

**Forward Plan reference number:** FP/AB/217

<b>Report title:</b> A131 Braintree to Sudbury Project update	
<b>Report to Accountability Board on 7<sup>th</sup> June 2019</b>	
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<b>Date:</b> 15 <sup>th</sup> May 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 to give the Accountability Board (the Board) an update on the A131 Braintree to Sudbury Project (the Project).
- 1.2 The Strategic Board has previously agreed that all high-risk Local Growth Fund (LGF) projects should be considered by the Board by the end of June 2019, to determine the next steps for the Project.
- 1.3 The Project has previously been approved by the Board for the award of £1.8m LGF but is identified as high risk, due to Essex County Council's (ECC) decision to withdraw their funding contribution to the Project following a review of their capital programme.
- 1.4 This report outlines the options currently being investigated which may mitigate the removal of the ECC financial contribution to the Project allowing the Project to progress to delivery.

## 2. Recommendations

- 2.1. The Board is asked to:

- 2.1.1. Agree one of the following Options:

- 2.1.1.1. That the Board is satisfied that sufficient mitigation has been put in place to enable the Project to progress; **or**

- 2.1.1.2. Agree one of the three alternative options agreed by the Strategic Board:

- **Option 1** - Cancellation of the Project from the LGF programme due to being undeliverable within the Growth Deal period and the LGF is reallocated through the LGF3b (LGF single pipeline development) process;
- **Option 2** - The Project is put on hold but the LGF remains allocated to the Project, subject to a change request being

brought forward to the September Board meeting to confirm that the revised project scope still offers value for money, to clarify the impact on the project outcomes of not delivering the other interventions and to confirm that there is a full funding package in place (**recommended option**); or

- **Option 3** - The Project is put on hold and the LGF is reallocated through the LGF3b process, but the Project is prioritised for future funding opportunities, such as the Shared Prosperity Fund.

2.1.2. **Note** the requirement for a project update report to be received by the Board at least every six months, to monitor the Project risk. These separate update reports will continue until the point that the Board is satisfied that the Project risks have been sufficiently mitigated.

### **3. High Risk LGF Projects**

3.1. The Strategic Board in December 2018 agreed that the LGF projects which had been Red-Amber- Green (RAG) rated as Red due to the risk to LGF spend within the Growth Deal period must come back to the Accountability Board within the next six months to confirm that a delivery solution has been identified to progress the project or to agree one of the three options:

3.1.1. **Option 1** - Cancellation of the Project from the LGF programme due to being undeliverable within the Growth Deal period and the LGF is reallocated through the LGF3b (LGF single pipeline development) process;

3.1.2. **Option 2** - The Project is put on hold but the LGF remains allocated to the Project; or

3.1.3. **Option 3** - The Project is put on hold and the LGF is reallocated through the LGF3b process, but the Project is prioritised for future funding opportunities, such as the Shared Prosperity Fund.

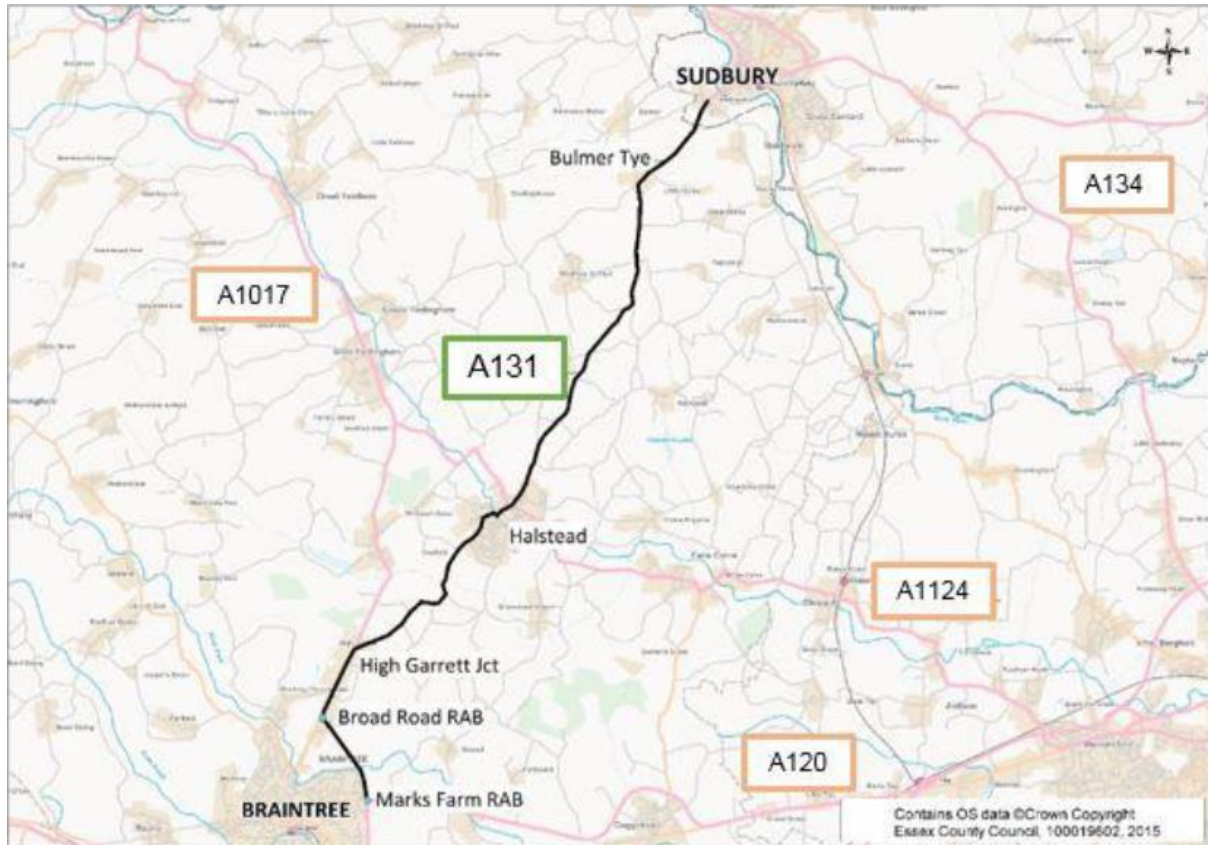
3.2. The Project has been identified as high risk due to due to ECC's decision to withdraw their funding contribution to the Project following a review of their capital programme.

