

Forward Plan reference number: FP/AB/162

Report title: A127 The Bell and A127 Essential Maintenance LGF funding decision	
Report to Accountability Board on 16th November 2018	
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Date: 30 th October 2018	For: Decision
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SELEP Partner Authority affected: Southend	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the award of £1m Local Growth Fund (LGF) to the A127 The Bell and Essential Maintenance project (the Project) based on the Outline Business Case, which has been through the Independent Technical Evaluator (ITE) review process.
- 1.2 The £1m LGF will be sought to support the further development of the Project in advance of the Full Business Case being developed for the Project. Once the Full Business Case has been completed, setting out the preferred delivery option, the Board will be asked to award the remaining £9.9m LGF allocation to the Project.
- 1.3 As the total £10.9m LGF allocation to the Project is over the £8m threshold, a Full Business Case is therefore required to draw down the LGF allocation in full. At Full Business Case it is expected that a more detailed cost breakdown will be provided for the project, as well as confirming the preferred delivery options, as set out in Section 5 below.

2. Recommendations

2.1. The Board is asked to:

- 2.1.1. **Approve** the award of £1m LGF to support the further development of the Project identified in the Outline Business Case and which has been assessed as presenting high value for money with medium to high certainty of achieving this, subject to confirmation that the funding gap has been bridged through one of two potential sources;
 - 2.1.1.1. LGF3b additional LGF allocation; or
 - 2.1.1.2. Additional funding contribution from Southend Borough Council
- 2.2. **Note** the intention to develop a Full Business Case in 2019 to draw down the remaining £9.9m LGF allocation the Project. The full Business Case will confirm the preferred delivery option for the Project.
- 2.3. **Note** that if the Board do not agree the award of the remaining LGF to the Project based on the Full Business Case and no alternative funding source is

identified to deliver the Project, then any LGF spent on the Project in advance of the final decision by the Board may become an abortive revenue cost and the LGF will need to be repaid.

3. Background

- 3.1. The A127 Essential Maintenance and A127 The Bell, were previously identified as two separate projects within the LGF programme. However, at its meeting on the 14th September 2018, the Board were made aware of the intention to merge the third phase of the A127 Essential Maintenance and A127 The Bell projects. This is due to the interdependence between the benefits of the two interventions. The Project will be delivered under one construction contract, to achieve efficiency savings to the cost of the Project and reduce the amount of disruption caused along the A127 corridor during Project delivery.
- 3.2. To date, £1.4m LGF has been awarded and spent on the A127 Essential Maintenance project. This includes a £0.4m LGF allocation which was agreed by the SELEP Strategic Board in June 2015 to fund the first phase of the A127 Essential Maintenance; resurfacing works and localised road reconstruction.
- 3.3. A further £1m LGF was awarded by the Board in September 2016 to support maintenance works (£0.2m) and deliver a replacement footbridge at the A127 Kent Elms Junction (£0.8m). This bridge is due to be installed in the early part of 2019.
- 3.4. It is proposed that the remaining £6.6m LGF allocation to the A127 Essential Maintenance project will be combined with the £4.3m LGF allocation to A127 The Bell, with a total LGF allocation to the Project of £10.9m.
- 3.5. An Outline Business Case has been developed for the combined Project to enable £1.0m LGF to be released to support the further development of the Project. However, as the LGF allocation to the Project exceeds £8m a Full Business Case will be required to enable the remaining £9.9m LGF allocation to be awarded. It is expected that the Full Business Case will be considered by the Board in early 2019/20.
- 3.6. The preferred option for the delivery of the Project is also being finalised locally. On the 6th November 2018, Southend –on –Sea Borough Council Cabinet considered the A127 The Bell and the delivery options for this junction. A preferred option was agreed by the Cabinet but there may be some additional changes required to the scope of the Project in incorporate Members feedback.
- 3.7. This report sets out the options which have been considered locally and the preferred option which has been supported by Southend-on –Sea Borough Council. Given the call in period and the need to incorporate some additional elements within the scope of the Project, the preferred option for the delivery of the Project will be confirmed through the Full Business Case.

