

Forward Plan reference number: (FP/AB/184 and FP/AB/196)

Report title: Basildon Integrated Transport Package	
Report to Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Officer	
Date: 29 th January 2019	For: Decision
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SELEP Partner Authority affected: Essex County Council	
Confidential Appendix This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of the Schedule 12A of the Local Government Act 1972, as amended.	

1. Purpose of Report

- 1.1 The purpose of this report is to make the Accountability Board (the Board) aware of the proposed cancellation of the Endeavour Drive Bus Link, as part of the wider Basildon Integrated Transport Package (the Programme).
- 1.2 In addition, the report will make the Board aware of the value for money assessment for the Basildon Integrated Transport Package – Tranche 3 Flagship Cycle Route (the Tranche 3 Project) which has been through the Independent Technical Evaluator process, to enable a Local Growth Fund (LGF) allocation of £453,000 to be devolved to Essex County Council (ECC) for project delivery.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Agree** to discontinue the delivery of the Endeavour Drive Bus Link;
 - 2.1.2. **Agree** that the £1.9m Local Growth Fund (LGF) which was awarded in relation to the Endeavour Drive Bus Link will be returned to the central SELEP LGF pot for reallocation through the LGF3b process, as set out in section 5 of this report.
 - 2.1.3. **Approve** the award of £453,000 LGF allocation to support the delivery of the Tranche 3 Project identified in the Business Case and which has been assessed as presenting high value for money with high to medium certainty of achieving this;

Basildon Integrated Transport Package

2.1.4. **Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

2.1.5. **Agree** that the remaining balance of £514,000 LGF from the original funding allocation for Tranche 3 of the Programme will be returned to the central SELEP LGF pot for reallocation through the LGF3b process.

3. Basildon Integrated Transport Package (the Programme)

- 3.1. The Programme comprises three tranches aimed at delivering traffic management and sustainable travel infrastructure improvements in Basildon, with a total LGF allocation of £9m.
- 3.2. In 2015, £1.633m LGF was allocated to Tranche 1 of the Programme which has delivered a package of sustainable transport schemes providing bus, rail, cycling and walking improvements within the Basildon Borough area. These works have now been completed in full and have utilised the full LGF allocation.
- 3.3. Tranche 2 of the Programme was approved by the Board at its meeting on the 26th May 2017, at which point a further £6.4m LGF was allocated for the delivery of three packages of work:
 - 3.3.1. Town Centre Highway Improvements;
 - 3.3.2. Cycling Schemes; and
 - 3.3.3. Endeavour Drive Bus Lane.
- 3.4. The intended positive outcomes to be achieved through Tranche 2 of the Programme include:
 - 3.4.1 Net journey time savings;
 - 3.4.2 Increased bus patronage;
 - 3.4.3 Increased levels of cycling and walking;
 - 3.4.4 More cycle storage;
 - 3.4.5 Improved connectivity between the town centre, rail and bus stations, business park and leisure facilities; and
 - 3.4.6 Supporting the delivery of 234 direct jobs, 1,603 indirect jobs, 1,800 safeguarded jobs and 1,032 new homes.
- 3.5 A further £967,000 LGF remains provisionally allocated to Tranche 3 of the Programme as set out in Table 1.

Table 1 Basildon Integrated Transport Funding Package

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Tranche 1	£1.633m						£1.633m
Tranche 2				£2.800m	£3.100m	£0.500m	£6.400m
Tranche 3						£0.967m	£0.967m
Total	£1.633m	-	-	£2.800m	£3.100m	£1.467m	£9.000m

4. Endeavour Drive Bus Lane

- 4.1. As part of Tranche 2 of the Programme, Endeavour Drive Bus Lane was awarded £1.9m LGF, with a further £346,000 being contributed by ECC. No LGF has been spent on this element of the Project to date.
- 4.2. The intention was to provide a new bus link, including provision for walking and cycling, from business premises on Endeavour Drive and the Enterprise Corridor, through the adjacent Retail Park and onwards to the outlying district of Rayleigh and Wickford. This was expected to help manage congestion and aid delivery of Basildon's Local Plan. However, following the award of funding by the Board in May 2017, considerable delivery constraints have been identified in taking forward this scheme.
- 4.3. After careful consideration by ECC and work by ECC to investigate all available options to progress with the bus lane, no deliverable intervention has been identified. Whilst this scheme is viewed as a key part of the local plan growth by Basildon Borough Council, investigations have evidenced substantial legal and deliverability constraints, and these are set out in the Confidential Appendix.

5. Options

- 5.1. Table 2 below sets out the options which have been considered by ECC.

