

**Forward Plan reference number:** FP/AB/203

<b>Report title:</b> Maidstone Integrated Transport Package LGF funding decision	
<b>Report to Accountability Board on 12<sup>th</sup> April 2019</b>	
<b>Report author:</b> Rhiannon Mort, SELEP Capital Programme Manager	
<b>Date:</b> 12 <sup>th</sup> April 2019	<b>For:</b> Decision
<b>Enquiries to:</b> Rhiannon Mort, Rhiannon.mort@southeastlep.com	
<b>SELEP Partner Authority affected:</b> Kent	

## 1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the project change which has been brought in relation to Phase 1 of the Maidstone Integrated Transport Project (the Project). This involves a revised project scope and an additional LGF ask of £700,000.
- 1.2 In addition, the Board is asked to consider the award of a further £4.2m to Phase 3 of the Project.
- 1.3 The Phase 1 and Phase 3 Business Case has been reviewed by the Independent Technical Evaluator (ITE) and have been assessed as presenting high value for money with medium to high certainty of achieving this.

## 2. Recommendations

- 2.1. The Board is asked to:
  - 2.1.1. **Approve** the change of scope for Phase 1 of the Project, as set out in section 5 below;
  - 2.1.2. **Approve** the award of an additional £700,000 to the Phase 1 Project, as set out in section 6 below. This funding is being reallocated from Phase 3;
  - 2.1.3. **Approve** the award of £4.2m LGF to Phase 3 of the Project.

## 3. Background

- 3.1. The Project consists of a package of transport interventions aimed at reducing congestion and easing traffic movements at pinch point locations within Maidstone. The Project purpose is to help fulfil the strategic aim of delivering the SELEP housing and employment growth target, delivering the Maidstone Borough Council Transport Strategy and Local Plan.

3.2. In total, the Project has been provisionally allocated £8.9m LGF, along with developer contributions in excess of £3m.

3.3. The Project consists of three distinct phases:

3.3.1. **Phase 1** - A20 London Road/ Willington Street;

3.3.2. **Phase 2** – M20 Junction 5, Coldharbour Roundabout

3.3.3. **Phase 3** – A229 Loose Road Corridor and A20 London/ Hall Road/ Mill Road Junction

#### **4. Phase 1 – A20 London Road/ Willington Street**

4.1. In February 2016, the Board approved the award of £1.3m LGF to the Phase 1 Project, which focuses on interventions at Willington Street, Maidstone. This is a route which connects the A20 and A274, as key corridors into Maidstone from the east and south east.

4.2. The scope of the Phase 1 project is to improve the operation of the junctions at either end of Willington Street, including the junction with A20 Ashford Road to the northern end and A274 Sutton Road at the southern end. Phase 1 was intended to deliver improvements to the existing signalised junctions at either end of the Willington Street junction to reduce traffic delays along the corridor.

4.3. There is, however, a lack of local support for the original scope of Phase 1 approved by the Board in February 2016, as recognised through a public engagement meeting held in December 2017 and the Maidstone Joint Transport Board meeting on the 17<sup>th</sup> January 2018. As such, the Phase 1 Project was placed on hold whilst alternative scheme proposals were developed for the improvements in Willington Street.

4.4. An update was provided to the Board in June 2018 and a revised Business Case has now been brought forward by Kent County Council to amend the scope of the Phase 1 project. This sets out the proposal to deliver larger scale improvements to A20 Ashford Road/ Willington Street Junction only (Phase 1).

#### **5. Phase 1 Options Considered and Preferred Option**

5.1. Following the lack of local support for the original Phase 1 Project, a number of options have been considered by the Maidstone Joint Transport Board, which included membership from Kent County Council, Maidstone Borough Council and Parish Councils in the District.

5.2. The options which have been considered include:

5.2.1. Option 1 proposed retention of existing signals with an un-signalised, priority left turn filter lane from Willington Street to the A20 Ashford Road (W). Additionally, two “ahead” lanes would be provided on the Ashford Road (W) approach and exit.

