

Report title: Medway City Estate Update Report	
Report to Accountability Board on 7th June 2019	
Report author: Rhiannon Mort SELEP LGF Capital Programme Manager and Jessica Jagpal Medway Council LGF Programme Co-ordinator	
Date: 20.05.2019	For: Decision
Enquiries to: Rhiannon Mort, Rhiannon.mort@southeastlep.com or Jessica.jagpal@Medway.gov.uk	
SELEP Partner Authority affected: Medway	

1. Purpose of Report

- 1.1 The purpose of this report is to provide the Accountability Board (the Board) with an update on the delivery of the Medway City Estate (MCE) connectivity improvements measures project (the Project).
- 1.2 In December 2018, the Strategic Board agreed that all LGF projects which are identified as high risk must be considered by the Board by the end of June 2019, to determine the next steps for the Project. As such, this report provides an update on the delivery of the Project and sets out a proposed change of scope to Phase 2 of the Project, for consideration by the Board.

2. Recommendations

- 2.1. The Board is asked to agree one of the two following options:
 - 2.1.1. **Agree** that a Business Case should be brought forward to the Board for the revised scope of the Phase 2 Project; or
 - 2.1.2. **Agree** that Phase 2 of the Project should be removed from the LGF programme and that the remaining £1.5m LGF should be returned to SELEP for reallocation to an LGF pipeline project.

3. Medway City Estate (MCE) Connectivity Improvement Measures Scheme

Original project scope

- 3.1. The Project was awarded £2m LGF funding by SELEP on 20th March 2015, to deliver traffic and modal shift improvements, targeted at reducing congestion experienced by visitors and employees using the estate. The Project was designed to be an integrated package of infrastructure developments specifically aimed at addressing the existing barriers to movement to and from and within the MCE.

- 3.2. MCE is the largest concentrated area of employment in Medway. Efficient and effective commuter travel to and from MCE, is one of the main priorities for many of the businesses that operate on MCE, and is likely to be a main driver for any future businesses looking to invest in Medway and locate themselves on MCE. As such, Kent and Medway business representatives showed great enthusiasm for this Project when it was introduced.
- 3.3. The original Business Case for the Project sets out the Project's objectives, which outline that it would deliver commuter link improvements to the MCE, the central commercial and industrial area of Medway, resulting in shorter commuter times for the 6000 people (approximately) who work on the Estate, and instigating greener, more efficient modes of transport to the Estate. These improvements would assist with maintaining continued growth on MCE, a key employment area for Medway and beyond, as well as assist in reducing the impact of current high peak-time traffic flows on the Estate's existing entrance and exit road network.
- 3.4. The five main objectives of the Project, as set out within the original Business Case were to achieve:
- 3.4.1. **Economic benefits** to local businesses through improving the accessibility for businesses to undertake their activities;
 - 3.4.2. **Connectivity improvements** – removal of congestion hotspots to improve connectivity with markets;
 - 3.4.3. **(To address) disconnect** in the public realm between Chatham railway station and the centre of Chatham;
 - 3.4.4. **Reputational improvements** to MCE as a thriving business community; and
 - 3.4.5. **Addressing interdependence** with other related growth projects.
- 3.5. Phase 1 of the Project involved the installation of manually controlled traffic signals on the westbound entrance to Medway Tunnel to regularise flows through the Medway Tunnel and enable easier exit from MCE, provision of a web based CCTV system allowing staff on MCE to see the extent of congestion and make informed judgements as to when to depart work, and an extension of existing exit lanes on Anthony's Way on to the A289 / Anthony's Way roundabout to facilitate easier traffic movements out of the MCE.
- 3.6. Phase 1 transportation interventions were successfully completed by the end of the 2016/17 financial year and £500,000 was spent on the Project to do so. Indications are that the anticipated improvement in journey times for vehicles leaving the MCE are now being realised, with the traffic signals providing an

average time saving benefit of 39 seconds per vehicle over the peak hour period.

- 3.7. In the original Business Case, Phase 2 of the Project included the delivery of infrastructure for a river taxi to support better links with Chatham town centre, and other sustainable modes of travel, to support modal shift of up to 500 people.

Consultation

- 3.8. In March 2018, a survey of business owners was undertaken seeking views on improvements to ease congestion. Analysis of these results led to a further employee/visitor survey being undertaken in August 2018. Consultation revealed that the proposal for a river taxi did not hold support within the MCE community. In addition there was only limited support for sustainable travel elements from users of the estate.
- 3.9. The river taxi element is, therefore, no longer a viable output of the Project, and alternative measures to form Phase 2 are being considered, which reflect the expectations of businesses and users of the MCE. Support from MCE users for action has grown and user expectations are that any interventions must be transport focussed and direct in tackling congestion.

