

**Forward Plan reference number:** FP/AB/176

<b>Report title:</b> Fairglen New Link Road LGF funding decision	
<b>Report to:</b> SELEP Accountability Board	
<b>Report author:</b> Rhiannon Mort, SELEP Capital Programme Manager	
<b>Date:</b> 15 <sup>th</sup> February 2019	<b>For:</b> Decision
<b>Enquiries to:</b> Rhiannon Mort, Rhiannon.Mort@southeastlep.com	
<b>SELEP Partner Authority affected:</b> Essex	

## **1. Purpose of Report**

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the award of £6.235m Local Growth Fund (LGF) to the Fairglen New Link and Slip Road project (the Project) based on the Outline Business Case, which has been through the Independent Technical Evaluator (ITE) review process.

## **2. Recommendations**

2.1. The Board is asked to:

- 2.1.1. **Approve** the award of £6.235m LGF to enable the delivery of the Project, which has been assessed as presenting high value for money with medium to high certainty of achieving this.
- 2.1.2. **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.

## **3. Background**

- 3.1. Through the Growth Deal, SELEP is supporting the delivery of both the Fairglen Interchange Improvements, through a £15m LGF allocation and the new link and slip road, through a £6.35m LGF allocation.
- 3.2. This Project brings forward the new link road and slip road only. The Business Case for the larger scale Fairglen Interchange Improvements will be considered for a funding award of £15m by the Department for Transport (DfT) directly, as a DfT 'retained' project.
- 3.3. The two schemes are mutually beneficial and will both act to reduce congestion at the A127 Fairglen Junction. It is intended that the Business Case for the Interchange Improvements will be considered for DfT approval in February 2020. Subject to approval by the DfT, the two projects will be delivered under the same construction contract.

## Fairglen New Link Road LGF funding decision

- 3.4. The Project is being brought forward ahead of the Interchange Improvements in order to spend the £6.235m LGF allocation within the Growth Deal period.

### 4. Fairglen Link Road and Slip Road (the Project)



#### 4.1. The Project will involve:

- 4.1.1. the addition of a new link road from the southbound A130 on to the A1245 southbound: and
- 4.1.2. a dedicated left turn slip from the A1245 southbound on to the A127 eastbound.

- 4.2. The A127 corridor is an important primary route for the South Essex area which connects the M25, Basildon and Southend (including London Southend Airport). It also provides access to the wider areas of Basildon, Billericay, Brentwood, Canvey Island, Rochford and Wickford and has strategic links to the A13, A128, A129 and A130.

- 4.3. The interchange, which is located halfway between Southend-on-Sea and the M25, along the A127, carries over 110,000 vehicles in a 12 hour period. It suffers significant congestion and journey time delays during peak periods and high traffic flows throughout the rest of the week. The slip roads onto the A127 and the main A127 carriageway, either side of the interchange, have been found to be operating above their design capacities, which results in reduced performance. In addition, there are safety concerns relating to poor visibility and poor lane management.

- 4.4. Improvements to this interchange will enable and support planned growth, along with the housing identified in the south Essex Strategic Housing Market Assessment (SHMA). The SHMA identifies the 'objectively assessed need' for Basildon, Castle Point, Rochford and Southend as being 2,350 to 2,770

dwelling per annum, resulting in around 12,800 new homes being required by 2021.

- 4.5. The interchange is located at the boundary of Basildon Borough Council, Castle Point Borough Council and Rochford District Council and it forms the main junction for strategic routes heading to / from Southend and London Southend Airport. For this reason, any traffic growth across this area will have a significant impact on the Fairglen Interchange. The local authorities each have significant plans for growth in housing and jobs, estimated to be around 26,000 houses and 25,000 jobs by 2031. Improvement of the interchange is essential to increase the road capacity required to meet the traffic demand generated by this growth.
- 4.6. The potential impact of the Lower Thames Crossing on the Fairglen Interchange has been modelled by Highways England. The current modelling results suggest that the Lower Thames Crossing would lead to an increase in trips, passing through the interchange, of approximately 100 to 200 additional vehicles per hour in the peak hours, in each direction. This further highlights the need to provide additional capacity at the Fairglen Interchange to facilitate movement and growth in this area.
- 4.7. The Project will help alleviate traffic flows at Fairglen and will reduce demand at the main interchange by negating the need for vehicles travelling from Chelmsford, southwards down the A130, to complete two sides of the 'Fairglen triangle' south of the A127 to access the A127 heading eastbound towards Southend. Travel distance (approximately 1km) will also be saved.
- 4.8. The Project objectives relate to the problems and opportunities and issues raised at stakeholder workshops held as part of the options development, including:

Objective 1 - Accommodate / manage future travel demands to facilitate proposed growth in south Essex

