

Report to Accountability Board	Forward Plan reference number: FP/AB/93
Date of Accountability Board Meeting:	26th May 2017
Date of report:	5th May 2017
Title of report: Basildon Integrated Transport Package Tranche 2 LGF funding decision	
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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 Basildon Integrated Transport Tranche 2 Package (Project) which has been through the Independent Technical Evaluator (ITE) process to enable £6.4m funding to be devolved to Essex County Council for scheme delivery.

2. Recommendations

- 2.1 The Board is asked to:

- 2.1.1 **Approve** the £6.4m LGF allocation to Basildon Integrated Transport Package Tranche 2 Project to support the delivery of the Project identified in the Business Case and which has been assessed as presenting achieving high value for money with low to medium certainty of achieving.

3. Background

- 3.1 This report brings forward the Basildon Integrated Transport Package Tranche 2 (the Project) for the £6.4m LGF allocation to this project.
- 3.2 In total, the Basildon Integrated Transport Package is allocated £9m LGF.
- 3.3 Business Cases are being brought forward in stages with the Tranche 1 Business Case having been approved in March 2015 and the LGF allocation to Tranche 1 having been fully spent.

Table 1 Basildon Integrated Transport Package Funding

Basildon Integrated Transport Package Local Growth Fund allocation (£m)							
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Tranche 1	1.546						1.546
Tranche 2				2.800	3.100	0.500	6.400
Tranche 3						1.054	1.054
Total	1.546	0.000	0.000	2.800	3.100	1.554	9.000

Basildon Integrated Transport Package Tranche 2 Funding Sources (£m)							
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
SELEP Request - Town Centre/Cycling				1.000	3.000	0.500	4.500
ECC Contribution - Town Centre/Cycling		0.075	0.400	0.552	0.500	0.400	1.927
SELEP Request - Endeavour Drive				1.800	0.100		1.900
ECC Contribution - Endeavour Drive		0.025	0.300	0.021			0.346
Total SELEP Request				2.800	3.100	0.500	6.400
Total ECC Contribution		0.100	0.700	0.573	0.500	0.400	2.273
Total		0.100	0.700	3.373	3.600	0.900	8.673

- 3.4 A Business Case will be developed for Tranche 3 to utilise the remaining £1.054m LGF allocation to the Project and will be considered at a future Board meeting.
- 3.5 A Business Case has been prepared for the Tranche 2 Project which has completed the ITE process, as a condition of the SELEP Assurance Framework.
- 3.6 The ITE report sets out the detailed analysis of the Project. This report is included in Appendix 1, of Agenda Item 5.

4. Basildon Integrated Transport Package Tranche 2

- 4.1 In 2015, LGF was allocated to Tranche 1 of the Basildon Integrated Transport Package which has delivered a scalable package of sustainable transport schemes providing bus, rail, cycling and walking improvements within Basildon Borough area. Tranche 2 of the Basildon Integrated Transport Package will now deliver further complementary improvements; delivering additional benefits to those achieved though the Tranche 1 works.
- 4.2 The overall scheme is pivotal to the successful delivery of the Basildon Town Centre Masterplan; to deliver significant improvements to regenerate the town centre and which will provide 130 new homes, 1,500m² new commercial floorspace and a minimum of 96 new direct jobs.
- 4.3 The Tranche 2 Project consists of three packages of work:

- Town Centre Highway Improvements
- Cycling Schemes; and
- Endeavour Drive Bus Link