Table 2 – Option appraisal

Option	Pros	Cons
1. Discontinue scheme and reallocate the funding through the agreed SELEP Prioritisation approach (Recommended option)	<ul style="list-style-type: none"> Reallocation of the funding will enable alternative LGF projects to be brought forward for delivery during the Growth Deal period. 	<ul style="list-style-type: none"> Reputational risk Local growth, jobs and Basildon Borough Council Local Plan will not be supported. Developers may use this example to push through developments

		<ul style="list-style-type: none"> Some abortive costs to be incurred by ECC
2. Pursue developers with Essex Legal Services (ELS) and take legal action	<ul style="list-style-type: none"> If successful, this will allow the scheme to progress unhindered 	<ul style="list-style-type: none"> Unknown timescale (likely to be lengthy) Legal costs will be expensive Legal action may not be successful
3. Continue with scheme, subject to additional funding being identified.	<ul style="list-style-type: none"> Scheme will be built, and the benefits set out in the Tranche 2 Business Case will be achieved. 	<ul style="list-style-type: none"> The increase in the cost of the scheme will reduce the Benefit Cost Ratio to below the low value for money threshold. No funding has been identified to cover the increase in project cost (as set out in the confidential appendix).
4. Discontinue the scheme and use the LGF to replace part of ECC's £1.927m contribution to the other aspects of Tranche 2	<ul style="list-style-type: none"> This will unlock ECC capital contributions for spend elsewhere in Essex's capital programme. 	<ul style="list-style-type: none"> No additional benefits will be received for the increased LGF investment in the Basildon Town Centre Highway Improvements and Cycling schemes.

5.2. The recommended option is for the delivery of the Endeavour Drive Bus Lane to be discontinued and for the LGF to be reallocated through the Investment Panel (Option 1). No LGF has been spent to date, but there may be some abortive costs which will be incurred by ECC as a result of not progressing with the delivery of the scheme.

5.3. In agreeing to discontinue with the delivery of the bus lane, it is recommended that the £1.9m LGF allocation to the Endeavour Drive Bus Lane should be returned to the central SELEP pot. This is in accordance with the recommendations of the Governance and Transparency Deep Dive report, which stated that:

“SELEP should take steps to satisfy themselves that any underspend at a federated level is reallocated to the most promising and best value for money projects. This should be based on the strongest projects, regardless of the area they are in. As outlined in the Annual Conversation letter, the ‘Investment Panel’ should prioritise pipeline projects to ensure that underspends are redistributed in the most effective way possible”.

- 5.4. The recommendations within the Governance and Transparency Deep Dive report were considered and agreed by Strategic Board at their meeting on 16th March 2018. Subsequently at their meeting on 29th June 2018, Strategic Board agreed the approach to developing a SELEP wide single pipeline of projects. This approach is now being implemented to inform the LGF3b process, identifying projects which can be considered for LGF investment by the Investment Panel.
- 5.5. On the 8th March, the SELEP Investment Panel will be meeting to agree the prioritisation of Projects for any LGF underspend. It is intended that the £1.9m LGF will be reallocated through this process.

6. Value for Money Impact

- 6.1. The Tranche 2 Business Case was assessed by the SELEP Independent Technical Evaluator (ITE) in advance of the LGF award to Tranche 2 of the Programme in May 2017.
- 6.2. SELEP’s Assurance Framework stipulates that all projects must demonstrate high value for money, with a Benefit Cost Ratio (BCR) of 2.0:1 or fall within one of the value for money exemptions, defined in the Assurance Framework.
- 6.3. The ITE assessment in 2017 found that whilst the Tranche 2 assessment just met SELEP’s value for money requirements, with a BCR of 2.01:1, the BCR was on the threshold between medium and high value for money. When considering just the Endeavour Drive Bus Lane, the BCR fell to 1.88:1, based on a cost of £2.246m.
- 6.4. As a result of the increase in costs, detailed in the confidential appendix, the BCR for the works would decrease and the BCR for Tranche 2 would fall below the 2.0:1 threshold. As such, LGF spend on Tranche 2 of the Programme would no longer comply with the requirements of the Assurance Framework.
- 6.5. If Tranche 2 of the Programme progresses without the inclusion of the Endeavour Drive Bus Lane then the BCR of the Tranche 2 Programme will increase, above the 2.0:1 threshold and there will be greater certainty of value for money being achieved.

- 6.6. In terms of the delivery of jobs and houses, the Project forms part of the infrastructure required to deliver Basildon's Local Plan. The Endeavour Drive bus link is a key piece of infrastructure for the Basildon Local Plan, especially for east-west movement. It is a key recommendation to help offset the traffic generation from the Gardiners Lane development site, and represented the opportunity to get a sustainable transport link through the growing Basildon Enterprise Corridor. The scheme future proofs the transport network in the area through provision of a direct sustainable bus link for commuters in terms of reducing vehicular traffic and managing congestion. However, the scheme is not practical in delivery terms and as a result, alternatives will need to be sought. In the meantime, the Basildon Local Plan will be disadvantaged in terms of accommodating housing and jobs growth in the vicinity.