Objective 2 - Ensure good connectivity to South Essex via key transport corridors

Objective 3 - Improve opportunities for residents and employees in south Essex to access alternative modes of transport and encourage their use

Objective 4 - Protect and enhance the natural, built and historic environment

Objective 5 - Improve connectivity for non-motorised users through Fairglen / A130 Interchange

Objective 6 - Improve safety at Fairglen / A130 Interchange

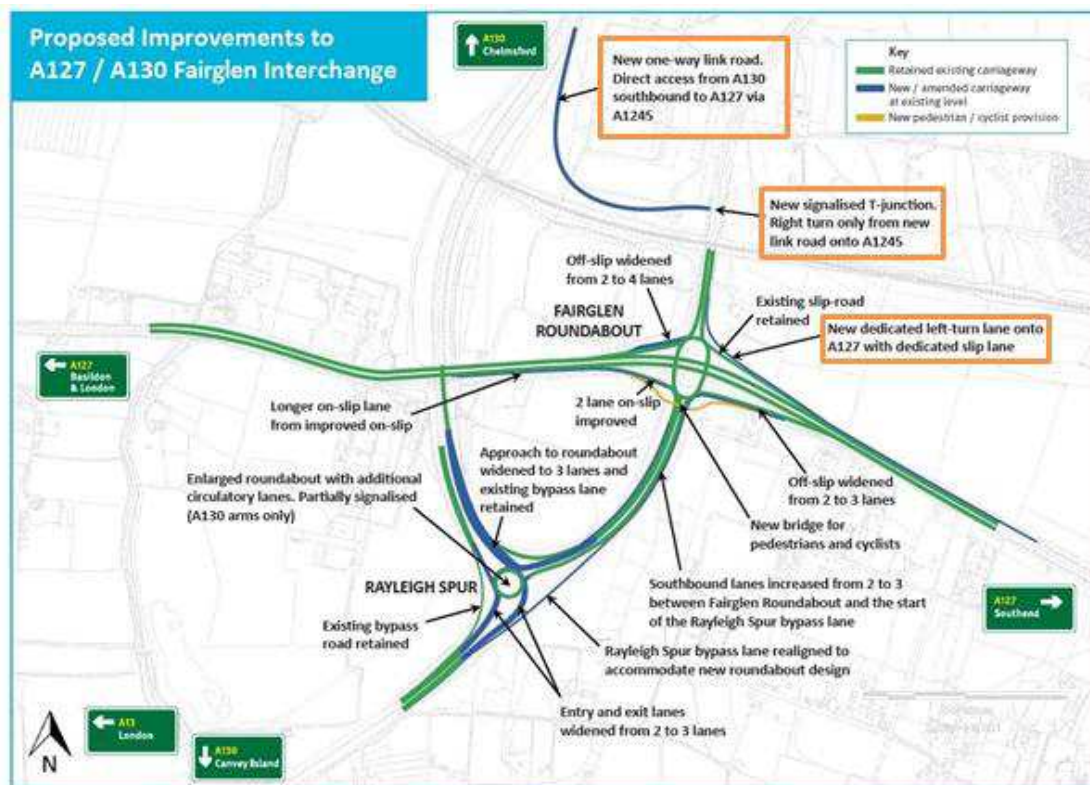
Objective 7 - Manage congestion at peak times to ensure reliable journey times through the Fairglen / A130 Interchange

Objective 8 - Ensure Essex County Council (ECC) assets are appropriate for a future highway network

Objective 9 - Keep Fairglen / A130 Interchange operational through improved maintenance provision and incident management.

- 4.9. Figure 1 below, highlights in the orange boxes, the aspects that will be delivered through the Project, as well as the improvements to be delivered through the larger Fairglen Interchange Improvements

**Figure 1 Interventions to be delivered through the Project and the wider Fairglen Interchange Improvements**



*The aspects of the Project to be delivered through the £6.235m LGF award considered through this report are highlighted by the orange text boxes.*

## 5. Fairglen Interchange Improvements

- 5.1. In addition to the interventions to be delivered through the Project, the wider Fairglen Interchange Improvements will also deliver:
- 5.1.1. Widened slip roads on most of the arms of the Fairglen Roundabout;
  - 5.1.2. Lengthened slip lanes on both A127 on-slip roads;
  - 5.1.3. Improvements at the Rayleigh Spur Roundabout, including new traffic lights at two arms of the junction and an additional lane on the roundabout itself; and
  - 5.1.4. A new bridge for pedestrians and cyclists, linking to existing routes alongside the A127.

