

Minutes

Project	SEMMMS A6 TO MANCHESTER AIRPORT RELIEF ROAD				
Job No	D128008	Date of Meeting	21/10/09	Meeting No	
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Location of Meeting	Great Minster House, London				
Time of Meeting	11.00am				
Subject of Meeting	Business Case Submission				
Persons present including representation					
<p>Mostaqu Ahmed (DfT) Charlie Sunderland (DfT) Nick Joyce (DfT) Jim McMahon (SMBC) John Gray (Cheshire East) Neil Searle (Mott Macdonald) Tim Baker (Scott Wilson) John Collins (DfT) – from traffic modelling Steve ? (DfT) – from traffic modelling</p>					
Distribution of notes to					
<p>As above plus</p> <p>Chris Barber (MCC) Sue Stevenson (SMBC) Neil Stockley (Atkins) Hossein Farsi (Mott MacDonald) Graham Martin (Scott Wilson) Tony Mellor (GMTU)</p>					

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NOTES	ACTION	DATE
PART 1 – PFI		
1. Current Position of Scheme		
1.1 Together with in house staff, the following consultants had been appointed to develop the scheme for the business case submission and to take the scheme forward to Planning Application stage:		
<p>Scott Wilson – Project management and design review Atkins – Business Case and Transport Assessment Mott MacDonald – SEMMMS 6 traffic model GMTU – SEMMMS7 traffic model Mouchel – Environmental work</p>		
1.2 Project Team is being lead by SMBC with Jim McMahon as project director. Proposed governance of project is set out in Project Initiation Documents. Scott Wilson to ensure these are copied to DfT (Charlie Sunderland).	TJB	30/10/09
1.3 Programme is as follows:		
<ul style="list-style-type: none"> • Business Case final submission – by February 2010. based upon SEMMMS 6 model. • Pre Planning Consultation – March 2010 at earliest, with traffic data based on SEMMMS 7 model. • Planning Application – Late summer 2010. 		
2. Scheme Funding		
2.1 Current funding based upon contributions from DfT, AGMA (RFA and LTP) and a contribution from the airport. SMBC has given AGMA the anticipated spend profile.		
2.2 The current programme matches the £290m anticipated spend profile.		
3. PFI		
3.1 DfT requested that the team review option for PFI funding again and include in the business case submission.		
3.2 Mott MacDonald will undertake this work, following Treasury guidelines	NSearle	
Qualitative Assessment		
3.3 Principles of PFI – is there potential for a PFI?		

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<p>3.4 Qualitative assessment to include, inter alia, consideration of:</p> <ul style="list-style-type: none"> the extent of a viable network; other capital works schemes that could be included; and change to current programme for PFI. <p>3.5 Assessment does not need to be detailed but the key issues and features of a PFI scheme need to be identified – probably over next 3 to 4 weeks.</p> <p style="text-align: center;">Quantitative Assessment</p> <p>3.6 Shadow Bid model to be developed. Mott MacDonald to advise on number of credits that would be appropriate.</p> <p>3.7 First draft of PFI business case to be submitted by 22/12/09. DfT can provide advice and input at any stage during drafting of this works of PFI assessment.</p> <p>3.8 Mott MacDonald will also liaise with Neil Stockley of Atkins who is preparing the business case.</p> <p>3.9 Design development & land acquisition costs would need to be by conventional funding. Otherwise, no other capital cost contribution to be assumed.</p> <p>4. Business Case</p> <p>4.1 The team is currently working to the programme originally provided by DfT, i.e. drafts by end of year and final submission at end of January.</p> <p>4.2 DfT advised that there are several internal stages of approval of the business case plus approval by PRG by Treasury. It was noted that there was the risk of programme entry not being announced by the end of March 2010 target.</p> <p>4.3 DfT confirmed that a robust business case needed to be submitted. See 5. below regarding traffic modelling.</p> <p>4.4 The three local authorities would ensure that the business case would have gained executive approval prior to submission to DfT during January 2010. This would also need to include the option for PFI where the chief concern of the authorities would be the scheme's affordability.</p> <p>4.5 Scheme needs to consider possibility of future link to M60 and Poynton bypass but this should not form a major part of the business case. DfT</p>	<p>N Searle</p> <p>JMcM</p> <p>Neil Stockley/</p>	<p>22/12/09</p> <p>22/01/10</p>

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<p>accepted that current scheme was the lowest cost solution but emphasised that a clear argument needed to be presented to demonstrate that this was the case.</p> <p>5. Traffic Modelling</p> <p>5.1 DfT confirmed that John Collins time would be prioritised to review the LMVR, which was delivered on 19/10/09 and all other work associated with the scheme's business case.</p> <p>5.2 In respect of the LMVR – John Collins will report directly back to SMBC. This is expected in the next few days.</p> <p>5.3 The age of the current traffic data is acknowledged and this would be addressed by the SEMMMS7 model which will use data based upon current traffic surveys. This could possibly be made available to DfT in February/March 2010, after the submission of the business case, to compare with SEMMMS6 data.</p> <p>5.4 Current SEMMMS programme to be reviewed in respect of 5.3 above</p> <p>6. Scheme Budget for Business Case</p> <p>6.1 Corderoy have been appointed to review scheme cost estimate.</p> <p>6.2 Current sections of WebTAG that are draft for consultation should be used in the business case preparation. This includes guidance on inflation – 2.7%. If different inflation proposed this needs to be included in QRA with justification.</p> <p>6.3 Land risks to be kept separate from project QRA.</p> <p>6.4 Optimism bias has been reviewed in earlier assessments. Current value at this stage is 44%. Need to justify if a different value is used.</p> <p>6.5 No non-recoverable VAT as scheme is a local authority scheme, not an HA scheme.</p> <p>7 Route Protection and Land Ownership</p> <p>7.1 Route is currently protected. Approximately £3m worth of land on current scheme alignment is owned by HA. Regional Minister has written to HA to advise that this should be transferred to local authorities. SMBC to review current position</p>	<p>Hossein Farsi</p> <p>JC</p> <p>TB</p> <p>Neil Stockley</p> <p>JMcM</p>	<p>30/10/09</p> <p>6/11/09</p> <p>6/11/09</p>

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