

<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> FP/AB/103
<b>Date of Accountability Board Meeting:</b>	<b>22<sup>nd</sup> September 2017</b>
<b>Date of report:</b>	<b>24<sup>th</sup> August 2017</b>
<b>Title of report: A26 Cycle Improvements, Tunbridge Wells</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 A26 Cycle Improvements (Project) in Tunbridge Wells, Kent which has been through the Independent Technical Evaluator (ITE) process to enable £1m funding to be devolved to Kent County Council for scheme delivery.

## **2. Recommendations**

- 2.1 The Board is asked to:

- 2.1.1 **Approve** the change of scope to Tunbridge Wells A26 Cycle and Junction Improvements Package
- 2.1.2 **Approve** the £1m LGF allocation to A26 Cycle Improvements Project to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with medium certainty of this being achieved

## **3. Background**

- 3.1 This report brings forward the A26 Cycle Improvement (the Project) in Tunbridge Wells, Kent for the £1m LGF allocation to this project, as a revised project scope and to utilise underspends from Tunbridge Wells Junction Improvements Project.
- 3.2 The Tunbridge Wells Junction Improvements Project was originally titled A26 London Road/ Speldhurst Road/ Yew Tree Junction and was allocated £1.8m LGF through LGF Round 2.
- 3.3 The original bid set out the intention of the junction improvements to ease congestion and enable housing and employment growth in the vicinity of the junction.
- 3.4 The A26 London Road/ Speldhurst Road/ Yew Tree Junction improvements were delivered in 2015/16 and 2016/17 with a total LGF spend of £0.8m,

leaving a £1m LGF underspend. The Phase 1 scheme has delivered improvements to enhance the operation of the junction and to reduce congestion.

- 3.5 On the 24<sup>th</sup> June 2016, the Board were presented with a project update and the Board agreed an expanded project scope, titled Tunbridge Wells Junction Improvements, enabling Kent County Council to develop proposals for further transport improvements in Tunbridge Wells to maximise the benefits achieved through the £1.8m LGF investment.
- 3.6 It was initially intended that the remaining £1m allocation would be used to fund further junction improvements. However, the recently completed A26 Corridor Study has provided conclusive evidence to show that, beyond the completed Yew Tree Road/Speldhurst Road junction improvements, there are no meaningful highway capacity solutions available to address existing issues of peak period congestion on this route.
- 3.7 Moreover, given that part of the A26 is identified as an Air Quality Management Area and that the majority of traffic movements on this route have their origin and/or destination within the Tunbridge Wells urban area, there is a clear need to promote modal shift to walking, cycling and public transport in the first instance.
- 3.8 As such, Board approval is sought to amend the scope of the Project to become Tunbridge Wells A26 Cycle and Junction Improvements Package, to incorporate the cycle measures in place of further junction improvements.
- 3.9 This change of scope was agreed with the Kent and Medway Economic Partnership Federated Board on the 30<sup>th</sup> March 2017.
- 3.10 A Business Case has been prepared for the A26 Cycle Improvements which has completed the ITE process, as a condition of the SELEP Assurance Framework.
- 3.11 The ITE report sets out the detailed analysis of the Project. This report is included in Appendix 1, of Agenda Item 5.

#### **4. A26 Cycle Improvements Project**

- 4.1 The A26 Cycle Improvements Project will deliver significant improvements to cycle infrastructure along the length of the A26 between Grosvenor Road, Tunbridge Wells and Brook Street, Tonbridge, a distance of 6.1km. The A26 is a main inter-urban road that is subject to heavy traffic flows, especially at peak times. Department for Transport (DfT) annual average daily flow data (2012, extrapolated to 2016) confirms that 82% of daily traffic comprises of cars and taxis in comparison to 0.6% of journeys by bicycle. The route is also a designated Air Quality Management Area.
- 4.2 A solution is required to encourage more cycling use along the route which will contribute towards congestion relief, improvements in air quality, accessibility,

improved safety, health, quality of life and support economic growth (housing and jobs) in the area. To achieve this the proposals offer a combination of new links, upgrades to existing cycle paths (on and alongside the highway), improvements to junctions, provision of bus stop by-passes, reduced speed limits, improved signage and other traffic management measures, along the route.