### **4. A131 Braintree to Sudbury Route Based Strategy**

4.1. The Project was awarded £1.8m LGF by the Board in June 2018, with a total estimated Project cost of £3.6m. The £1.8m LGF was due to be matched with a £1.8m contribution from ECC, which had been committed by ECC through their formal governance processes at the time of the LGF funding decision being taken.

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- 4.2. The funding was awarded to allow delivery of a package of schemes to improve safety and reduce delays along the A131 corridor from Braintree to the Suffolk border, just south of Sudbury. As a result of significant growth planned in both Braintree and Sudbury, the A131 will be subject to increased pressure in terms of both capacity and performance.



- 4.3. The scope of the Project included interventions at the following four locations:
- 4.3.1. **Marks Farm roundabout** - widening of all four entry flares, introduction of a left turn slip from the A120 heading south and general improvements to the roundabout;
  - 4.3.2. **Broad Road roundabout** – improving entry flare from Broad Road and realignment to improve traffic flow;
  - 4.3.3. **High Garrett junction with A1017** – major improvements to layout, changes to signals, relocated and improved crossings and pedestrian facilities; and
  - 4.3.4. **Plaistow Green and Bulmer Tye** – safety improvements including improved signage and non-slip surfacing.
- 4.4. The delivery of the Project was set to achieve the following six outcomes:
- 4.4.1. Improve journey times and reliability for all vehicles;
  - 4.4.2. Improve safety, especially for cyclists and pedestrians;

- 4.4.3. Improve sustainable transport;
- 4.4.4. Support the completion of at least 1,550 new homes;
- 4.4.5. Support economic growth and businesses; and
- 4.4.6. Provide for incremental jobs associated with the new development.

## **5. Project Scope, Cost and Funding**

- 5.1. ECC have recently undertaken a comprehensive review of their Capital Programme with a view to reducing capital spend. As part of this review ECC took the decision to no longer support the Project and withdrew their match funding for the Project.
- 5.2. The Project was originally awarded £1.8m LGF funding on the basis that ECC would also provide £1.8m towards the project cost, giving a total budget of £3.6m. To date, none of the funding allocated to the Project has been spent.
- 5.3. In light of the ECC funding contribution to the Project no longer being available, discussions have been ongoing regarding both the scope of the Project and alternative funding sources which may still allow delivery of some elements of the Project.
- 5.4. As set out in the Project Business Case (and at section 3.3 above) the Project originally consisted of improvements at four locations along the route – Marks Farm roundabout, High Garrett junction with A1017, Broad Road roundabout and Plaistow Green/Bulmer Tye. In light of changes to the funding package ECC have reviewed the scope of the Project and have indicated their intention, subject to Board approval, to progress with the Marks Farm roundabout element of the Project only.
- 5.5. The Marks Farm roundabout is the most strategically important element of the wider Project, with the proposed works expected to have a significant positive effect on traffic movements in Braintree.
- 5.6. ECC have revised the cost estimate for the Marks Farm roundabout improvements which was included in the original Project Business Case and have concluded that the total cost of delivering the proposed works will be in the region of £3.5m. As a result, it is expected that the total Project cost will be reduced by £0.1m.
- 5.7. Following ECC's decision to remove their entire capital funding contribution from the Project, a funding gap of approximately £1.7m was created. Given the significant positive impact that the Marks Farm roundabout proposals will have on traffic movements in Braintree, Braintree District Council have expressed a strong commitment to the scheme and have indicated an intention to contribute towards the cost of the Project. There is also the potential for S106 contributions to be used to help fill the funding gap.
- 5.8. In addition, the Marks Farm roundabout is an interface with the A120, which is on the Strategic Road Network. As such the proposals for the scheme have been discussed with Highways England, who have indicated support for the

works. As the scheme offers benefit to the Strategic Road Network, there is the potential for Highways England to provide financial support in the future.

