

Forward Plan reference number: FP/AB/199

Report title: Kent Sustainable Interventions Programme LGF funding decision	
Report to Accountability Board on 12th April 2019	
Report author: Helen Dyer, SELEP Capital Programme Officer	
Date: 29.03.2019	For: Decision
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SELEP Partner Authority affected: Kent	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to support the delivery of the 2019/20 and 2020/21 Kent Sustainable Interventions Programme (the Project) as part of the wider Kent Sustainable Interventions Programme (the Kent Sustainable Interventions Programme). The Project has been considered by through the Independent Technical Evaluator (ITE) review process, to enable £1.031m Local Growth Fund (LGF) to be devolved to Kent County Council for Project delivery.
- 1.2 Of the £1.031m LGF which is sought as part of this funding decision, £432,000 LGF is funding which is provisionally allocated to the Programme but has not be drawn down to date, whilst £599,000 is funding has been approved as part of the earlier phases of the Programme but has subsequently been identified as underspend, due to projects delivering under budget or due to specific interventions being removed from the Programme, as detailed under Agenda Item 6.
- 1.3 The funding decision detailed in this report is dependent on the Board agreeing, under agenda item 6, that underspend in relation to the previous phases of the Programme should be retained against the Programme, rather than reallocated through the LGF3b process.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** that a Project has been brought forward for the award of £1.031m LGF, of which £432,000 LGF has been provisionally allocated to the Programme but has not be drawn down to date and a further £599,000 LGF has been identified as underspend from previous phases of the Programme.
 - 2.1.2. **Agree** the award of £1.031m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with low/medium certainty of achieving this, subject to the Board agreeing, under agenda item 6, that the

£599,000 LGF underspend from previous phases of the programme should remain allocated to the Programme.

3. Background

- 3.1. This report brings forward the Project for release of the remaining LGF allocation, following the completion and ITE review of a Business Case for the Project.
- 3.2. The Programme was initially allocated a total of £3m LGF through LGF Round 1, with a provisional allocation of £500,000 during each financial year. To manage overspends on other LGF projects in Kent (Tonbridge Town Centre and Folkestone Seafront – Transport), the total LGF allocation to the Programme has been reduced by £272,000 to £2.728m.
- 3.3. As detailed in the update report, under agenda item 6, a number of schemes identified through Business Cases for the Programme are no longer coming forward, or have been delivered for a lower than expected cost. As a result, LGF funding previously allocated to earlier phases of the Programme has been returned to the Programme funding pot for use towards delivering the schemes identified for 2019/20 and 2020/21.
- 3.4. This report sets out a proposal to utilise the £599,000 LGF which is no longer required to support the earlier phases of the Programme and £432,000, which is allocated to the Programme but has not been drawn down to date.

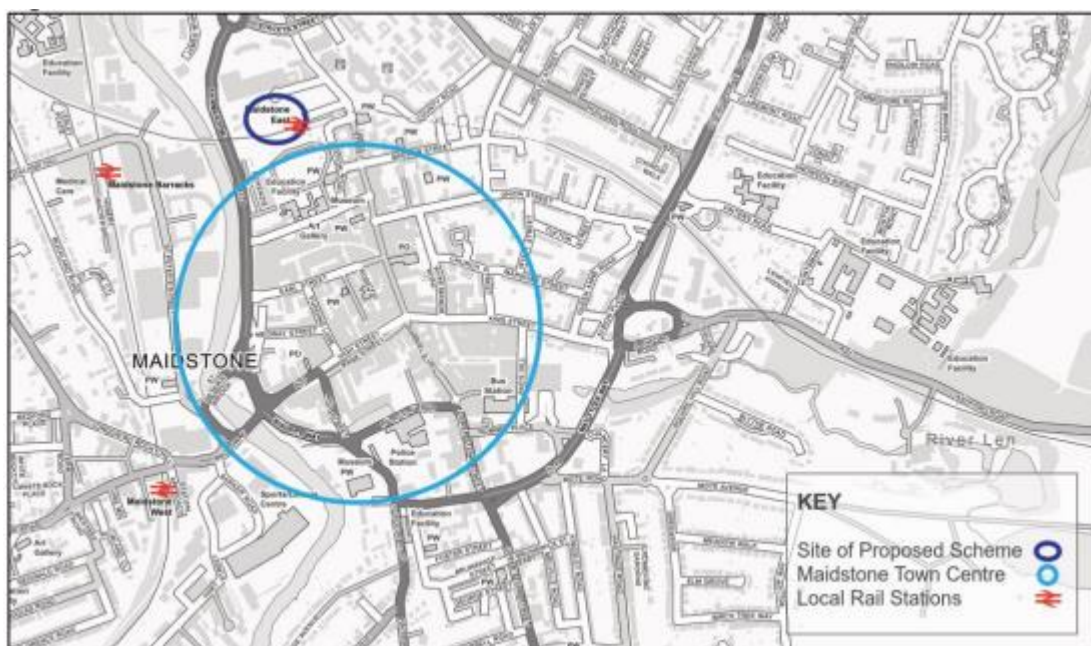
4. Kent Sustainable Interventions Programme