4. A127 The Bell and Essential Maintenance Project

- 4.1. The A127 is primarily a 2 lane all-purpose trunk road and is the main route into Southend Borough, Southend Airport and the Airport Business Park. The corridor is used by circa 65,000 vehicles at Progress Road per day, including a significant proportion of Heavy Goods Vehicles (HGVs) and circa 44,000 vehicles per day at A127 The Bell Junction.
- 4.2. The Project seeks to improve the condition and quality of the A127 from the borough boundary to Victoria Gateway, to address underinvestment in the highway infrastructure and to support the Borough's aspiration for increased employment and economic growth by improving journey times and reliability.
- 4.3. Detailed investigations and surveys have been undertaken along the route which have indicated a number of locations where the condition has fallen below an acceptable standard for a carriageway of this classification, which if left untreated, will lead to failure in the short term.
- 4.4. The delivery of the major maintenance improvements to this corridor will help improve road safety on the A127 and resilience. Without improvement to the existing carriageway, the A127 will continue to deteriorate and increase the risk of failures occurring. Each failure will require reinstatement in the short term and reconstruction in the long term, which would result in ad hoc closures of the A127 to address the initial problem with planned closures required for the reconstruction of each instance of failure. This approach will not provide an A127 corridor that offers the resilience required to serve the Town as none of the underlying issues have been addressed and will result in a programme of delays and congestion on the adjacent roads.
- 4.5. The maintenance improvements to be delivered along the A127 corridor include:
 - 4.5.1. A127 Drainage Improvements;
 - 4.5.2. A127 Safety Improvements; and
 - 4.5.3. A127 Pavement Improvements
- 4.6. In addition, the Project will deliver improvements to the A127 The Bell Junction, which currently experiences significant delays in the AM peak for vehicles travelling East, whilst PM delays are experienced by westbound traffic. The improvements include:
 - An extension to the eastbound right turn lane;
 - A dedicated eastbound left turn lane;
 - Widened pedestrian crossing islands in the junctions east arm; and
 - Removal of the westbound right turn, into Rochford Road, to improve the overall efficiency of the junction.

5. Options considered

A127 Drainage Improvements

- 5.1. Extensive surveys have been undertaken on the drainage network along the A127 corridor which has shown areas that require attention to ensure the network can operate as intended. Further details about the drainage works are provided as an appendix to the Business Case.

A127 Safety Barrier

- 5.2. Condition surveys of the existing safety barrier system within the central reserve of the A127 have shown sections that require remedial works. These remedial works will be completed at discrete locations along the corridor, as detailed in Appendix 6 of the Business Case.

A127 Pavement Improvements

- 5.3. Under a 'do – minimum' scenario the A127 Pavement Improvements would continue to be delivered under the Council's current approach to road maintenance, where strategic routes are prioritised. However, due to budget constraints, a high proportion of the funding available is allocated to reactive maintenance rather than planned maintenance.
- 5.4. The preferred option for carriageway works has been determined through a combination of highway inspections and surveys. The specific locations identified for treatment include:
 - 5.4.1. A127 Progress Road Junction to Borough boundary;
 - 5.4.2. A127 Bellhouse Lane/Bellhouse Road Junction to A127 Kent Elms Junction;
 - 5.4.3. A127/B1013 Tesco Junction to A127/A1159 Cuckoo Corner Junction;
 - 5.4.4. A127 Fairfax Drive to A127 East Street/West Street; and
 - 5.4.5. A127 East Street/West Street to A127 Victoria Gateway.

A127 The Bell Junction Improvements

- 5.5. A long list of options has been considered for the delivery of A127 The Bell. This list has been narrowed down to three options, which have been considered through public consultation.
- 5.6. Each of the options looks to improve walking and cycling within the area.
- 5.7. A127 The Bell Option 1 is based on addressing the issues surrounding the right turn lane from the A127 into Hobleythick Lane, and maintaining the existing footbridge. To overcome the queuing traffic spilling back into lane 2 on the Southend bound A127, additional capacity has been provided by extending the right turn lane by 90m which will accommodate an additional 15 vehicles. This will reduce the likelihood of vehicles blocking lane 2 which in turn will provide a greater throughput at the junction as both straight ahead lanes will be unobstructed.