7. Tranche 3 of the Programme - Flagship Cycle Route (the Project)

- 7.1. ECC has now brought forward the Business Case for the final Tranche of the Programme. The Tranche 3 Project is for the delivery of one of the Flagship Cycle Routes identified within the Basildon Cycling Action Plan, which was published by Essex Highways in 2017.
- 7.2. This Project is independent from the delivery of the Endeavour Drive Bus Lane.
- 7.3. A Flagship Cycle Route is a key corridor providing safer, faster and more direct access to one or more key attractors. The routes will be on high demand corridors, will be able to meet demand and will encourage a focus on innovation/design best practice.
- 7.4. The Flagship Cycle Routes aim to increase the level of cycling on key corridors through provision of improved crossings, signage and surfacing of cycle routes. In addition, the proposed works focus on linking up existing short sections of cycle route which were built in the 1950's, as this is perceived to be one of the factors that discourage residents from cycling.
- 7.5. The Project will deliver a cycle route from Basildon Railway Station to the Pipp's Hill Industrial Area and Retail Park. A link will also be added between Laindon and Pipp's Hill. The cycle route will cover a total distance of 2.4 miles.
- 7.6. It is expected that delivery of the Project will not only significantly increase the number of people cycling but will also offer an improved journey quality for those who already cycle, through provision of clear signage, lighting, resurfaced routes and separation from the road network.
- 7.7. Delivery of the Project will lead to an increase in the number of residents who choose to cycle when undertaking shorter journeys which will assist in the reduction of congestion at peak times and will enhance the provision of reliable journey times in Basildon. In addition, it is expected that the Project

will manage future travel demands in order to facilitate proposed growth in Basildon.

8. Options Considered

- 8.1. The option selected for the Project was identified as a priority in the Basildon Cycling Action Plan document which was published in November 2017.
- 8.2. As part of the development of the Cycling Action Plan a large number of potential cycle routes were identified, with the overall objective of creating a step-change in cycling conditions across Basildon.
- 8.3. The routes were prioritised according to four criteria:
 - 8.3.1. Deliverability – consideration of land ownership issues, which will determine how easy the scheme will be to deliver;
 - 8.3.2. Directness – considered in terms of where the route is proposed to provide access to, for example the town centre or the railway station;
 - 8.3.3. Extension of existing network – this considered connectivity with existing cycle routes;
 - 8.3.4. Key attractors – this considered the number of key attractors the route connected.
- 8.4. This resulted in a prioritised list of cycle routes being identified for the Basildon area.
- 8.5. In addition to these routes the Cycling Action Plan set out an ambition to deliver Flagship Cycle Routes in Basildon. Two potential Flagship Cycle Routes were identified – East/West Flagship Route and North/South Flagship Route (the Project).
- 8.6. The East/West Flagship Route focussed on upgrading the existing cycling network that runs alongside Broadmayne (A1321) from Westgate in the East to Pitsea Road in the West.
- 8.7. The North/South Flagship Route focussed on access to Pipp's Hill Industrial Estate from Basildon Railway Station. The North/South Flagship Route will facilitate delivery of a number of the cycle routes identified previously.
- 8.8. As with the other potential cycle routes the Flagship Cycle Routes were prioritised on the basis of deliverability, directness, extension of existing network and key attractors. This process resulted in both Flagship Cycle Routes being considered a high priority in terms of future delivery.
- 8.9. Since the publication of the Cycling Action Plan funding has been received from Defra to deliver the East/West Flagship Route, as part of a wider project. As a result of this funding being awarded the North/South Flagship

Cycle Route has now become the highest priority route within the Cycling Action Plan and has, as a result, been selected for progression as the Project.

9. Public Consultation and Engagement

- 9.1. The Flagship Cycle Route, which will be delivered by the Project, was identified during the development of the Basildon Cycling Action Plan document. Local knowledge, obtained through Stakeholder Consultation, was used to inform the Cycling Action Plan.
- 9.2. During the development of the Cycling Action Plan, the opinions of all interested parties and stakeholders were taken into account for the proposed schemes. This ensured that the proposed actions have been considered against the economic, social and environmental wellbeing of the residents or persons affected.
- 9.3. A Basildon Flagship Routes Workshop was held in January, which brought together a number of key stakeholders including Essex County Council, Essex Highways and Basildon Council.

10. Project cost and Funding

- 10.1. The total cost of delivering the project is estimated at £953,000, which includes contributions from the ECC Capital Programme and ECC Revenue budget, as set out in Table 3 below.