- 4.1. The Programme has been developed to encompass the delivery of a package of smaller schemes which are focussed on encouraging walking and cycling. These schemes are designed to complement larger scale interventions, maximising the potential benefits from the increased use of public transport, improved sustainable access and decongestion benefits.
- 4.2. The Programme schemes have been identified on an annual basis, with separate Business Cases being brought forward for consideration by the Board during each financial year since 2015/16.
- 4.3. Further details of the schemes brought forward for consideration to date can be found in the update report considered under Agenda Item 6.
- 4.4. The decision has been taken to submit the schemes for 2019/20 and 2020/21 together in one Business Case. It is these schemes that the Board are being asked to consider through this report.

5. 2019/20 and 2020/21 schemes (the Project)

- 5.1. The 2019/20 and 2020/21 schemes will continue to promote use of sustainable transport, whilst also providing some minor highway improvements which will serve to support the improvements to the sustainable transport infrastructure.
- 5.2. There are two elements within the Project, as follows:
 - 5.2.1. Maidstone East Rail Station Redevelopment – scheme expansion; and
 - 5.2.2. Week Street, Maidstone – raised table.

Figure 1: Scheme location



- 5.3. Maidstone East Train Station lies within an area designated for regeneration. As part of the regeneration plans for the area the current Station Redevelopment Scheme will include a new frontage landscaped entrance and improved passenger facilities. The Project represents an expansion of this scheme and will create increased opportunities for walking, cycling and the use of public transport for onward journeys through Maidstone and wider Kent. The Project will deliver the following improvements:
 - 5.3.1. A canopy and improved lighting on the access road to the coast bound platform to promote walking as well as use of the taxis;
 - 5.3.2. Electric vehicle charging infrastructure installation to serve the taxi ranks;
 - 5.3.3. An improved walking route to the London bound platform incorporating a minimum of seven drop off bays and five disabled spaces;
 - 5.3.4. Removal of the mobile buildings and creation of an improved walking route to the footpath connecting the station to Maidstone Barracks and

western Maidstone in order to further encourage walking and cycling to the station; and

- 5.3.5. A cycle hub on the London bound platform with secure cycle parking with fob access for at least twenty pedal cycles.
- 5.4. These measures will, in conjunction with 'Step Ahead of the Rest' (Kent County Council's Sustainable Travel Access Fund project) and other capital schemes in the area, facilitate seamless travel by sustainable modes. The resulting reduction in congestion and improved air quality will serve to positively impact on the health and quality of life of Maidstone residents, in addition to increasing the area's accessibility.
- 5.5. The proposed raised table in Week Street will be located in front of Maidstone East rail station. The scheme will slow vehicle speeds and emphasise pedestrian connections with Week Street, the station and County Hall. These works would therefore connect the redevelopment of Maidstone East station and forecourt with the Week Street public realm improvements which are currently being undertaken.
- 5.6. The improvements to Week Street will also serve to clarify the position regarding whether pedal cyclists are permitted to cycle along Week Street. The current Traffic Regulation Order prohibits cycling, however, the signage directs cyclists to use Week Street. As part of this package of works a review will be undertaken that will deliver recommendations on this issue.

