

Report to Accountability Board	Forward Plan reference number: FP/AB/108
Date of Accountability Board Meeting:	22nd September 2017
Date of report:	3rd September 2017
Title of report: Southend Central Area Transport Scheme LGF Funding Decision	
Report by:	Rhiannon Mort, SELEP Capital Programme Manager
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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 Southend Central Area Transport Scheme (S-CATS) Phase 2 (Project) which has been through the Independent Technical Evaluator (ITE) process to enable £2m of Local Growth Fund (LGF) to be devolved to Southend Borough Council for scheme delivery.

2. Recommendations

- 2.1 The Board is asked to:

- 2.1.1 **Approve** the £2m LGF allocation to the Southend Central Area Transport Scheme Phase 2 to support the delivery of the Project identified in the Business Case and which has been assessed as presenting achieving very high value for money with medium to high certainty of achieving this.

3. Background

- 3.1 This report brings forward the second phase of the Project for the £2m LGF allocation to this project.
- 3.2 In total, the S-CATS programme is allocated £7m LGF, which comes in four phases as set out in Table 1 below.

Table 1 Phases of S-CATS funding breakdown

	2016/17	2017/18	2018/19	2019/20	Total
Phase 1 – Victoria Avenue Improvements	£1m				£1m
Phase 2 – London Road Area		£2m			£2m
Phase 3 and 4 –London Road (between College Way and Victoria Circus)			£2m	£2m	£4m

- 3.3 The overall package of transport measures are intended to support the growth and regeneration of Southend Town Centre, in line with the Southend Central Area Action Plan (SCAAP). The aim of this plan are to strengthen and transform the Town Centre's sub-regional role as a successful commercial and retail destination, cultural hub, educational centre of excellence, leisure and tourism attraction, creating an excellent place to live, work and visit. The SCAAP is part of the spatial planning strategy for the Borough.
- 3.4 Business Cases are being brought forward in stages for this programme of transport works, with each phase of the Project supporting the SCAAP, but delivering different project outputs. The Phase 1 Business Case was approved in June 2016 and the project is nearing completion.
- 3.5 Phase 1 included a series of junction improvements along Victoria Avenue that better manages traffic into and out of the town centre. Access and public realm improvements along London Road, College Way, Queens Road and Elmer Avenue are the next steps to encourage more residents and tourists to visit and spend time in the Town Centre and for local businesses to flourish.
- 3.6 The Phase 1 junction improvements along Victoria Avenue were completed in March 2017 and the public realm and cycling facilities along Victoria Avenue service road are due to complete in 2017/18, concluding the Phase 1 package of works.
- 3.7 A Business Case for the second phase of S-CATS has been developed and has completed the ITE process as a requirement of the SELEP Assurance Framework. The ITE report sets out the detail of their review and can be found in Appendix 1 of Agenda Item 6.

4. Southend Central Area Transport Scheme – Phase 2

- 4.1 The Project aims to improve the streetscape, public realm and walking/cycling facilities along the segment of London Road, College Way, Queens Road and Elmer Avenue that provide access to the high street, the main library (The Forum), College, University and other key destinations in the Town Centre.

London Road (between London Road/Queensway roundabout and College way)

- 4.2 London Road is an important retail area with one of the largest supermarkets in Southend Town Centre (Sainsbury's) and a number of local shops and restaurants. It is also the missing link that completes the 'Town Centre Ring Route'.
- 4.3 'Town Centre Ring Route' is a network of on-road, off-road shared cycle paths that form the main cycle route in Town Centre. It connects key locations in the

Town Centre to the two main cycle routes in the Borough, Prittlebrook Greenway and Seafront Cycle route.

- 4.4 Improvement to the public realm and walking and cycling facilities along London Road will complete the missing link; increasing footfall and dwell times in this part of Town Centre, which is a key gateway to the high street, and creating more opportunities for businesses and a vibrant social environment for residents and tourists.