Table 3 – Flagship Cycle Route (Tranche 3) spend profile (£m)

Source	2018/19	2019/20	Total
SELEP LGF	0.250	0.203	0.453
ECC Capital Programme	0.250	0.247	0.497
ECC Revenue Budget		0.003	0.003
Total	0.500	0.453	0.953

- 10.2. The £250,000 contribution from the 2018/19 ECC Capital Programme has been approved and is therefore considered to be secure.
- 10.3. The £250,000 contribution from the 2019/20 ECC Capital Programme and Revenue Budget has been provisionally allocated, however, the allocation will not be formally approved by Cabinet until February 2019.
- 10.4. As noted at point 3.5, £967,000 LGF was provisionally allocated to the Project. The scheme proposals that were brought forward within the Business

Case for the Project only require £453,000 of this allocation, leaving a balance of £514,000.

- 10.5. ECC do not intend to bring forward any further Tranches of the project for LGF funding, beyond the £453,000 set out in this report for Tranche 3. Therefore, in approving the £453,000 allocation to the Project, it is expected that the remaining £514,000 LGF allocation to the Project, from the original provisional allocation of £967,000, will be returned to the central SELEP pot. This is in accordance with the approach for the prioritisation of unallocated LGF funding agreed by Strategic Board in March 2018.
- 10.6. As with the Endeavour Drive Bus Lane, it is intended that the remaining £514,000 LGF will be reallocated through the LGF3b process.

11. Outcome of ITE Review

- 11.1. The ITE review confirms that the Project Business Case provides a proportionate assessment of the scheme costs and benefits which results in a strong benefit cost ratio representing high Value for Money.
- 11.2. The analysis was robustly carried out and delivers high levels of certainty around the Value for Money categorisation.
- 11.3. The ITE review confirms that a reasonable assessment approach has been employed, using the Department for Transport's WebTAG active mode appraisal toolkit,

12. Project Compliance with SELEP Assurance Framework

- 12.1. Table 4 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework.
- 12.2. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 4 – Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the Project	Compliance	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan		<p>The Business Case identifies the current problems and why the Project is needed now.</p> <p>The Project objectives align with the objectives identified in the Strategic Economic Plan.</p>

Requirement of the Assurance Framework to approve the Project	Compliance	Evidence in the Business Case
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		<p>The expected project outputs and outcomes are set out in the Business Case and are detailed in the Economic Case.</p> <p>The Department for Transport active mode appraisal kit was used to understand the potential benefits of the Project. The Department for Transport's WebTAG guidance has been used to assess the expected project outputs and outcomes.</p>
Considers deliverability and risks appropriately, along with appropriate mitigating actions (the costs of which must be clearly understood)		<p>The Business Case demonstrates clear experience of the project team delivering similar schemes.</p> <p>A comprehensive risk register has been developed which outlines mitigation measures.</p>
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		A BCR of 3.85:1 has been calculated, which indicates high value for money.

13. Financial Implications (Accountable Body comments)

- 13.1. It is a requirement of the SELEP Assurance Framework that where funding allocations are no longer required by a Project, that they should be returned for reallocation and reprioritisation in accordance with the process agreed by the SELEP Strategic Board.
- 13.2. All funding allocations that are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2018/19 have been confirmed however funding for future years is indicative. It should be noted that Government has made future funding allocations contingent on full compliance with the updated National Assurance Framework. Allocations for 2019/20 are also contingent on the Annual Performance Review of SELEPs LGF programme by Government, the outcome of which is expected in March 2019.
- 13.3. There is a high level of forecast slippage within the overall programme which totals £43.3m in 2018/19; this presents a programme delivery risk due to the increased proportion of projects now due to be delivered in the final years of the programme; and it presents a reputational risk for SELEP regarding

securing future funding from Government where demonstrable delivery of the LGF Programme is not aligned to the funding profile. This risk, however, is offset in part by the recognition that the profile of the LGF allocations did not consider the required spend profile when determined by HM Government.

- 13.4. There are SLAs in place with the sponsoring authority 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. The proposal being put forward by ECC is in line with the provisions set out within the SLA between SELEP and ECC. In line with the SLA's the Board might consider whether there is further work to be done with ECC to explore whether there is an alternative option which would allow for the delivery of the project, either in full or in a revised form. However, in light of the difficulties set out in the Confidential Appendix, it is unlikely that this would bring about a different outcome at this time.

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 possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

16. List of Appendices

- 16.1 Appendix 1 – Confidential Appendix

- 16.2 Appendix 2 – Report of the Independent Technical Evaluator (as attached to Agenda Item 6).

17. List of Background Papers

- 17.1. Business Case for Basildon Integrated Transport Package Tranche 2
- 17.2. Business Case for Basildon Integrated Transport Package Tranche 3
- 17.3. Accountability Board Agenda Pack 26th May 2017 (Approval of Tranche 2)

(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)	07/02/19