## **6. Options considered through consultation and engagement**

- 6.1. The interventions to be delivered through the Project and the wider Fairglen Improvements have been identified through substantial consultation and engagement.
- 6.2. Options were generated through an 'Options Workshop' in July 2015, involving 20 stakeholders, to consider the current and future transport problems impacting the junction.
- 6.3. The initial 35 options which were generated were then sifted based on their fit with the objectives of the improvements, deliverability, feasibility, affordability and the impact on traffic flows at the junction. Through this analysis, the number of options was reduced to eight.
- 6.4. The eight options were further considered and then classified as short and long term interventions. The short term options are those that can be accommodated within the available funding and could also be constructed within the next 5-10 years. These short term options have been further developed to inform the preferred options for delivery.
- 6.5. The preferred options for delivery, as detailed in sections 4.1 and 5.1 above, were consulted on through further public consultation in February and March 2018. Detailed information about the proposed interventions was made public via various channels. The public and stakeholders were invited to give feedback, with a total of 196 responses received through the consultation.
- 6.6. Through the consultation, proposals were put forward by the public and stakeholders to deliver additional improvements beyond the current scope of the Project, given the level funding available. Where possible, this feedback will be considered through the detailed design stages of the Project.
- 6.7. It is recognised that further improvements will be required to the Fairglen Interchange in the long term to accommodate the high level of growth planned in South Essex, over and above the scope of the interventions detailed in this report. However, sufficient funding has not yet been identified to deliver these long term options and are therefore not included in the scope of the schemes to be delivered through the SELEP Growth Deal.

## **7. Project Cost and Funding**

- 7.1. The total cost of the Project is £9.844m. This cost will be funded through the 6.235m LGF and funding contributions from Essex County Council totalling £3.609m.
- 7.2. Essex County Council capital funding of £3.504m has already been included in ECC's aspirational part of the Essex County Council capital programme (2019/20 and 2020/21).

- 7.3. Essex County Council will need to formally approve its funding levels in advance of each of those years. In addition Essex County Council intends to contribute £105,000 in revenue funding in 2020/21 towards the monitoring and evaluation of the project, subject to formal approval as part of the budget setting in February 2020.

**Table 1 Funding available for the new link and slip road (£m)**

Funding source (£m)	Expenditure Forecast			
	18/19	19/20	20/21	Total
SELEP		0.673	5.562	6.235
ECC Capital		0.338	3.166	3.504
ECC Revenue			0.105	0.105
<b>Total funding requirement</b>		<b>1.011</b>	<b>8.833</b>	<b>9.844</b>

## **8. Outcome of ITE Review**

- 8.1. The Value for Money assessment has been completed to assess the combined impact of the Project and the Fairglen Interchange Improvements, which is subject to DfT approval. This approach has been adopted due to the interdependency between the two projects and to ensure no double counting of benefits.
- 8.2. Whilst it is not possible to model and appraise the Value for Money impact of the new link road and slip independently from the Fairglen Interchange Improvements, the impact of the Project in removing traffic from the roundabout is expected to deliver substantial benefits, particularly during the PM peak.
- 8.3. The business case analysis provides a proportionate assessment of the scheme costs and benefits which resulted in a strong benefit cost ratio representing high value for money. The analysis was robustly carried out based on WebTAG guidance and delivers high levels of certainty around this value for money categorisation.
- 8.4. If the £15m LGF funding contribution to the Fairglen Interchange Improvements are not forthcoming then ECC have confirmed that they would continue to progress with the delivery of the Project.

## **9. Project Compliance with SELEP Assurance Framework**

- 9.1. Table 2 below considers the assessment of the Business Case 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**

<b>Requirement of the Assurance Framework to approve the project</b>	<b>Compliance (RAG Rating)</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	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 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	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	The Business Case demonstrates clear experience of the project team in delivering similar schemes. A quantified risk assessment has been prepared as part of the Business Case.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Green	A BCR of 3.17:1 has been calculated for the Project and the wider DfT retained Fairglen Improvements project

## 10. Financial Implications (Accountable Body comments)

- 10.1. All funding allocations that have been 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.

- 10.2. 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.
- 10.3. 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.

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

- 11.1. The allocation concerns a small aspect of the wider package of works to the Fairglen Junction. To date, the wider scheme funding has not yet been approved by the DfT, although this is expected to be determined by February 2020. ECC has indicated that should this funding not be approved by the DfT, that they will still wish to proceed with the delivery of the Project; for the new link road and slip road. Whilst this allocation is not subject to the DfT decision, if the funding is not obtained from the DfT then the impact on the Project should be reported back to the Board.

## **12. Equality and Diversity implication**

- 12.1. 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.
- 12.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 12.3. 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.

### **13. List of Appendices**

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

### **14. List of Background Papers**

- 14.1. Business Case for the A127 Fairglen New Link and Slip Road

**(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>  Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer, Essex County Council)	07/02/19