

**Forward Plan reference number:** FP/AB/191

<b>Report title:</b> A133 Colchester to Clacton Project Change Request	
<b>Report to Accountability Board</b>	
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<b>Date:</b> 15 <sup>th</sup> February 2019	<b>For:</b> Decision
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<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 Change Request which has been submitted by Essex County Council (ECC) for the A133 Colchester to Clacton project (the Project).
- 1.2 ECC has undertaken a substantive review of its own capital programme in order to reduce its capital expenditure.
- 1.3 ECC was originally due to fund the Project on a 50:50 basis, with SELEP contributing £2.74m Local Growth Fund (LGF) to the Project and an equal funding award from ECC. However, the £2.74m ECC capital contribution to the Project is no longer available in full.
- 1.4 Whilst £525,000 LGF has already been spent on the delivery phase of the Project, the review of ECC's capital programme has resulted in the loss of a majority of the ECC funding contributions towards the delivery of the Project.
- 1.5 Whilst ECC still commits £185,000 to the Project, ECC contribution to the Project has reduced by £2.555m.
- 1.6 A Change Request has been submitted by ECC to SELEP, for approval by the Board. The Change Request, detailed in this report, sets out the proposed changes to Project scope and total Project cost. This has reduced the total project cost and scope to align with the reduced amount of funding now available to deliver the Project.

## **2. Recommendations**

- 2.1. The Board is asked to:
  - 2.1.1. **Agree** the change of scope to the Project.
  - 2.1.2. **Agree** that any Project under spends which are identified through the delivery of the Project must be returned to SELEPs single funding pot.

### 3. Background

3.1. The Project was awarded £2.74m LGF by the Board in November 2017. At the time of the funding decision being taken it was intended that the Project scope would involve the delivery of seven interventions including:

3.1.1. **Bromley Road Improvements** – Widen Bromley Road to a two lane approach from Colchester, introduce new Puffin crossing and modify the junction layout.

3.1.2. **Safety Improvements** – Implement a variety of safety improvements between Frating roundabout, Progress Way and Little Clacton, including actions to reduce potential collisions.

3.1.3. **Frating Roundabout** – Introduce a left-turn slip from A133 (A120 Spur) to A133 East and modifications to the roundabout to accommodate this slip

3.1.4. **Frating Roundabout** – Introduce a left-turn slip from A133 East to A133 West

3.1.5. **Weeley Roundabout** – Junction and signage improvements

3.1.6. **Signage** – Various signage improvements along the route

3.1.7. **Cycling** – Improve the cycle paths along the A133 (Salary Brook), including the section from Greenstead Roundabout, that provides links and access to the University of Essex and the B1441 which runs alongside the A133 from Weeley to Progress Way, Little Clacton.

3.2. The interventions were identified through the A133 Colchester to Clacton Route Based Strategy, with the objective of the Project being to:

- Deliver transport improvements to support and accommodate future housing and employment growth, encouraging and assisting economic growth;
- Tackle congestion;
- Improve journey-time reliability;
- Improve safety on the route and reduce the number of people killed or seriously injured;
- Promote sustainable forms of travel;
- Improve accessibility and connectivity into and within Colchester;
- Maintain and improve the public transport network;
- Facilitate and improve pedestrian and cycling routes into and around the city;
- Develop long-term solutions to resolve gaps in the transport network;
- Improve air quality and the environment by providing and promoting the use of more sustainable forms of travel; and

- Maintain assets ensuring that the highways network (including roads, footways and cycleways) is resilient, safe to use, and fit for purpose.
- 3.3. The proposed package of seven interventions was intended to improve access into Colchester as a major employment centre in Essex and to help accommodate the scale of the planned growth. Through increasing capacity and encouraging modal shift, the Project was intended to support and help enable the delivery of 700 new jobs and 2,450 new homes in Tendering and Colchester.

#### **4. A133 Colchester to Clacton Change Request**

- 4.1. As the ECC £2.74m contribution towards the Project is no longer available in full, ECC carried out a Project review.
- 4.2. There is now insufficient funding available to support all the aspects of the Project which were included within the original scope of the Project agreed by the Board in November 2017. However, ECC wish to progress with the delivery of:
- 4.2.1. **Frating Roundabout** – including the two segregated left turn lanes; one from A133 eastern arm to A133 western arm and the other from the A120 link road to the A133 eastern arm; and
  - 4.2.2. **Weeley Roundabout** – junction and signage improvements, including the widening of the A133 southern arm approach.
- 4.3. The delivery of improvements to the two junctions identified above is intended to utilise the £2.74m LGF which has previously been awarded to the Project.
- 4.4. The delivery of other aspects of the Project will be paused until sufficient funding is made available through an alternative funding source. These alternative funding sources have not yet been identified.
- 4.5. The interventions which will be paused and removed from the scope of the Project include:
- 4.5.1. Frating to Progress Way Safety Measures – Implement variety of safety improvements between Frating roundabout and Progress Way roundabout including actions to reduce potential collisions;
  - 4.5.2. Bromley Road/Clacton Road Junction Improvements – Widen from one to two lane approach from Colchester, introduce new Toucan crossing and modify junction layout;
  - 4.5.3. Signage Review – Various improvements along the full route; and
  - 4.5.4. Salary Brook to Slough Lane Cycle Way – Implement a new section of cycleway to link the University of Essex and Elmstead but also provide