5.2.2. Option 2: proposed signalised left turn with extended right turn lane and dedicated left turn lane on A20 (E)

- 5.2.3. Option 3 proposed removal of existing signals and replacement with a three-arm roundabout.
- 5.3. Options 1 and 3 were discounted owing to insufficient benefits being demonstrable and known public support for a major improvement to congestion on Willington Street. Option 2 has been endorsed by the Joint Transport Board; to remove traffic signals, widen and realign the junction, and improve pedestrian facilities.
- 5.4. Public engagement was undertaken in October 2018 and has informed the revised preferred option to be delivered under Phase 1 of the Project. A Stakeholder and Communication Strategy has been developed. Early engagement has commenced and will continue throughout the delivery of the Project. To date, this has included engagement with businesses and the local population through events, briefing sessions and project newsletters. From the engagement to date then the premise of reducing congestion at this junction is supported.
- 5.5. As a result of the project change, improvements will no longer be delivered at the southern end of Willington Street (A274 Sutton Road/ Willington Street junction). These improvements were due to include additional lanes on the A274 approaching the Willington Street and Wallis Avenue junctions, widening between the two junctions and incorporating signal improvements.
- 5.6. It was expected that these improvements would improve the efficiency of the junction. The total net present value of the travel time benefits for vehicle users only was calculated as £5,734,000 (Present Value Benefits). Relative to the scheme cost a Benefit Cost Ratio (BCR) of 3.97:1 was calculated for the original scope of Phase 1.
- 5.7. The original benefits of tackling congestion at the A274 Sutton Road/ Willington Street will no longer be achieved with funding from the Local Growth Fund. The change of scope sets out the proposed delivery of a larger scale intervention at the northern end of Willington Street (A20 London Road/Willington Street junction). The improvements to A20 London Road/ Willington Street will now provide additional capacity relative to the proposal which was put forward for this junction as part of the original Phase 1 scope.
- 5.8. The travel time savings for the revised Phase 1 project are broadly similar, with a Present Value Benefits of £5,339,202. These benefits will be concentrated at the A20 London Road/Willington Street Junction. However, given the increase in costs for delivering the revised Phase 1 Project, the BCR value is lower at 2.65:1.
- 5.9. There have also been changes to the Department for Transport WebTAG, which have led to changes to the values included within the calculation of the Present Value Benefits since the value was calculated for the original scope of the Project. This means that the two values for the Present Value Benefits are not directly comparable, but give a broad indication as to the impact of the change on the travel time saving benefits.

## 6. Phase 1 Funding Breakdown

- 6.1. In February 2016, Phase 1 was awarded £1.3m for spend during 2016/17, as per the funding breakdown in Table 1 below. To date, approximately £900,000 has been spent on Phase 1. Kent County Council is now undertaking work to review whether any abortive costs have been incurred as a result of the project change. An update on LGF expenditure and any abortive costs will be provided to the Board as part of the LGF Capital Programme Update in June 2019.
- 6.2. As LGF grant conditions from Central Government state that LGF can only be spent on capital expenditure, any revenue abortive costs associated with the delivery of the Phase 1 will need to be met locally.
- 6.3. A further £700,000 LGF is sought to complete the revised scope of Phase 1, along with funding being provided through developer contributions. This funding will reduce the amount of LGF available to support Phase 3 of the Project. The scope of the Phase 3 Project has been reduced to take account of this change. This reduction has been achieved by removing improvements to the Cripple street and Boughton Lane junction from the Loose Corridor phase 3 scheme. Alternative future funding sources are expected to be sought to deliver these improvements by Kent County Council.
- 6.4. It is expected that the additional £700,000 LGF and the £1.7m developer contributions will be spent in full in 2019/20, with the Phase 1 Project due to complete in February 2020.

