

<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> FP/AB/116
<b>Date of Accountability Board Meeting:</b>	<b>17<sup>th</sup> November 2017</b>
<b>Date of report:</b>	<b>16<sup>th</sup> October 2017</b>
<b>Title of report:</b>	<b>A133 Colchester to Clacton LGF Funding Decision</b>
<b>Report by:</b>	<b>Rhiannon Mort, SELEP Capital Programme Manager</b>
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## **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 A133 Colchester to Clacton Project (the Project) which has been through the Independent Technical Evaluator (ITE) review process to enable £2.74m funding to be devolved to Essex County Council for scheme delivery.
- 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 £2.74m Local Growth Fund (LGF) to support the delivery of the Project identified in the Business Case and which has been assessed as presenting very high value for money with high certainty of achieving this.

## **3. A133 Colchester to Clacton Project**

- 3.1 The A133 Colchester to Clacton Project consists of a package of seven schemes to provide highway capacity, cycling and safety improvements along the Colchester to Clacton corridor.
- 3.2 The measures have been identified through the Colchester to Clacton Route Based Strategy. The objectives of which are to:
  - Deliver transport improvements to support and accommodate future housing and employment growth, encouraging and assisting economic growth;
  - Tackle congestion;
  - Improve journey-time reliability;

- Improve safety on the route and reduce the number of people killed or seriously injured;
- Promote sustainable forms of travel;
- Improve accessibility and connectivity into and within Colchester;
- Maintain and improve the public transport network;
- Facilitate and improve pedestrian and cycling routes into and around the city;
- Develop long-term solutions to resolve gaps in the transport network;
- Improve air quality and the environment by providing and promoting the use of more sustainable forms of travel; and
- Maintain assets ensuring that the highways network (including roads, footways and cycleways) is resilient, safe to use, and fit for purpose.

3.3 The Project is made up of a proposed package of seven schemes will improve access into Colchester as a major employment centre in Essex and to help accommodate the scale of the planned growth. Through increasing capacity and encouraging modal shift, the schemes will support and help enable the delivery of 700 new jobs and 2,450 new homes in Tendering and Colchester.

3.4 The seven schemes include:

3.4.1 **Bromley Road Improvements** – Widen Bromley Road to a two lane approach from Colchester, introduce new Puffin crossing and modify junction layout.

3.4.2 **Safety Improvements** – Implement a variety of safety improvements between Frating roundabout, Progress Way and Little Clacton, including actions to reduce potential collisions.

3.4.3 **Frating Roundabout** – Introduce a left-turn slip from A133 (A120 Spur) to A133 East and modifications to the roundabout to accommodate this slip

3.4.4 **Frating Roundabout** – Introduce a left-turn slip from A133 East to A133 West

3.4.5 **Weeley Roundabout** – Junction and signage improvements

3.4.6 **Signage** – Various signage improvements along the route

3.4.7 **Cycling** – Improve the cycle paths along the A133 (Salary Brook), including the section from Greenstead Roundabout, that provides links and access to the University of Essex and the B1441 which runs alongside the A133 from Weeley to Progress Way, Little Clacton.

3.5 The total cost of the Project is estimated at £5.480m, with 50% of the funding contribution being from Essex County Council.

*Table 1 A133 Colchester to Clacton Funding Profile*

Funding (£m)	2017/18	2018/19	2019/20	2020/21	Total
SELEP LGF request		1.370	1.370		2.740
Essex County Council contribution	0.048	0.525	2.047	0.120	2.740
Total	0.048	1.895	3.417	0.120	5.480

#### **4. Outcome of ITE Review**

- 4.1 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 very high value for money with a high certainty of achieving this.
- 4.2 The Project Business Case has demonstrated that the Project presents very high value for money, with a Benefit Cost Ratio (BCR) of 5.93:1. This BCR has been calculated following the latest Department for Transport WebTAG guidance.
- 4.3 The ITE has commented that no scenario testing was included as part of the Business Case value for money assessment. Whilst it would have been best practice for the Business Case to include this scenario testing of the proposed project benefits, the inclusion of scenario testing in the Business Case is not a condition of the funding. Given the very high BCR value then only very substantial changes would have a detrimental impact on the BCR value. As a result, the ITE review has confirmed that there is a high level of certainty in the value for money category.

#### **5. Compliance with SELEP Assurance Framework**

- 5.1 Table 2 below considers the SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework.
- 5.2 The assessment confirms the compliance of the project with SELEP's Assurance Framework.

*Table 2 SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework*

<b>Requirement of the Assurance Framework to approve the project</b>	<b>Compliance</b>	<b>Evidence in the Business Case</b>
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan		The strategic objectives of the Project are identified. Whilst no explicit link is made within the Business Case between the project objectives and the SEP, the project objectives, including tackling congestion, improving journey time and assisting/encouraging economic growth, are aligned with the objectives of the SELEP Strategic Economic Plan. The A133 Colchester to Clacton project is also identified within the Strategic Economic Plan.
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 detailed in section 3 above.</p> <p>The ITE review confirms that Transport Users Benefits Appraisal (TUBA) has been completed to assess the expected outputs and outcomes of the intervention following WebTAG guidance.</p>
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		<p>The ITE review confirms that a Quantified Risk Assessment has been completed and a Risk Register is included in the Business Case, with risk owners having been identified.</p> <p>A detailed project programme has been included as an appendix to the Business Case.</p>
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		<p>A BCR has been calculated as 5.93:1, which indicates very high value for money.</p> <p>When wider economic benefits are taken into account the adjusted BCR increases further to 6.19:1.</p>

## **6. Financial Implications (Accountable Body comments)**

- 6.1 This project is requesting approval of LGF allocations in 2018/19 and 2019/20; It should be noted that whilst future year grant payments from Government haven't been confirmed, funding for this Project is included in the indicative LGF programme allocations provided by Government for future years.
- 6.2 In considering allocating funding to this project, the Board should take into account the funding profile risk outlined in the Capital Programme Management report (Agenda item 11), particularly in relation to the funding risk in 2019/20. The report identifies that 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 £26m (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.
- 6.3 There are SLAs in place with the sponsoring authority which makes clear that future year funding can only be made available when the Government has transferred LGF to the Accountable Body.

## **7. Legal Implications (Accountable Body comments)**

- 7.1 There are no legal implications arising out of this decision. All funding will be transferred to the sponsoring authority under the provisions of the SLAs already in place.

## **8. Staffing and other resource implications (Accountable Body comments)**

- 8.1 None at present.

## **9. Equality and Diversity implication**

- 9.1 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.
- 9.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 9.3 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.

## **10. List of Appendices**

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

## **11. List of Background Papers**

- Business Case for A133 Colchester to Clacton

**(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)**

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>  Lorna Norris  (On behalf of Margaret Lee)	  09/11/2017