- 4.3 The route will link with other proposed cycle routes for the A21 and as outlined in the Tunbridge Wells Borough Cycling Strategy, 2016 and the Tonbridge & Malling Cycle Strategy, 2014 to 2019. Together, these routes will form a substantial, joined up and complimentary cycle network throughout the boroughs of Tunbridge Wells and Tonbridge and Malling and for journeys between the two.
- 4.4 The A26 Cycle Route will also link directly with improvements to public realm and town centre environment in both Tonbridge and Tunbridge Wells, cycle improvements to Tonbridge station and Tunbridge Wells station. The infrastructure improvements will be supported and promoted by the Kent Connected and StAR smarter travel choices programmes; initiatives to support the uptake of sustainable transport options.
- 4.5 The enhancements will provide attractive, direct cycle routes for commuters and others, offering car-competitive journey times in places which will attract people away from their cars and reduce growing demand on the road network. The scheme will be co-ordinated with road improvements proposed for the A26 and A21 corridors and will help to 'lock in' the benefits of these investments.
- 4.6 Table 1 below summarises the intended Project objectives.

*Table 1 A26 Cycle Improvements Project Objectives*

Primary Objectives	<p><b>1) Increase cycle trips through the construction of an improved cycle route between Royal Tunbridge Wells and Tonbridge</b></p> <ul style="list-style-type: none"> <li>a) Increase journeys to work and education by cycling</li> <li>b) Increase cycling for other trips, including shopping and leisure</li> <li>c) Provide car- competitive journey times for cycle users</li> <li>d) Estimated 58,986 additional cycle trips per year (226 per day) based on experience of similar schemes</li> </ul>
Secondary Objectives	<p><b>2) Deliver a sustainable scheme</b></p> <ul style="list-style-type: none"> <li>e) Limit long-term maintenance liabilities</li> </ul> <p><b>3) Deliver an attractive, safe and effective scheme</b></p> <ul style="list-style-type: none"> <li>f) Provide safety and security for all users</li> <li>g) Provide safe, direct and attractive routes</li> </ul> <p><b>4) Enhance the local environment</b></p> <ul style="list-style-type: none"> <li>h) Maintaining or improving the local environment</li> </ul>

	<p>around the scheme</p> <p><b>5) Increasing walking trips</b></p> <p>i) Increase walking trips on the route</p>
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## 5. A26 Cycle Improvements Project Cost and Funding Profile

5.1 The total Project cost is estimated at £1.2m. In addition to the £1m LGF allocation, the remaining Project cost will be funded through private sector local contributions from 106 agreements as set out in Table 2 below.

*Table 2 A26 Cycle Improvements Project Funding Profile*

	2017/18	2018/19	Total
SELEP LGF	£160,300	£839,700	£1,000,000
Local Contributions (S106)	£33,200	£172,264	£205,464
Total	£193,500	£1,011,964	£1,205,464

## 6. Outcome of ITE Review

- 6.1 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 value for money with medium certainty of this being achieved.
- 6.2 The Project economic appraisal has been carried out following the Department for Transport's Active Mode Appraisal Toolkit and has calculated a Benefit Cost Ratio (BCR) of 2.94:1. This BCR is categorised as high value for money.
- 6.3 The ITE have advised that overall the assessment approach is robust and that the appraisal method has been applied accurately, but as best practice, further sensitivity testing should be included in future Business Cases prepared by the local partner for other LGF projects.

## 7. Compliance with SELEP Assurance Framework

- 7.1 Table 3 below considers the SELEP Secretariat 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 SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework*

<b>Requirement of the Assurance Framework to approve the project</b>	<b>Compliance</b>	<b>Evidence in the Business Case</b>
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 have been defined in line with national, regional and local policy.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		The information provided in the report above sets out the expected outputs and anticipated outcomes to be delivered through the Project, as stated in the Project Business Case.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		The ITE review confirms that the Business Case includes a risk register, work programme and that risk has been included in the cost breakdown together with optimism bias.
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 2.94:1, which indicated high value for money.

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

- 8.1 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.
- 8.2 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).
- 8.3 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.

- 8.4 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.

## **9. Legal Implications (Accountable Body comments)**

- 9.1 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.

## **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.
- 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.

## **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 A26 Cycle Improvements

**(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>  Suzanne Bennett  (On behalf of Margaret Lee)	  13/09/17