**Table 1 – Funding Breakdown Phase 1 Project**

<b>Funding Source</b>	<b>Original Scope Phase 1</b>	<b>Revised scope of Phase 1</b>
LGF	£1.3m	£2.0m
Developer Funding contributions	£0.44m	£1.7m
Total	£1.74m	£3.7m

## 7. Outcome of Independent Technical Evaluation assessment

- 7.1. An updated Business Case for Phase 3 has been reviewed by the Independent Technical Evaluator (ITE).
- 7.2. The ITE review confirms that a proportionate assessment has been conducted which is robust and has been carried out using in accordance with Department for Transport WebTAG.
- 7.3. Works continue to be progressed in relation to Phase 3 and are currently on programme as identified in the Business Case and there is high confidence this will be delivered to budget.

## **8. Phase 2 – M20 Junction 5, Coldharbour Roundabout (update only)**

- 8.1. In June 2018, the Board approved the award of a further £2.7m LGF to the delivery of improvements to M20 Junction 5, Coldharbour Roundabout (Phase 2). This junction is located on the A20 to the north west of Maidstone Town Centre, as the intersection of the A20 and a link road to M20 Junction 5.
- 8.2. Work is continuing to progress towards the delivery of Phase 2 as expected, including investigatory surveys such as geotechnical, environmental and topographical surveys, with the detailed design work due to complete in August 2019 and construction expected to complete in 2020/21.

## **9. Phase 3 – A229 Loose Road Corridor and A20/Hall Road/Mills Road**

- 9.1. Phase 3 brings forward the final interventions to be delivered through the Project, including improvements to:
  - 9.1.1. A229/Armstrong Junction – Loose Road Corridor;
  - 9.1.2. A229/ A274 Wheatsheaf Junction – Loose Road Corridor; and
  - 9.1.3. A20/Hall Road/ Mills Road
- 9.2. Assuming that the change request for Phase 1(as detailed in sections 4 – 5 of this report) is supported by the Board and the LGF award to Phase 1 is increased by £700,000, this will leave £4.2m LGF available to support Phase 3.

### **A229 Loose Road Corridor**

- 9.3. The A229/ Armstrong Junction and A229/A274 Wheatsheaf Junction are both located along the A229 Loose Road Corridor to the south of Maidstone town centre. The specific locations of these two interventions are shown in Figure 1 below.

**Figure 1 – Loose Road Corridor schemes**



9.4. Options to improve traffic along the A229 Loose Road corridor were explored through a feasibility study of the A229 Loose Road corridor. Following a number of options having been explored, the following two interventions were identified as the preferred options:

- 9.4.1. A229/Armstrong Rd Junction - The proposed scheme comprises the addition of entry lanes at the A229 (N) and Park View arms to create additional capacity at the junction; and
- 9.4.2. A229/A274 Wheatheaf Junction – the proposals comprise the conversion of an existing 4-arm signal controlled junction to a 3 arm priority roundabout arrangement. The improvement involves the alteration of the access of the Cranbourne Avenue arm of the existing junction.