College Way / Queens Road / Elmer Avenue route between London Road and The Forum / South Essex College

- 4.5 College Way/ Queen Road/ Elmer Avenue is a key route to the main library (The Forum), South Essex College and the University of Essex from London Road. It has many local shops, cafes, restaurants and university accommodation, which along with the new Library facilities, has led to an increase in the footfall and demand for better public realm.
- 4.6 In 2011, the area started to transform with the completion of various cycle and public realm improvements.
- 4.7 S-CATS phase 2 will continue the improvement delivered to date in the London Road Areas to create a better environment for pedestrians, cyclists and public transport users. This will include the widening of the footways, surface treatments, planters and street furniture.
- 4.8 The objectives of the S-CATS Phase 2 Project are summarised in Table 2 below.

Table 2 Objectives of the Project

To support and align with S-CATS phase 1 to provide a welcoming Gateway to the Town Centre.
Improve safety, accessibility and health and wellbeing through improved provision for pedestrians and cyclists.
To encouraging more pedestrian footfall & cycling through quality public realm improvements and enhancements to walking/cycling infrastructure.
To support the development of the centre of Southend in terms of delivering new housing, increased local business and the improved offer for tourist;
To integrate Sustainable Urban Drainage Systems where possible to mitigate impacts of climate change.
To contribute to the wider SCAAP ambition, as set out in paragraph 3.3 above.

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 very high value for money with a medium to high certainty of achieving this.
- 5.2 The ITE review has confirmed that the Business Case methodology is proportionate to the scale of the intervention and that the appraisal has been completed accurately, following a Department for Transport Active Mode appraisal approach.
- 5.3 The value for money of the investment relies heavily on physical activity benefits, which can drop significantly if the take-up of cycling/walking is not achieved. This introduces some residual uncertainty, but overall the ITE consider there to be medium to high certainty of the Project delivering value for money, particularly given the very high value for money, with a Benefit Cost Ratio (BCR) of 4.06:1.

6. Compliance with SELEP Assurance Framework

- 6.1 Table 3 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 3 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 Project objectives, as set out in the Business Case, align well with national, subnational and local policies. The public realm improvements for S-CATS Phase 2 will support the regeneration and growth proposals in the Southend Core Strategy and emerging Southend SCAAP Revised Proposed Submission Document.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		<p>The Business Case sets out the interventions which will be delivered through the Project.</p> <p>The ITE review of the Business Case confirms that an appropriate economic appraisal methodology has been applied.</p>
Considers deliverability		The ITE review confirms that the

and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		Business Case includes a risk register which provides details on the risk likelihood, programme, cost, mitigation, mitigation cost, owner and status. A quantified risk assessment has also been completed and a risk management approach is identified.
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 4.06:1, which indicated very high value for money.

7. Financial Implications (Accountable Body comments)

- 7.1 The current forecast spend for 2017/18 as set out in the Capital Programme Management report (agenda item 12), anticipates slippage of LGF of £7.890m (excluding retained schemes) and as such, there is sufficient LGF available in the current year to meet the planned spend requirement for the project in 2017/18.
- 7.2 The Government has previously stated that failure to spend LGF in the year allocated, may impact on future year funding allocations; the slippage in the current year identified in the Capital Programme Management report therefore represents a risk to future allocations for all projects. This position is being actively monitored by the SELEP Capital Programme Manager to address this risk (see Capital Programme Management report for further information).
- 7.3 It should be noted, however, that whilst future year grant payments from Government haven't been confirmed, funding for this project is included in the current indicative LGF allocations provided by Government. There is a risk, however, that the profiling of the indicative allocations of LGF is out of alignment with the current planned spend across the whole programme - this creates a forecast funding gap of £9.2m in 2018/19 and £17.3m in 2019/20 respectively. The funding gaps present a delivery risk to all projects that require LGF in those years. The Capital Programme Report sets out how that risk is to be managed. The funding gaps in both years are offset by an excess of funding in 2020/21 and the indicative programme funding is sufficient to meet the costs of all currently programmed projects and allocated projects over the life of the programme.
- 7.4 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 SLAs already 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 where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

11. List of Appendices

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

12. List of Background Papers

- Business Case for Southend Central Area Transport Scheme 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 Suzanne Bennett (On behalf of Margaret Lee)	 13/09/2017