

<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> FP/AB/129
<b>Date of Accountability Board Meeting:</b>	<b>23<sup>rd</sup> February 2018</b>
<b>Date of report:</b>	<b>8<sup>th</sup> February 2018</b>
<b>Title of report:</b>	<b>Hastings and Bexhill Movement and Access Package</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 Hastings and Bexhill Movement and Access Package (the Project), which has been through the Independent Technical Evaluator (ITE) review process, to enable £9m Local Growth Fund (LGF) to be devolved to East Sussex 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 LGF award of £9m, reduced from £12m LGF, to the Hastings and Bexhill Movement and Access Package Project, as identified in the Business Case and which has been assessed as presenting high value for money with high certainty of value for money being achieved.

## **3. Background**

- 3.1 The Project was originally allocated funding through LGF Round 1 as two separate projects; Hastings and Bexhill junction capacity improvements Package and the Hastings and Bexhill walking and cycling Project . Each of the two projects was allocated £6m LGF.
- 3.2 In March 2017 the Board agreed to the amalgamation of the two projects into one scheme, for the purposes of business case development and project delivery, titled the Hastings and Bexhill Movement and Access Package (MAP) and with a total combined LGF allocation of £12m.
- 3.3 East Sussex County Council and Team East Sussex (TES Federated Board) are proposing that the total LGF contribution to the Project is reduced to £9m.

- 3.4 The total cost estimate for the Project has been reduced from the original £12m to £9m through the more detailed analysis of Project risk, in a Quantified Risk Assessment (QRA), which has reduced the Project contingency included within the Project cost estimate, without impacting the outputs and benefits which the Project is expected to deliver.

#### **4. Hasting and Bexhill Movement and Access Package**

- 4.1 The Project is an integrated package of cycling, walking and bus infrastructure, traffic management and public realm improvements, aimed at supporting economic growth and planned growth across Bexhill and Hastings.
- 4.2 The Project will deliver improvements to junction capacity to reduce local congestion, increase the extent of the cycle network across the two towns to support greater connectivity between key destinations and support the growing appetite for cycling for everyday journeys.
- 4.3 Measures to enhance the attractiveness of the two town's public realm will be delivered, which will encourage inward investment, alongside supporting and encouraging more people to walk, by creating safer access and permeability. This will be integrated alongside delivering high quality public transport infrastructure and information on key corridors of movement, supporting greater accessibility and journey comfort.
- 4.4 These works will kick-start a much wider programme of change in movement and access across the two towns and set the precedence for future transport infrastructure improvements. This is crucial as both Bexhill and Hastings move towards embracing greater sustainable development and the growing opportunities to maximise the use of technology and communication to enable 'smart mobility'.
- 4.5 Specifically the Project will deliver the following outputs (with further detail in Table 1 below):
- 4.5.1 New and improved cycling and walking infrastructure, including cycle routes, pedestrian crossings and cycle parking at rail stations across both towns;
  - 4.5.2 Improved public transport infrastructure, including Bus Stop Clearways/High Access Kerbs (bus stop poles)/Bus Shelters and the provision of Real Time Passenger Information on key corridors of movement;
  - 4.5.3 Improvements to traffic management at key junctions on the road network within Bexhill and Hastings; and
  - 4.5.4 Improvement to the public realm in Bexhill – London Road and Hastings Town Centre.

**Table 1 Project interventions**

<b>Scheme Element</b>	<b>Overview of Scheme Measure</b>
<b>1. Cycling and Walking Infrastructure, Hastings and Bexhill</b>	<ul style="list-style-type: none"> <li>• Cycle Routes – on and off road, including improved signage and markings</li> <li>• Cycle parking and counters – providing safe and secure parking for cyclists</li> <li>• Pedestrian Crossings – to provide safer crossing areas</li> <li>• Safety Zones – to support access to education</li> </ul>
<b>2. Public Transport, Hastings and Bexhill</b>	<ul style="list-style-type: none"> <li>• Bus Accessibility Improvements, including:-  Bus Stop Clearways  Real Time Passenger Information High  Access Kerbs  Bus Shelter Improvements</li> </ul>
<b>3. Traffic Management, Hastings and Bexhill</b>	<ul style="list-style-type: none"> <li>• Junction Improvements – improving safety and reducing congestion</li> <li>• Traffic Signals – improving safety and reducing congestions</li> <li>• Variable Message Signs – providing real time information regarding parking space availability, and messages on town centre events</li> </ul>
<b>4. Public Realm, Bexhill</b>	<ul style="list-style-type: none"> <li>• Shared space between road users</li> <li>• Improvements to pedestrian and cycle access to key destinations including town centres and stations</li> <li>• Improved wayfinding</li> <li>• 20mph town centre zone</li> <li>• Streetscape improvements including upgraded street furniture</li> </ul>