access from the proposed East Colchester garden Community development

## **5. Impact on Value for Money**

- 5.1. Based on the reduced funding available to support the Project, the delivery of Frating and Weeley Roundabouts are identified as the two interventions which will yield the greatest economic benefits relative to the cost of investment.
- 5.2. The delivery of improvements to the Frating Roundabout and Weeley Roundabout are considered by ECC to be the main components of the Project. The elements which are being recommended for removal from the Project scope are considered as complementary works.
- 5.3. The Frating Roundabout and Weeley Roundabout were the aspects of the project which are expected to have the most direct impact in supporting the delivery of jobs and houses. As such, the Project is therefore expected to continue to support and unlock the delivery of most of the 2,450 homes and 700 jobs in Colchester and Tendring stated within the original Business Case.
- 5.4. The Value for Money assessment in the original Business Case provided an overall Benefit Cost Ratio (BCR) for the Project of 5.93:1, presenting High Value for Money. This BCR value for the overall Project was also supported by BCR values for each of the specific interventions to be delivered within the scope of the Project.
- 5.5. Frating Roundabout and Weeley Roundabout both present high value for money with a BCR of 11.57:1 and 12.93:1 respectively. As such the proposed revised scope of the Project continues to present High Value for Money relative to the revised public sector funding contribution to the Project.
- 5.6. Whilst some of the original Project benefits will no longer be delivered under the revised scope of the Project, the new focus of the Project on the aspects which generate the greatest economic benefit (Frating Roundabout and Weeley Roundabout) and the reduction in total Project cost means that the BCR value for the Project will actually increase as a result of this Change Request.

## **6. Outcome of ITE assessment**

- 6.1. The ITE has reviewed the Change Request, submitted by ECC.
- 6.2. The review confirms that there would be some impact on outputs and outcomes as a result of de-scoping the Project; largely qualitative/unquantified benefits associated with improved safety, signage and facilities for cyclists will not be delivered.
- 6.3. The original business case for A133 Colchester to Clacton, as reviewed by Steer in October 2017, was based on a scheme cost of £5.5m, with a BCR of

- 5.9:1. This represented very high value for money, with a medium/high level of certainty of that value for money.
- 6.4. The components of the scheme which remain within scope are those components with the highest value for money: Frating Roundabout with a BCR of 11.6:1 and Weeley Roundabout with a BCR of 12.9:1 therefore, there is a high level of certainty that the overall value for money categorisation will remain very high despite the de-scoping.
- 6.5. Given the fact that the scheme is in its delivery phase, any uncertainty about the delivery of the Project can be reduced. Therefore, this scheme, with the reduced scope is considered to represent high value for money with high certainty of achieving that value for money.

## 7. Project Cost and Funding

- 7.1. The cost of the original Project totalled £5.48m, with 50% of the funding due to be contributed by ECC. To date, project spend includes £525,000 LGF, along with ECC contributions toward the early development of the Project.
- 7.2. However, following the review of ECC's Capital Programme has been reduced substantially. As such, it is proposed that the remaining LGF is utilised to deliver the revised Project scope, set out in section 4 above.
- 7.3. Table 1 below sets out the updated LGF spend forecast, reflecting this change.

**Table 1 Original and updates funding profile (£m)**

<b>Original Funding Breakdown, at point of funding decision by the Board (Nov 2017)</b>					
Funding (£m)	2017/18	2018/19	2019/20	2020/21	Total
SELEP LGF		1.370	1.370		2.740
ECC contribution	0.048	0.525	2.047	0.120	2.740
Total	0.048	1.895	3.417	0.120	5.480
<b>Updated Funding Profile, based on proposed change to Project scope (Feb 2019)</b>					
Funding (£m)	2017/18	2018/19	2019/20	2020/21	Total
SELEP LGF		0.525	2.215		2.740
ECC contribution		0.000	0.185		0.185
Total		0.525	2.400		2.925

7.4. The final Project cost of delivering Frating and Weeley Roundabout have not yet been confirmed, as the contracts for the delivery of the interventions are currently out to tender. However, it is expected that these aspects of the Project can be delivered within the funding available.

7.5. If any LGF underspends are identified following the completion of these improvements, ECC is committed to returning this funding to SELEP.

## **8. Financial Implications (Accountable Body comments)**

8.1. The reduced contribution by ECC to this Project reduces the scope and outcomes to be delivered. However, in reducing the scope, ECC have sought to maximise the impact of the funding and the revised value for money assessment continues to meet the requirements of the Assurance Framework.

8.2. As with all funding that has been agreed by the Board, allocations 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.

8.3. 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.

8.4. 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. The proposal being put forward by ECC is in line with the Change provisions set out within the SLA between SELEP and ECC. However, if the Board do not approve the Change to the Project Scope then the SLA's requires that the Project is delivered in full. However, ECC will be entitled to seek further approval from the Board around the Project and any alternative change to the Project scope at a later date.

## **10. Equality and Diversity implication**

## A133 Colchester to Clacton Project Change Request

- 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 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.

### 11. List of Appendices

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

### 12. List of Background Papers

- 12.1. Business Case for the A133 Colchester to Clacton Project  
12.2. A133 Colchester to Clacton Change Request

**(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
<b>Accountable Body sign off</b>  Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer, Essex County Council)	07/02/19