

Report to Accountability Board	Forward Plan reference number: FP/AB/123
Date of Accountability Board Meeting:	23rd February 2018
Date of report:	7th February 2018
Title of report:	Chelmsford City Growth Area Scheme LGF Funding Decision
Report by:	Rhiannon Mort, SELEP Capital Programme Manager
Enquiries to:	Rhiannon.mort@essex.gov.uk

1. Purpose of report

- 1.1 The purpose of this report is to make the Accountability Board (the Board) aware of the value for money assessment for the Chelmsford City Growth Area Scheme (the Project) which has been through the Independent Technical Evaluator (ITE) review process, to enable £10m Local Growth Fund (LGF) to be devolved to Essex County Council for delivery of the Project.
- 1.2 The ITE report sets out the detailed analysis of the Project. This report is included in Appendix 1, of Agenda Item 5.

2. Recommendations

- 2.1 The Board is asked to:
 - 2.1.1 **Approve** the award of £10m LGF to support the delivery of the Chelmsford City Growth Area Scheme Project identified in the Business Case and which has been assessed as presenting high value for money with medium to high certainty of achieving this.

3. Chelmsford City Growth Area Scheme

- 3.1 The Project will deliver a package of schemes to provide additional transportation capacity through enhanced sustainable transport, highway capacity improvements, safety and technology upgrades in Chelmsford.
- 3.2 Chelmsford is undergoing significant growth and it is essential to keep people and goods moving freely and easily around the city. Currently Chelmsford's roads are under a lot of pressure, with only 4% capacity remaining on the highway network during morning and evening peak times, meaning that its sensitivity to incidents is heightened. If nothing is done to improve transport accessibility and provide more options for people to travel around, future growth will lead to gridlock on the city's roads, thereby impacting the city's economy and having a negative effect on the quality of the environment.

- 3.3 Essex County Council has developed a vision of a 'Future Transport Network' for the city, with the intention to make all modes of transport attractive, giving people a real and credible choice in the way they travel to work, to the shops and to their families / friends, and, by so doing, supporting the city's expanding economy.
- 3.4 Encouraging more sustainable travel on foot, by bicycle, and on public transport will reduce the number of cars making short journeys on the road network, improving congestion and air quality for all residents.
- 3.5 Following a series of public consultations and discussions with stakeholders, 28 improvement schemes have been identified within the three key element groups of bus, cycling and highways. When linked together with signage and technology enhancements, the total package will make a step change in responding to the identified transport problems in the City of Chelmsford.
- 3.6 The Project will deliver a package of 16 interventions across Chelmsford, set out in Table 1 below

Table 1 Packages of Interventions

Scheme	Description
Baddow Road Bus Gate	<ul style="list-style-type: none"> - Installing a bus gate on the Baddow Road approach to the Army and Navy Roundabout, to improve bus journey times through the junction and help to tackle air quality issues at this junction
Broomfield Road	<ul style="list-style-type: none"> - Redesign of the junction with Corporation Road - Bus stop improvements - Cycle lane improvements
Chelmer Valley Road	<ul style="list-style-type: none"> - Extension of Chelmer Valley Road Bus Lanes to support the Chelmer Valley Park and Ride
Chelmer Village Way Cycle Route	<ul style="list-style-type: none"> - Extending the existing unsegregated footway/cycleway and improving signage to connect existing cycle routes between Kingsford Drive, Henniker Gate and Chelmer Village Roundabout and the junction of Chelmer Village Way and Howard Drive.
City Centre Cycle Connectivity	<ul style="list-style-type: none"> - Improvements to the cycling connectivity across the city centre, particularly from South to North