6. Options Considered

- 6.1. A detailed options assessment for the Maidstone East Station redevelopment, to which the proposed interventions closely relate, was undertaken through Network Rail's GRIP3 process.
- 6.2. Due to the scale and low value nature of the proposed interventions, it was considered disproportionate to undertake a full options appraisal. However, an assessment was undertaken of the realistic options available at this stage.
- 6.3. Two options were considered:
 - 6.3.1. Do Nothing – this option would involve no work being undertaken and would leave the existing poor-quality facilities in place. This option would provide no encouragement for the local communities to adopt sustainable modes of travel. This option was therefore rejected.
 - 6.3.2. Upgrade of facilities/provision of new infrastructure – this option would deliver the improvements outlined within this report. This option would offer improved road safety and mode choice through providing high quality walk and cycle links between the rail station and town centre. This option was selected as the preferred option as it contributes towards the aim of increasing use of sustainable modes of travel, which will in turn assist in reducing carbon emissions in Maidstone.

6.4. The implementation of the Project will facilitate:

- 6.4.1. Increased access to jobs, education and health by public transport, thereby reducing road congestion;
- 6.4.2. Improved air quality around Maidstone East Station;
- 6.4.3. Stimulating the electric vehicle market in Maidstone, and providing an opportunity for the roll out of ultra-low emission vehicles for taxis;
- 6.4.4. An increase in rail passengers walking or cycling to Maidstone East Station, therefore leading to improved health for those passengers;
- 6.4.5. Unlocking housing growth to the west of the station; and
- 6.4.6. Reduced conflict between vehicles and pedestrians/cyclists at the Week Street/Station Road junction between the Maidstone East rail station redevelopment and the Week Street public realm scheme.

7. Public Consultation and Engagement

7.1. The key stakeholders involved in the Project are:

- 7.1.1. Kent County Council;
- 7.1.2. Maidstone Borough Council;
- 7.1.3. Network Rail;
- 7.1.4. Southeastern; and
- 7.1.5. Sustrans.

7.2. As part of the Maidstone East rail station redevelopment scheme there are monthly stakeholder meetings held between Kent County Council, Maidstone Borough Council, Southeastern and Network Rail. If the funding is approved for the Maidstone East rail station redevelopment – scheme expansion project this will be incorporated into the existing stakeholder meeting and Sustrans will be invited to attend in order to ensure that all stakeholders are fully engaged in the project.

8. Project Cost and Funding

8.1. The total cost of the Project (2019/20 and 2020/21 schemes only) is estimated at £1.398m, as set out in Table 1 below. This includes funding contributions from the following sources:

- 8.1.1. £1.031m LGF allocation – considered in this report;
- 8.1.2. £300,000 Network Rail;
- 8.1.3. £68,000 Southeastern; and
- 8.1.4. £80,000 S106 contributions, provided by Maidstone Borough Council.

8.2. The £300,000 contribution from Network Rail represents a fixed amount of investment which has been secured through the National Station Improvement

Programme. This funding has been secured, subject to spend being completed by 2020 in line with funding conditions.

- 8.3. Cycle-Rail funding is being sought to the value of £68,000, in order to deliver the planned cycle hub at Maidstone East Station. Southeastern are leading on the bidding process, with the outcome of the bid not yet determined. If the funding is secured it will likely be subject to certain conditions which may influence the spend profile shown in Table 1 below.
- 8.4. If the funding from Southeastern is not secured then it's expected that this aspect of the project will be de-scoped. Whilst this would reduce the outputs delivered through the project, it is not expected to have a material impact on the overall Value for Money case for the project. Kent County Council will be required to report back on the outcome of the funding bid through the quarterly LGF capital programme updates.
- 8.5. The Developer Contributions are currently held by Maidstone Borough Council. It has been confirmed that use of the funds meets the S106 requirements and therefore the contribution is considered to be secure.
- 8.6. The availability of the £1.031m LGF is dependent upon the Board agreeing, under agenda item 6, that the £599,000 LGF underspend from the previous phases of the Programme should remain allocated to the Programme to support the Project detailed in this report.
- 8.7. If the Board does not agree the retention of the £599,000 LGF against the Programme then it is recommended that the funding decision in relation to the £432,000 LGF which has not been drawn down to date is postponed until a revised scope proposal is brought back by Kent County Council.

