of confirmed match funding		
The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Please provide evidence in the form of a letter from an independent valuer to verify the true market value of the land.		
Part 6.3 Management		
Has a delivery plan been appended to your bid?		
Has a letter relating to land acquisition been appended?		
Have you attached a copy of your Risk Register?		
Annex A-C - Project description Summary (only required for package bid)		
Have you appended a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.		