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

- 6.1. Within the original Project Business Case the Benefit Cost Ratio (BCR) for the overall Project was stated as 10.48:1, which represents high value for money.
- 6.2. Removal of three elements of the Project will have an impact on the value for money offered by the scheme. However, ECC have indicated that the Marks Farm roundabout works are by far the biggest component of the Project and will generate the majority of the benefits set out in the Business Case. It is therefore expected that the BCR offered by the revised scheme will still demonstrate good value for money. Calculations are ongoing to confirm the updated BCR and this information will be included in the Change Request report which will be considered at the September Board meeting should the Board approve Option 2 as set out in the recommendation.
- 6.3. The Project was intended to support the delivery of at least 1,550 new homes. In light of the change in scope of the Project and the need to revisit the delivery programme the impact on the outcomes which will be delivered within the Growth Deal period and beyond is being assessed and will be reported at the September Board meeting. It is, however, expected that the impact will be minimal as outlined at section 5.2.

## **7. Next steps and potential options**

- 7.1. The ongoing discussions between ECC and Braintree District Council regarding the funding package for the revised scope of the Project have been positive, however, at this stage a confirmed funding package which would enable delivery of the improvements to Marks Farm roundabout is not in place.
- 7.2. In addition, ECC are still assessing the impact of the reduced project scope on both the value for money offered by the Project and the outcomes/benefits that would be realised.
- 7.3. As part of this report, the Board is therefore asked to consider whether board members are satisfied that sufficient mitigation has been put in place to progress with the Project, or if alternative options should be considered. The alternative options available to the Board include:
  - 7.3.1. **Option 1** – Cancellation of the Project from the LGF programme due to being undeliverable within the Growth Deal period and the LGF is reallocated through the LGF3b (pipeline development) process.
  - 7.3.2. **Option 2** – The Project is put on hold but the LGF remains allocated to the Project (**recommended option**).

Under option 2, given the additional flexibility that has been indicated by the Ministry for Housing, Communities and Local Government to spend LGF beyond the Growth Deal then the Board could consider placing the project on hold until the funding package has been confirmed, along with the impact on the value for money and benefits/outcomes of the reduced Project scope.

Given the positive discussions between ECC and Braintree District Council this may provide a sensible approach to give ECC time to finalise the funding package for the Project.

It is recommended that if this option is supported by the Board that a full Project change request is brought forward to the September Board meeting by ECC to confirm that the revised project scope still offers value for money, to clarify the impact on the project outcomes of not delivering the other interventions as detailed in the original Project Business Case and to confirm that there is a full funding package in place.

- 7.3.3. **Option 3** – The Project is put on hold and the LGF is reallocated through the LGF3b process, but the Project is prioritised for future funding opportunities, such as the Shared Prosperity Fund.
- 7.4. To date, no LGF funding has been spent on the Project and therefore should the Board support Options 1 or 3 the entire LGF allocation to the Project of £1.8m will be returned for reallocation through the LGF3b process.
- 7.5. Following positive discussions with Braintree District Council it is likely that a complete funding package will be identified for the Marks Farm roundabout improvements. Work is ongoing to understand the impact of the reduced project scope on the value for money offered by the Project and on the realisation of benefits set out in the original Project Business Case.
- 7.6. At this stage, it is therefore recommended that the £1.8m LGF allocation remains allocated to the Project. However, if this option is supported it is recommended that a full Project change request is brought forward to the September Board meeting to provide assurances around the funding package and the impact on value for money and benefits realisation as a result of the reduced project scope. No LGF will be transferred to the Project until the change request has been considered and agreed by the Board.
- 7.7. In addition, a project update report will be provided to the Board at least every six months, until the Board is satisfied that the Project risks have been sufficiently mitigated.

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

- 8.1. In considering the recommendations of this report, the Board is advised to assess the risk of further delay in spend of LGF in ensuring best use of

funding and securing value for money in the use of the grant.

- 8.2. It is noted that there is a proposal to bring the change request to the meeting in September 2019. Should the Board chose to agree to this proposal, it would be necessary for Essex County Council to give assurances within the change request that the outstanding funding gap had been fully addressed to enable a recommendation to fund the project to be supported.
- 8.3. The amended business case would also be subject to a further review by the ITE to determine the robustness of the proposal, in particular in relation to the value for money assessment.
- 8.4. Any funding approved would be dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2019/20 have been confirmed, and the funding has been received, however, funding for future years is indicative.

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

- 9.1. There are no legal implications arising out of this report.

## **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 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. None

## **12. List of Background Papers**

12.1. Business Case for the A131 Braintree to Sudbury

12.2. A131 Braintree to Sudbury 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)**

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>  Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer, Essex County Council)	24/5/19