4.6 The overall intention of the Project is to implement these transport measures in Bexhill and Hastings which will release the opportunity for, and contribute to, local economic growth by enabling efficient connections to neighbouring settlements, and would support sustainable access to key local services including employment, education, health services, shopping and recreational facilities in these areas, alongside supporting the tourist economy.

4.7 The Project will support a reduction in reduce car journeys in the two towns by providing smarter and sustainable choices (e.g. through improved walking and cycling infrastructure) and improving technology to encourage greater use of

sustainable transport (e.g. through electronic signage, to reduce vehicle dwell times and greater access to information, increasing bus patronage through the provision of Real Time Passenger Information RTPI, and the use of data to inform smart ticketing.)

## 5. Funding Profile

- 5.1 The total Project cost will be fully funded through LGF. However, there is an opportunity to spend up to a further £990,967 on the Project through developer contributions. Of this amount, £363,968 has been received to date and a further £626,999 has been identified as potentially available.
- 5.2 The delivery of the Project is not dependent on these developer contributions coming forward or being committed to the Project, but creates the opportunity for further complementary investment in the programme.

**Table 2 Project Funding Breakdown (£m)**

	2017/18	2018/19	2019/20	2020/21	Total
SELEP LGF sought	1.352	2.000	2.200	3.448	9.000
<b>Total Project Cost</b>	<b>1.352</b>	<b>2.000</b>	<b>2.200</b>	<b>3.448</b>	<b>9.000</b>

## 6. Outcome of ITE Review

- 6.1 An ITE assessment of the Project Business Case has been undertaken, which demonstrated that the Project presented high value for money, with a Benefit Cost Ratio (BCR) value of 2.86:1.
- 6.2 The economic appraisal has been conducted following a range of appraisal methodologies, including:
- 6.2.1 DfT Active Mode Appraisal Toolkit
  - 6.2.2 Average Accident Savings
  - 6.2.3 Fare box revenue increase; and
  - 6.2.4 Valuing Urban Realm Toolkit
- 6.3 The ITE review confirms that the appraisal methodologies have been applied accurately and local data has been used to provide greater certainty of the expected benefits for each component of the Project.
- 6.4 For LGF Projects with a total LGF allocation of over £8m and/or with a high project risk, there is normally a requirement for a full business case to be developed for the Project once detailed design work has been completed and the total construction cost has been confirmed through a tender process for the award of the construction contract. However, the SELEP Assurance Framework states that when a Project comprises of a package of interventions and no element within the Project exceeds £8m then there is no requirement

for a Full Business Case to be completed for the Project. As such, there is no requirement for a Full Business Case to be complete for the Project, for further review by the ITE.

## 7. Compliance with SELEP Assurance Framework

7.1 Table 3 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 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	The strategic objectives of the Project are identified. The Business Case sets out the links to 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	The expected project outputs and outcomes are set out in the Business Case and have been considered for each of the four elements of the Project.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	Project risks have been assessed in a Quantified Risk Assessment (QRA) and a Risk Management Strategy has been included as part of the Business Case.  It is intended that the Project will be delivered through the existing contract between ESCC and Costain/ CH2M.
A Benefit Cost Ratio of at least 2:1 or comply	Green	A BCR of 2.8:1 has been calculated, which demonstrated

with one of the two Value for Money exemptions		high value for money.
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## **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 31<sup>st</sup> 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 from this decision.

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

- 10.1 None at present.

## **11. Equality and Diversity implication**

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

## **13. List of Background Papers**

- Business Case for Hastings and Bexhill Movement and Access Package

**(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)	14/02/18