

Report to Accountability Board	Forward Plan reference number: FP/AB/124
Date of Accountability Board Meeting:	23rd February 2018
Date of report:	22nd January 2018
Title of report:	Gilden Way Upgrades
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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 Gilden Way Upgrades Project (the Project) which has been through the Independent Technical Evaluator (ITE) review process, to enable £5m Local Growth Fund (LGF) funding to be devolved to Essex County Council for Project 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 £5m Local Growth Fund to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with high certainty of achieving this.

3. Gilden Way Upgrades

- 3.1 Harlow currently has only one connection to the strategic road network, Junction 7 on the M11, accessed via the A414, which is already subject to significant congestion in peak periods.
- 3.2 Constraints have already been placed on the development of the Local Enterprise Zone, which can only be relieved by additional road improvements, primarily by improving access to the M11. As such, there is an urgent need for a new Junction on the M11 between J7 & J8 to enable economic growth within Harlow.
- 3.3 The Project acts as enabling works for the new M11 junction and will also provide capacity for committed developments in and around Harlow.
- 3.4 The Project being considered for an LGF award consists of improvements to the M11 Junction 7a and upgrades to the approach road, Gilden Way.

- 3.5 The initial focus of the LGF Round 3 bid was for the delivery of the Gilden Way upgrades. However, the two interventions are interdependent; with the benefits of each scheme only being achievable if the other is also delivered. As such, the Business Case and Value for Money appraisal has been conducted for the overall M11 Junction 7a and Gilden Way scheme; enabling the LGF to be spent across the overall package.
- 3.6 The Project consists of the widening and improvements to 1.8km of the existing two-way, two lane, Gilden Road, Harlow to provide access for the new housing development at Harlowbury and to provide a link to the proposed new Junction 7a on the M11.
- 3.7 The Project commences at the London Road roundabout and involves widening the existing two-lane road to three lanes. When completed, two of the lanes will take westbound traffic into Harlow and the third lane will take eastbound traffic out of Harlow to a new roundabout on Sheering Road. The proposed widening fits within the existing public road corridor and no part of the improvement works encroaches upon the adjoining properties, or private land.
- 3.8 The Project will lead to the widening and upgrade of the existing footway along Gilden Way to accommodate both pedestrians and cyclists. To ensure the safety of all categories of road users, the proposal includes additional signalised crossings for non-motorised traffic to improve connectivity and the Project will not close or sever any existing Public Rights of Way.
- 3.9 Works will also include reconfiguration of existing junctions, roundabouts and egress points to improve safety and traffic flow efficiency. A signage strategy aimed at preventing rat-running through the residential streets, and, in particular Mulberry Green, without impacting on existing bus routes, will be put in operation. As part of the drive to improve safety, the Project plans to reduce the speed limit from 60mph to 40mph on Gilden Way.
- 3.10 The Project will involve replacement lighting, additional noise barriers and the upgrade of other infrastructure such as kerbs, pavement and road markings. A number of existing underground utilities will need diverting.
- 3.11 The M11 Junction 7a scheme involves the construction of a new westbound carriageway linking the M11 to Sheering Road, the construction of three roundabouts (Sheering Road, East Dumbbell and West Dumbbell), a bridge over the M11 and the slip roads from the M11.
- 3.12 The proposed Project benefits include:
- Providing access improvement in and out of Harlow;
 - Providing journey time, reliability and predictability of travel conditions improvements;
 - Helping relieve congestion in Harlow and on the A414;

- Reducing people forced to ‘rat-run’ through the town centre and residential areas;
- Making Harlow a more attractive location for investment, regeneration and growth; and
- Acting as enabling works for the new junction 7a and any future Harlow Northern Bypass.

3.13 The Project is due to support the delivery of 840 new jobs and 980 homes, through enabling the development of commercial and residential sites in Harlow.

4. Project Funding

4.1 The cost of the Project is estimated at £12.327m.

4.2 The Project funding breakdown comprises a £5m LGF contribution, a £6.33m contribution from Essex County Council and a £1m Harlowbury Development Contribution, which has been secured. The profile of this funding breakdown is set out in Table 1 below.

4.3 In addition, there is a £52.614m contribution to the M11 Junction 7a works from Highways England. This funding contribution from Highways England has been agreed on the assumption that SELEP and Essex County Council provide the funding contribution for the essential link road; Gilden Way.

Table 1 Gilden Way Upgrades Project

£m	2017/18	2018/19	2019/20	2020/21	Total
SELEP LGF sought			5.00		5.00
Essex County Council	1.00	2.50	2.83		6.33
Harlowbury Developers			1.00		1.00
Total funding requirement	1.00	2.50	8.83	0.00	12.33

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 to value for money with a high certainty of achieving this.

5.2 The economic appraisal has evidenced a Benefit Cost Ratio (BCR) of 3.0:1 This BCR has been calculated following the latest Department for Transport WebTAG guidance.

- 5.3 The BCR value for the Project has been based on a Value for Money assessment for the combined Gilden Way and M11 junction 8 schemes, as the benefits of the two schemes are interlinked and to ensure no double counting of benefits.
- 5.4 The ITE review confirms that a sensible and proportionate methodology has been employed and no substantial risks have been identified through the assessment of the Project Business Case.

6. Compliance with SELEP Assurance Framework

- 6.1 Table 2 below considers the 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 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. Background setting for each of the proposed interventions is included, recognising current problems in the road network and suggesting how conditions will worsen if no action is taken. The business case indicates how the intervention will support the growth of the Enterprise Zone in the vicinity. There's a good linkage between the scheme's objectives and 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	Some of the anticipated outcomes stated in the business case include: - improvement in accessibility to and from Harlow - enabling future housing developments around Harlow and employment growth to the east of Harlow

		<p>- reduction in congestion primarily for the A414 corridor.</p> <p>The ITE review confirms that Transport Users Benefits Appraisal (TUBA) has been completed to assess the expected outputs and outcomes of the intervention following WebTAG guidance</p>
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	A Quantified Risk Assessment (QRA) exercise included in business case, moreover business case indicates a risk management process on how risks will be identified, recorded and actively managed. Where appropriate, risk owners will be allocated and tasked with eliminating risks.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Green	BCR is 3.0:1, representing high value for money.

7. Financial Implications (Accountable Body comments)

- 7.1 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.
- 7.2 In considering allocating funding to this project, the Board should take into account the following:
- 7.2.1 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.
- 7.2.2 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.

- 7.3 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.

8. Legal Implications (Accountable Body comments)

- 8.1 There are no legal implications arising from this decision.

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

12. List of Background Papers

- Business Case for Gilden Way Upgrades

(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	14/02/18
(On behalf of Margaret Lee)	