

Report to Accountability Board	Forward Plan reference number: FP/AB/126
Date of Accountability Board Meeting:	23rd February 2018
Date of report:	7th February 2018
Title of report:	Kent Sustainable Interventions Programme 2018/19 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 the Kent Sustainable Interventions Project 2018/19 (the Project) which has been through the Independent Technical Evaluator (ITE) process to enable £0.5m Local Growth Fund (LGF) to be devolved to Kent 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 £0.5m LGF to the Kent Sustainable Interventions Project identified in the Business Case and which has been assessed as achieving high value for money with low to medium.

3. Kent Sustainable Interventions Programme

- 3.1 The Project is a continuation of the improvements being made by Kent County Council to deliver highway and sustainable transport improvements in the local area.
- 3.2 The Project involves the delivery of smaller schemes which are designed to complement larger scale LGF interventions being delivered through the wider Kent Sustainable Interventions Programme (the Programme) and to maximise the benefits delivered through LGF investment.
- 3.3 The Programme will be delivered between the financial years 2015/16 and 2020/21, with a total LGF allocation of £2.856 million over the 6 year period.

- 3.4 To date the LGF funding allocation to the Programme has been approved on an annual basis, supported by a separate Business Case for the award of LGF each financial year.
- 3.5 Originally the Project was allocated £3.0m LGF, with a provisional allocation of £0.5m during each financial year from 2015/16 to 2020/21. To manage overspends on other LGF projects in Kent (Tonbridge Town Centre and Folkestone Seafront - Transport), the total LGF allocation to the Project has been reduced by £0.272m to £2.728m.
- 3.6 The 2018/19 Project Business Case brings forwards the delivery of new interventions for funding through 2018/19 for the award of £0.5m LGF.

4. Kent Sustainable Interventions Project 2018/19

- 4.1 The Project includes three components:

- 4.1.1 Sloe Lane Cyclepath Upgrades
- 4.1.2 A228 Holborough – Proposed Puffin Crossing
- 4.1.3 A2070 Barrey Road – Junction Improvements

- 4.2 The Sloe Lane Cyclepath upgrades in Thanet involves the widening and resurfacing of approximately 0.75miles of existing footpath to provide a new shared footpath/cyclepath, to achieve:

- 4.2.1 Improved accessibility by cyclists;
- 4.2.2 Improved cycle links between local residential, employment, education, retail and services; and
- 4.2.3 Improved route safety for all users.

- 4.3 A228 Holborough Puffin Crossing will provide a new crossing facility to replace the existing informal facility, to:

- 4.3.1 Reduce severance to the local community which results from the heavy traffic flow long this route;
- 4.3.2 Encourage greater local trips by foot as opposed to car; and
- 4.3.3 Improve safety of vulnerable road users.

- 4.4 A2070 Barrey Road Junction Improvements scheme comprises the installation of traffic signals to control the traffic flow between A2070 and Barry Road. The junction will be part signalised, with all movements apart from the A2070 southbound being subject to traffic signal control. The scheme also provides a new shared footway/cycleway facility on the northern side of Barry Road, which will connect to Church Street to the South.

- 4.5 The A2070 scheme intends to:

- 4.5.1 Reduce congestion on Barrey Road;
- 4.5.2 Improve road safety due to signal control; and
- 4.5.3 Improved pedestrian/ cyclist accessibility.

4.6 In addition, £30,000 LGF is sought to support the initial design and feasibility work for interventions to be brought forward for a funding award in the 2019/20 funding award.

4.7 The interventions identified for funding during 2018/19 are intended to meet the following seven objectives:

- 4.7.1 Improve cycling infrastructure/facilities in various Kent locations
- 4.7.2 Improve the health and wellbeing of residents
- 4.7.3 Improve road safety
- 4.7.4 Improve access to education and other facilities;
- 4.7.5 Enhance the local environment around the scheme;
- 4.7.6 Deliver wider social and economic benefits for the community; and
- 4.7.7 Improve the general transport infrastructure.

5. Funding breakdown

5.1 Table 1 below sets out the funding breakdown for the Projects to be delivered in 2018/19.

Table 1 Funding Breakdown 2018/19 Interventions

Intervention	Cost (£m)
Sloe Lane	0.20
A228 Holborough	0.12
A2070 Barry Road	0.15
Forward Design	0.03
Total	0.50

6. Outcome of ITE Review

6.1 The SELEP ITE has reviewed the Project Business Case through the Gate 1 and Gate 2 process and has recommended that the Project achieves high value for money, with low to medium certainty.

6.2 Due to small-scale nature of the proposed interventions, a quantified assessment methodology has not been used. A qualitative approach in-line with the DfT Appraisal Summary Table has been followed and, based on other schemes and experience, it is estimated that the combination of schemes would represent high VfM.

6.3 As the Project cost is less than £2m and the Project benefits are difficult to quantify then the Project falls under Value for Money Exemption 1, as set out within the SELEP Assurance Framework.

6.4 For a Project to fall under Value for Money Exemption 1 a Project must satisfy the following conditions:

- 6.4.1 The funding sought from SELEP in relation to the Project must be less than £2m and to conduct further quantified and monetised economic appraisal would be disproportionate; and
 - 6.4.2 Where there is an overwhelming strategic case (with minimal risk in the other cases); and
 - 6.4.3 There are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.
- 6.5 The ITE review of the Business Case confirms that there is an overwhelming strategic case for the Project and that there is minimal risk in the other cases.

7. Compliance with SELEP Assurance Framework

- 7.1 Table 2 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework.
- 7.2 The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 2 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	The strategic objectives of the Project are identified. Information is included explaining how interventions will alleviate current issues and help prepare to meet future demands without exacerbating current conditions. Good alignment is demonstrated between the objectives of the proposed interventions with national and local policies.
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 include maximising large scale Project benefits. Specific outputs from the smaller scale interventions proposed include: increased network safety, user satisfaction, enhancing traffic flow, delivering better environmental outcomes,

		improving conditions for vulnerable groups (cyclists, pedestrians, other), and supporting modal shift from private car towards public transportation and active travel.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	The Business Case identifies six primary risks for the Project, which are then assigned their corresponding low-to-high classification for likelihood and impact. Risk owners and mitigation proposals are also included.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Green	The Business Case suggests the interventions to have a very high value for money. The Project falls under Value for Money exemption 1.

8. Financial Implications (Accountable Body Comments)

- 8.1 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.
- 8.2 In considering allocating funding to this project, the Board should take into account the following:
- 8.2.1 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.
- 8.2.2 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.
- 8.3 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.

9. Legal Implications (Accountable Body Comments)

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

10. Staffing and other resource implications (Accountable Body Comments)

10.1 None at present.

11. Equality and Diversity implication (Accountable Body Comments)

11.1 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.

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

11.3 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.

12. List of Appendices

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

13. List of Background Papers

13.1 Business Case for Kent Sustainable Interventions Project 2018/19

(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)	 14/02/18