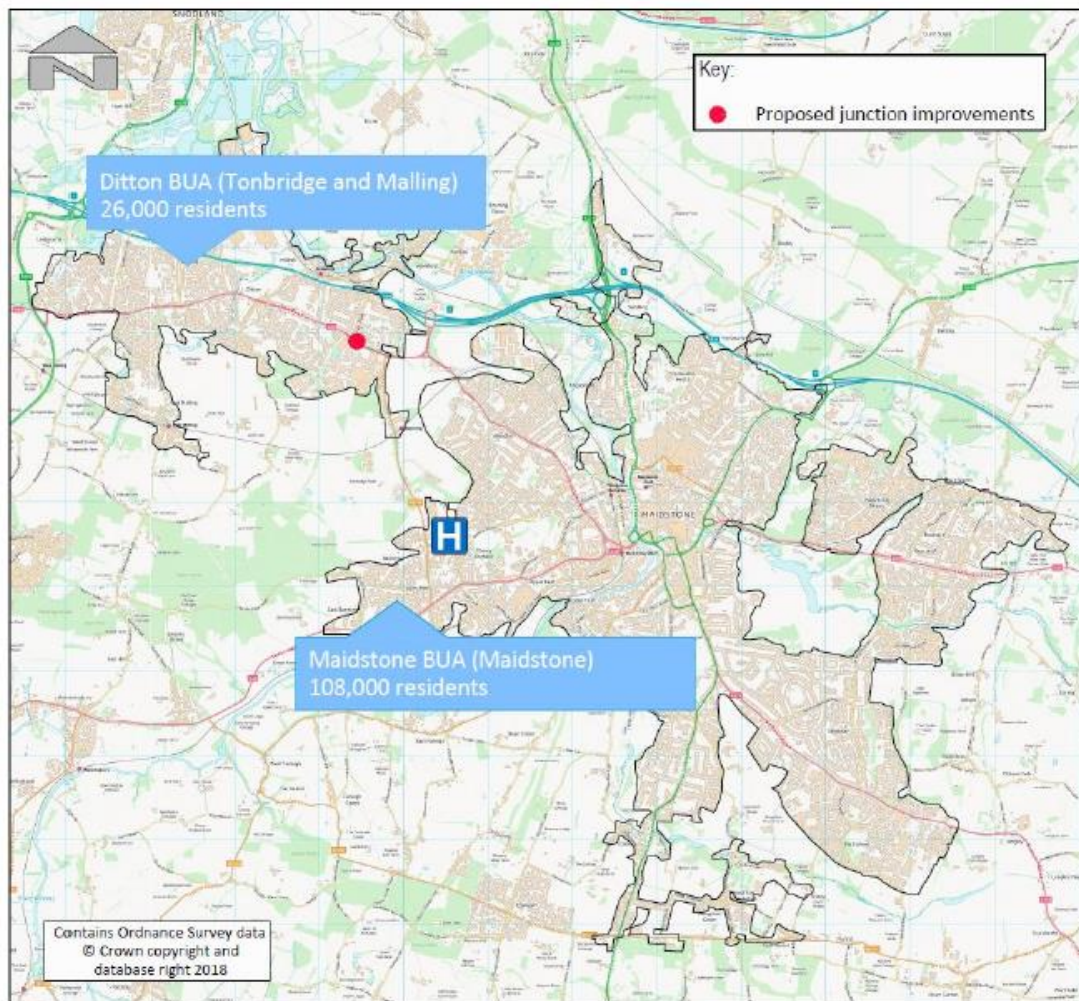
9.5. The two junction improvements along the A229 Loose Road corridor will act to reduce travel time, improve journey time reliability, helping tackle poor air quality and support planned housing growth.

#### **A20/Hall Road/Mills Road**

9.6. In addition, Phase 3 will deliver improvements to A20/Hall Road/ Mills Road junction to the north west of Maidstone, as shown in Figure 2. This junction links the Quarry Wood Retail/ Industrial Park with the A20.



**Figure 2 A20/ Hall Road/ Mills Road**



- 9.7. From consultation with stakeholders, the following issues have been identified with the junction:
- 9.7.1. Poor journey times during the peak period;
  - 9.7.2. Poor air quality; and
  - 9.7.3. Significant queues in the weekday AM and PM peak periods.
- 9.8. To address constraints at the junction, the following shortlist of options were considered including improvements to the existing traffic signals, provision of a roundabout and provision of a signalised roundabout. These three options were assessed using ARCADY junction assessment transport modelling.
- 9.9. The preferred option to be progressed is for the:
- 9.9.1. Removal of the existing traffic signal control junction;
  - 9.9.2. Provision of a new four armed roundabout;
  - 9.9.3. Re-alignment of the A20 western arm consisting of a two lane Eastbourne approach and central island widening;
  - 9.9.4. Additional entry lane allowing lane designation that better aligns with traffic volume;

- 9.9.5. Upgrade of the existing traffic signal controlled pedestrian crossing across the A20 western arm;
  - 9.9.6. Reallocation of the eastbound bus stop to the west of the roundabout; and
  - 9.9.7. Modification to adjacent pedestrian facilities.
- 9.10. In doing so, the A20/ Hall Road/ Mills Road improvements are expected to deliver:
- Travel time improvements;
  - Air quality improvements;
  - Impact on accidents and safety; and
  - Support the delivery of 3,900 dwelling which are planning and committed in the area adjacent to the junction

## 10. Phase 3 – Funding breakdown

- 10.1. The overall cost of Phase 3 of the Project is £6.1m. In addition to the £4.2m LGF allocation, Phase 3 is also supported by £1.9m S106 developer contributions. These S106 contributions have been secured and Kent County Council officers are confident that these funding contributions will be available per the funding schedule in Table 2.