Revised Phase 2 Scope

- 3.10. Extensive consultation with businesses, employees and users of the MCE revealed that there was minimal support for the river taxi element and limited support for sustainable travel elements. These responses have been considered in depth by Medway Council in the preparation of the revised Phase 2 scope.
- 3.11. Development of alternative measures for Phase 2 have included preliminary designs for modal shift interventions, including off carriageway cycle provision, improved wayfinding to promote connectivity with Strood train station and provision of cycle stands and strategic cycle hubs within the estate. However, it has become clear that alternative sustainable travel elements would not instigate enough of an impact on traffic, to reduce congestion on the estate.
- 3.12. In response to user demands, Phase 2 of the Project will need to provide direct journey time improvements for users entering/exiting the estate. The proposal for Phase 2 is likely therefore to consist of the implementation of a dedicated slip road from Anthony's Way on the MCE onto Berwick Way.
- 3.13. The delivery of the slip road would be in line with a majority of the Project's original objectives, as it's specifically addresses the congestion issue on the

estate and would reduce the impact of current high peak-time traffic flows on the Estate's existing entrance and exit road network. Whilst the amended proposal would no longer deliver of the sustainable transport objectives of the Project, the delivery of the slip road would respond to user demands, made clear through consultation.

- 3.14. Transport modelling work is going to assess the benefits of the revised Phase 2 scheme. This includes an assessment of the interaction between the A289 Four Elms Roundabout to Medway Tunnel journey time improvement projects.
- 3.15. Should the Board support the change request for the Project, a revised business case will be brought forward for the revised project scope and assessed by the Independent Technical Evaluator, prior to a funding decision by the Board.
- 3.16. It is currently expected that the Phase 2 Project will be delivered before the 31st March 2021 and in advance of the A289 Four Elms Roundabout to Medway Tunnel journey time improvement project, in order to help reduce the disruption caused through the delivery of the two schemes in close proximity.

4. Project cost and funding

- 4.1. The total cost of Phase 2 of the project is estimated at £1.831m.
- 4.2. It is proposed by Medway Council that a 10% transfer of £200,000 is made to the Project from the Strood Town Centre journey times and accessibility enhancements LGF project. This transfer is permitted under the 10% per project flexibility set out within the SELEP Assurance Framework.
- 4.3. The Strood Town Centre project costs have been assessed and the transfer to the Project can be made, without outputs from the Strood Town Centre project being compromised.
- 4.4. It is intended that the remaining £131,000 project cost will be funded through Medway Council's Local Transport Plan funding.

5. Next Steps

- 5.1. As per the recommendation of the SELEP Deep Dive, there is a requirement for LGF underspend to be returned to SELEP for reallocation to pipeline projects. Accepting the Deep Dive recommendations from Central Government, the SELEP Assurance Framework prohibits LGF underspend, above a 10% threshold, from being retained by a Federated Area for transfer between projects or for spend on new projects, without the projects having been prioritised by the SELEP Investment Panel.

- 5.2. The Assurance Framework defines a new project where there is a change to the nature of the project outcomes to be achieved through the intervention or there is a change to the theme of the project (e.g. transport, housing, business support, flood management, skills, innovation).
- 5.3. Neither government nor SELEP has specified whether LGF underspends can be reallocated within a programme of measures. At the last meeting of the Board, Board members expressed a view that such changes to project scope should be considered by the Board on a case by case basis. As such, the Board is asked to consider whether the change to the Phase 2 Project should be considered as a change of scope, and therefore Medway Council will progress in developing an updated Business Case for the Phase 2 Project, or if the amended phase 2 is deemed a new project and that the remaining £1.5m LGF allocation to the Project should be reallocated through the LGF3b process.
- 5.4. If the Board agree the proposed amended scope of the phase 2 Project, an updated business case will be developed for the Project and will be considered at the next meeting of the Board on the 13th September 2019. This will include further details about the potential interdependency between this Project and the A289 Four Elms Roundabout to Medway Tunnel journey time improvement project.

6. Financial Implications (Accountable Body comments)

- 6.1. In considering the recommendations of this report, the Board is advised to assess the risk of further delay in spend of LGF in ensuring best use of funding and securing value for money in the use of the grant.
- 6.2. In the event that the Board agree to the proposal to amend the scope of Phase 2 of the Project, a revised Business Case will need to be produced demonstrating that value for money and that all funding streams are secured.
- 6.3. Should LGF be approved by the Board for spend on the Project, it will be 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.
- 6.4. The Funding Agreements also set out the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the Decisions of the Board.

7. Legal Implications (Accountable Body comments)

- 7.1 There are no legal implications arising out of the proposals set out within this report.

8. Equality and Diversity implication

- 8.1. 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.
- 8.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 8.3. 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.

9. List of Appendices

- 9.1. None

10. List of Background Papers

- 10.1. Original Business Case for the Medway City Estate project
- 10.2. SELEP Strategic Board Agenda Pack 20.03.2015, including decision to approve the Project

(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)	24/5/19