Scheme	Description
City Centre Cycle Parking	<ul style="list-style-type: none"> - Provision of additional cycle parking in the town centre and at the railway station
Citywide Signage and Technology	<ul style="list-style-type: none"> - Improvements to the signage and technology across the city
Essex Regiment Way and Pegasus Crossing 1	<ul style="list-style-type: none"> - Improvements in pedestrian, cycle and Bridgeway connectivity between Beaulieu Park and Channels
Great Baddow to City Centre Cycle Route	<ul style="list-style-type: none"> - On and off-road cycling and walking infrastructure between Great Baddow and Chelmsford City Centre
Great Walham to City Centre Cycle Route	<ul style="list-style-type: none"> - New cycle route to connect Great Waltham and Chelmsford City Centre and linking to other existing and proposed cycle routes along its length
New London Road Bus Lane	<ul style="list-style-type: none"> - Improvements to the operation of the bus lane through use of cameras. Options to amend operation hours, extend bus lane and improve signage at Miami Roundabout are also being considered
New Street Cycle Route	<ul style="list-style-type: none"> - Provision of a raised hybrid cycle track along both sides of the road between Anglia Ruskin University at Rectory Lane and Victoria Road.
Parkway Corridor Interventions	<ul style="list-style-type: none"> - Reconfigure traffic lanes between the Army and Navy Roundabout and the Odeon Roundabout to improve traffic flow, improve safety and give priority to buses. - Improved cycle connectivity and safety along Manor Road, between Rochford Road East and Rochford Road West. - New London Road Junction Enhancements - Make the currently temporary left turn segregation on Odeon Roundabout into a permanent solution - and New London Road Junction Enhancements
Pump Lane/ Springfield Road Toucan Crossing	<ul style="list-style-type: none"> - Staggered toucan crossing and widening of footway

Scheme	Description
Tindal Square Pedestrianisation 2	- Closure of Tindal Square to motorised vehicles to enable pedestrianisation and public realm works
Writtle to City Centre Cycle Improvements 2	- Improvements to cycle link between Writtle and Admirals Park in the city centre, including widening and the introduction of lighting along the section of Writtle after Admiral Park

3.7 Essex County Council are aware that some local residents are not supportive of the proposed Baddow Road Bus Gate and are working with those residents to discuss those concerns and issues through a number of public engagement meetings and consultations. The outcome of those meetings will inform the final design and proposal that is taken forward. Any changes to this or the other 15 interventions planned as part of this Project will be returned to the Board for consideration where necessary.

3.8 Seven objectives have been determined for the Chelmsford City Growth Area Scheme:

3.8.1 **Connectivity** – Provide high quality transport improvements and enhance connectivity in Chelmsford for all modes of transport;

3.8.2 **Economic Growth** – Support and facilitate sustainable, economic growth and regeneration;

3.8.3 **Capacity Management** – Reduce congestion and manage traffic distribution across Chelmsford's road network to improve journey time reliability and predictability, maximising the effective capacity through innovative solutions;

3.8.4 **Sustainable Transport Modes** – Encourage increased use of sustainable transport modes and services (bus, cycling, walking) by supporting improved accessibility, travel choice, community cohesion and social inclusion through the integrated public transport network;

3.8.5 **Environment** – Contribute to protecting and enhancing the natural, built and historic environment, to maintain a high quality of life and reduce pollution;

3.8.6 **Safety** – Improve safety on the transport network and enhance / promote a safe and secure travelling environment; and

3.8.7 **Resilience** – Secure and maintain all transport assets to an appropriate standard and ensure that the transport network is available for use.

- 3.9 The intended primary outcomes of the Project are:-
- To improve safety, especially for cyclists
 - To improve sustainable transport, to increase the number of bus passengers, pedestrians and cyclists
 - To improve journey times and reliability for all vehicles
 - To support city centre growth, and the completion of at least 4,350 new homes in North Chelmsford
 - To support economic growth and businesses (jobs and new starts / builds)
 - To provide up to 250 jobs associated with the new retail development, a new hotel and a new school in North Chelmsford

4. Chelmsford City Growth Area Project

- 4.1 The total cost of the Project is estimated at £15m. In addition to the £10m LGF allocation through SELEP, Essex County Council has also confirmed a £5m capital contribution to the Project.
- 4.2 The funding breakdown for the Project is shown in Table 2 below.