- 4.4 The Town Centre Highway Improvements involve changes to the Bus Station layout, the creation of a two-way traffic flow on Cherrydown East, and modifications to the associated junctions around the station. The aim is to make the operation of the Bus Station more efficient and tie it in directly with the Railway Station to create a 'Transit Mall'.
- 4.5 Public realm improvements will also be delivered to enhance the station entrance, provide additional cycle storage for rail commuters and to link the relocated South Essex College to the town centre. To improve traffic flows around the town centre, changes are also proposed to the wider road network at key locations.
- 4.6 The Cycling Schemes will improve cycle links into the town centre, to the nationally recognised Basildon Sporting Village, Basildon Enterprise Corridor to the north and the hospital to the south west. It will complete the missing links to provide joined-up cycling access to the town centre from each major housing development within the town centre, the hospital, the major sporting facilities and the employment areas in the Enterprise Corridor.
- 4.7 The Endeavour Drive Bus Link will provide a new bus link, including provision for cycling and walking, from businesses on Endeavour Drive and the Enterprise Corridor, through the adjacent Retail Park and onward to the outlying districts of Rayleigh and Wickford.
- 4.8 The intended positive outcomes to be achieved through the delivery of the Tranche 2 Project include:
- Net journey time savings
 - Increased bus patronage
 - Increased levels of cycling and walking
 - More cycle storage
 - Improved connectivity between the town centre, rail and bus stations, business park and leisure facilities.
 - Supports the delivery of 234 direct jobs, 1,603 indirect jobs, 1,800 safeguarded jobs and 1,032 new homes.
- 4.9 A slight adverse impact is expected on car journey times within central Basildon as a result of the Project, however, the benefits of the project are expected to outweigh this potential adverse impact.

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 value for money with a low to medium certainty of achieving this.

- 5.2 Whilst the Project has a high Benefit Cost Ratio (BCR) of 2.01:1, the Project's BCR score is on the threshold between presenting medium VfM and demonstrating high VfM, as a score below 2.0:1 is categorised a medium VfM.
- 5.3 As the Project is at the threshold between presenting medium and high value for money, the ITE has assessed the Business Case as presenting low to medium certainty of high value for money being achieved.
- 5.4 Whilst no specific risks have been highlighted which will reduce the BCR value for the Project, the value for money will be particularly sensitive to changes in cost and/or the expected benefits which may materialise through the delivery of the Project.
- 5.5 Through the management of the LGF capital programme any variations to the Project cost and/or expected project benefits will be monitored. If there is a change to the Project which may detrimentally impact on the Project's value for money case, the Project's Business Case will be reviewed and a further decision may be sought from the Board.

6. Compliance with SELEP Assurance Framework

- 6.1 Table 2 below considers the SELEP Secretariat 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 2 SELEP Secretariat assessment of the Business Case 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		The ITE review confirms that the business case provides information on how the scheme aligns with national, subnational and local policy
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		<p>The information provided in the report above sets out the expected outputs and anticipated outcomes to be delivered through the Project.</p> <p>The ITE review confirms that 'Green Book' principles have been adhered to.</p>
Considers deliverability and risks appropriately,		The ITE review confirms that the Business Case includes a risk register

along with appropriate mitigating action (the costs of which must be clearly understood)		and project programme and detailed wider governance organogram, to set out the Project governance structure.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		A BCR has been calculated as 2.01:1, which indicated high value for money. Whilst the BCR is at the threshold between medium and high value for money, a decision to approve the Project based on a BCR value of 2.01:1 is compliant with the requirements of the Assurance Framework.

7. Financial Implications (Accountable Body comments)

- 7.1 There is an approved over-programming of the total LGF allocation in 2017/18 of just over £3m which places a risk on the total available funding required to deliver projects in this year. However, as this is forms part of the active management of the LGF capital programme, sufficient funding is expected to be available to fund the planned spend in this financial year requested for the Project.
- 7.2 It should also be noted that whilst future year grant payments from Government haven't been confirmed, funding for this Project are included in the indicative LGF programme allocations provided by Government for future years.
- 7.3 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.

8. Legal Implications (Accountable Body comments)

- 8.1 There are no legal implications arising out of this decision. All funding will be transferred to the sponsoring authority under the provisions of the SLA's currently in place.

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

12. List of Background Papers

- Business Case for Basildon Integrated Transport Package Phase 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 Lorna Norris (On behalf of Margaret Lee)	18.05.2017