**Table 2 Phase 3 Project Funding Breakdown**

Funding Source	Amount (£000)					
	2019/20	2020/21	2021/22	2022/23	2023/24	Total
A229 Loose Road Junctions (A229/ Armstrong Junction and A229/A274 Wheatsheaf Junction)						
LGF	0.6	1.4	-			2.0
S106 Developer Contributions		0.6				0.6
Total	0.6	2.0				2.6
A20/ Hall Road/ Mills Road						
LGF	0.9	1.3				2.2
S106 Developer Contribution		1.1	0.1		0.1	1.3
Total	0.9	2.4	0.1		0.1	3.5
<b>Total Phase 3 Funding</b>	<b>1.5</b>	<b>4.4</b>	<b>0.1</b>		<b>0.1</b>	<b>6.1</b>

## 11. Phase 3 - Outcome of ITE Review

- 11.1. Phase 3 Project has been split between two Business Cases, with one Business Case having been developed for the improvements along the A229 Loose Road Junction and a second for the A20/ Hall Road/ Mills Road junction.



- 11.2. The ITE assessment of both Business Cases confirms that the Project is expected to deliver high value for money. The assessment approach has been completed in accordance with Department for Transport guidance and provides high certainty that Phase 3 will achieve high Value for Money.

## 12. Project Compliance with SELEP Assurance Framework

- 12.1. Table 2 below considers the assessment of the Business Cases for Phase 1 and 3 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 Strategic Statement.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Green	The expected project outputs and outcomes are set out in the Business Case and detailed in the economic case. The Department for Transport's WebTAG appraisal guidance has been used to calculate the transport costs and benefits of the scheme.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	Project risks have been assessed as part of each of the project business cases and contingency cost has been added to the total project cost for each of the interventions.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Green	All interventions included as part of this Project have demonstrated high value for money with a BCR value of 2.65:1 for the revised scope of Phase 1, 7.74:1 for the Loose

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
		Road Improvements and 4.29:1 for A20/ Halls Road/ Mills Road

### 13. Financial Implications (Accountable Body comments)

- 13.1. 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.
- 13.2. 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 12<sup>th</sup> April; a verbal update will be provided at the meeting to set out the latest position in this regard.
- 13.3. With regard to the proposed change to phase 1, should any abortive costs have been incurred as a result of the change to the Project, it is not possible to fund these from Local Growth Fund contributions and, as such, these costs would be the responsibility of Kent County Council to identify the relevant funding required to meet these.
- 13.4. Similarly, Kent County Council will also be responsible for the return of any Local Growth Funding that has been used to meet any costs that have subsequently become abortive; the Council will also be responsible for identifying appropriate revenue funding to meet these.
- 13.5. 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.

### 14. Legal Implications (Accountable Body comments)

- 14.1. There are no legal implications arising out of this report.

### 15. Equality and Diversity implication

- 15.1. 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.

15.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

15.3 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.

## 16. List of Appendices

16.1. Appendix 1 - Report of the Independent Technical Evaluator (As attached to Agenda Item 6).

## 17. List of Background Papers

- 17.1. Business Case for A20 London Road/ Willington Street (Phase 1)
- 17.2. Business Case for A229 Loose Road Corridor (Phase 3)
- 17.3. Business Case for A20/ Hall Road/ Mills Road (Phase 3).

**(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
<b>Accountable Body sign off</b>  Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer, Essex County Council)	04/04/19