Table 2 Chelmsford City Growth Area Scheme Funding Breakdown

Funding source (£m)	Expenditure Forecast				
	17/18	18/19	19/20	20/21	Total
SELEP	0.5	3.0	4.0	2.5	10.0
Essex County Council	0.5	0.0	1.5	3.0	5.0
Total funding requirement	1.0	3.0	5.5	5.5	15.0

5. Outcome of ITE Review

- 5.1 The SELEP ITE has assessed the Project Business Case through the Gate 1 and Gate 2 process and has recommended that the Project achieves high to value for money with a medium to high certainty of achieving this.
- 5.2 The economic appraisal has evidenced an initial Benefit Cost Ratio (BCR) of 5.52:1 and an adjusted BCR of 5.60 once wider economic benefits have been considered. This BCR has been calculated following the latest Department for Transport WebTAG guidance.
- 5.3 As a package comprised of smaller interventions, there are some specific components of the Project which do not present value for money individually. This includes some of the cycling and public transport schemes, where there are difficulties in estimating the likely number of users and/or there is currently low usage of this mode of travel. However, the strategic case articulates the dependence of the integrity of the package on the delivery of all aspects of the Project.

- 5.4 The review confirms that a sensible and proportionate methodology has been applied, sufficient information has been provided in the appendices discussing the assessment of alternatives options and the selection process of the preferred option for each scheme.
- 5.5 Whilst the LGF allocation to the Project exceeds £8m threshold, as the Project comprises a package of smaller scale interventions, the Project is exempt from completing a Gate 4 or Gate 5 review of the ITE review process. A further review of the Project Business Case will only be required if triggered through the LGF Change Request process.

6. Compliance with SELEP Assurance Framework

- 6.1 Table 3 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework.
- 6.2 The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 3 Assessment of the Business Case 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	Clear rationale for need of intervention is included in the business case. Information is provided about the scope, benefits and current issues for each intervention. The Project objectives consider the wider policy context and are consistent with national and local policy objectives.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Green	Business case details the expected outputs and outcomes to be achieved for each intervention. ITE review confirms that Transport User Benefits Appraisal (TUBA) has been completed to assess the expected outcomes and outputs of the intervention following WebTAG guidance.
Considers deliverability	Green	A Quantified Risk Assessment

and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		(QRA) is included in the business case, allocating risks on a per scheme basis. A risk management strategy is also outlined in the business case.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Green	Adjusted BCR estimated is 5.95:1 when evaluated as full package scheme, representing very high value for money. Important to note that a few of the cycling and public transport schemes, on their own, have low BCR values. This is due to current low usage, or difficulty in estimating the likely number of users.

7. Financial Implications (Accountable Body comments)

- 7.1 Any funding agreed by the Accountability Board is dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations beyond 31st March 2018 are yet to be confirmed, however, funding for this project is included in the indicative LGF Programme allocations provided by HM Government for future years.
- 7.2 In considering allocating funding to this project, the Board should take into account the following:
- 7.2.1 The significant amount of slippage within the overall programme previously reported to Accountability Board in December 2017, this is currently forecast to be £39m by the end of 2017/18; 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 as expected.
- 7.2.2 There is a LGF funding profile risk in 2019/20; whilst there is sufficient funding for all LGF projects across the duration of the programme, in 2019/20 there is currently a funding gap of £11.5m (including the requirements of this project); it is noted that this risk is being carefully monitored by the SELEP Capital Programme Manager with potential options for mitigation being considered.
- 7.3 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.

8. Legal Implications (Accountable Body comments)

8.1 There are no legal implications arising out of this decision.

9. Staffing and other resource implications (Accountable Body comments)

9.1 None at present.

10. Equality and Diversity implication

10.1 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.

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

10.3 In the course of the development of the project business case, the delivery of the Project and their 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 were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

11. List of Appendices

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

11.2 Appendix 2 – Scheme location summary

12. List of Background Papers

- Business Case for Chelmsford City Growth Area Scheme

(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 Suzanne Bennett (On behalf of Margaret Lee)	14/02/18