Table 1 – Kent Sustainable Interventions Programme (2019/20 and 2020/21 schemes) Spend Profile (£)

	2018/19	2019/20	2020/21	Total
SELEP LGF		171,000	860,000	1,031,000
Network Rail	300,000			300,000
Southeastern	68,000			68,000
S106 contributions		80,000		80,000
Total	368,000	251,000	860,000	1,479,000

9. Outcome of ITE Review

- 9.1. The ITE review confirms that the Project Business Case provides an overwhelming strategic case for the scheme and that there is minimal risk associated with the other four cases.

- 9.2. The ITE review indicates that a Benefit Cost Ratio has been estimated based on a proportionate approach which has been used for similar schemes, using a WebTAG compliant approach.

10. Project Compliance with SELEP Assurance Framework

- 10.1. Table 2 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 2 - Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan	Green	The Business Case identifies the current problems and why the scheme is needed now. The objectives presented align with the objectives identified in the Economic Strategy Statement .
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Amber	The expected project outputs and outcomes are set out in the Business Case and are considered in the economic case. The estimated BCR has been calculated based on similar schemes using WebTAG guidance.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	The Business Case demonstrates clear experience of delivering similar schemes. A comprehensive risk register has been developed which provides an itemised mitigation.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Amber	The BCR has been estimated as 3.78:1, which indicates high value for money. The BCR has been estimated based on proportionate approach which has been used for similar schemes, based on WebTAG guidance.

11. Financial Implications (Accountable Body comments)

- 11.1. All funding allocations that are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2019/20 have yet to be confirmed and funding for future years is indicative.
- 11.2. Until confirmation of receipt of grant is received, any future funding awards made by the Board remain at risk. It is hoped that confirmation of receipt of the funding will be made in advance of the Board meeting on the 12th April; a verbal update will be provided at the meeting to set out the latest position in this regard.
- 11.3. It should be noted that not all funding streams intended to deliver this Project are secure and some are expected to be subject to specific terms and conditions in relation to their use; as the sponsoring Authority, it will be for Kent County Council to ensure that all funding conditions are adhered to ensure that the overall investment and anticipated outcomes are not placed at risk. Any changes in funding arrangement may require a revised assessment of the value for money of the Project to be undertaken.
- 11.4. All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that future years' funding can only be made available when HM Government has transferred LGF to the Accountable Body.

12. Legal Implications (Accountable Body comments)

- 12.1. There are no legal implications arising from this report.

13. Equality and Diversity implication

- 13.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 13.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

- 13.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where it is possible to identify mitigating factors where an impact against any of the protected characteristics has been identified.

14. List of Appendices

- 14.1. Appendix 1 - Report of the Independent Technical Evaluator (as attached to Agenda Item 5).

15. List of Background Papers

- 15.1. Business Case for the Kent Sustainable Interventions Programme.
15.2. Accountability Board Agenda Pack 23rd February 2018 – Kent Sustainable Interventions Programme funding approval 2018/19
15.3. Accountability Board Agenda Pack 31st March 2017 – Kent Sustainable Interventions Programme funding approval 2017/18
15.4. Accountability Board Agenda Pack – Kent Sustainable Interventions Programme funding approval 8th April 2016/17
15.5. Accountability Board Agenda Pack
15.6. Strategic Board Decision by Electronic Procedure 2015/16

15.7. Accountability Board Agenda Pack

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer, Essex County Council)	 04/04/19