- 5.8. Option 1 also looks to ban the right turn movement from the A127 into Rochford Road. There are minimal vehicle movements making this manoeuvre and its removal provides the opportunity to reapportion this time back into the junction improving performance. The removal of the right turn lane also provides an opportunity to improve the pedestrian refuge island on the eastern arm of the junction, the space previously allocated to carriageway can be utilised to provide greater space for pedestrians using the crossing facilities.
- 5.9. The option is contained within the highway boundary and is estimated to cost £2.061m.
- 5.10. A127 The Bell Option 2 includes the improvements to the right turn lane into Hobblythick Lane and the removal of the right turn lane from the A127 into Rochford Road, detailed under Option 1, but it also provides a dedicated left turn facility into Rochford Road.
- 5.11. The inclusion of a new dedicated left turn lane into Rochford Road seeks to address the impact of left turning vehicles at the junction. As vehicles make this movement they have a tendency to slow, due to the tightness of the corner radius, and swing into lane 2, this is compounded further when HGV's make this movement as they move further into lane 2 halting lane 2 vehicles progress through the junction. The new left turn facility will remove this conflict as sufficient geometry and separation of traffic is provided ensuring a greater throughput of traffic heading eastbound on the A127. This facility will operate under a give way arrangement as it enters Rochford Road as the signalling at the junction will allow a reasonably unobstructed flow onto Rochford Road.
- 5.12. The inclusion of the left turn lane will require an additional pedestrian crossing, which in turn will increase the journey time for pedestrians crossing the western arm of the junction. There is also the provision of a new crossing facility on Rochford Road, the timing of this crossing will be incorporated within the phasing of the junction to optimise the performance of the junction. The existing footbridge will require removal to accommodate this option.
- 5.13. Additional land will be required to enable the delivery of Option 2 but this land is already owned by Southend Borough Council.
- 5.14. The delivery of Option 2 is expected to cost £4.401m.
- 5.15. A127 The Bell Option 3 would provide the largest scale improvements to the junction of the three options. In addition to the benefits stated for Option 1 and 2, Option 3 would include a pedestrian crossing on Hobblythick Lane.
- 5.16. For pedestrians to cross on Hobblythick Lane in one movement would require holding both northbound and southbound traffic, which would result in delays to vehicles on the A127. As such it is proposed, under Option 3, to provide a safe waiting location for pedestrians and enable independent operation of northbound and southbound traffic.

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- 5.17. As result of the new pedestrian crossing island on Hobleythick Lane, the road will require widening on the southbound carriageway into the existing grass verge. The northbound stop line will also be moved south to accommodate the pedestrian crossing and vehicle turning movements. This would involve significant statutory diversions and has the highest estimates construction cost at £6.405m.
- 5.18. A127 The Bell Preferred Option (Option 2) –Whilst Option 3 would achieve the most significant improvement in network performance and pedestrian connectivity, it is also the most expensive option and would exceed the funding currently allocated to deliver the project. As such, Option 2 has been recommended to SBC Cabinet as the preferred option on the 6th November 2018
- 5.19. The decision by SBC Cabinet is subject to a call in period and additional amendments to the scheme will be made to reflect feedback received through the public consultation and to incorporate Member views. As such, the Full Business Case will confirm the preferred delivery option to take forward for construction.

LGF3b application

- 5.20. In advance of the preferred option being considered by SBC Cabinet an LGF3b application was submitted to SELEP to seek an additional £2.1m LGF to bridge the funding gap should the larger scale Project be supported by SBC Cabinet for delivery.
- 5.21. Given that Option 2 has been identified as the preferred option, it is expected that the LGF3b funding application will be revised to reflect the most recent local decisions in relation to the Project and the cost implications of the preferred option identified. It is anticipated that whilst Option 2 has been identified as the preferred option, there will still be a relatively small funding gap between the funding currently allocated and the cost of delivering the preferred option.
- 5.22. If the LGF3b application is unsuccessful then Southend Borough Council Full Council will meet in December 2018 and will be asked to consider an increased capital contribution to the Project.
- 5.23. It is expected that a Full Business Case will be considered by the Board in early 2019, which will confirm the preferred option once a local decision has been taken by Southend Borough Council and the likelihood of securing an additional LGF allocation through the LGF3b process has been ascertained.

A127 The Bell Footbridge

- 5.24. The proposed improvements to A127 The Bell will result in the removal of the existing pedestrian footbridge. Improvements to the existing footbridge are not practical as the existing span is not long enough to traverse a widening

carriageway. The current footbridge is stepped and, as such, does not comply with the current Equality Act 2010 requirements.

- 5.25. A number of options have been considered for the design of a footbridge and have been consulted on with the public. However, due to the visual intrusion, no viable options have been identified for the delivery of a footbridge which meets with design criteria compliant with the Equality Act 2010. The replacement of the existing footbridge with a stepped option is estimated at £0.759m.
- 5.26. The replacement of the bridge is included in the cost estimate as part of Option 2 and 3 as set out within Table 1 of section 7 below. However, given that SBC Cabinet has now agreed to progress with the Project without a footbridge this is expected to reduce the Project cost. This will be confirmed in the Full Business Case.

6. Public Consultation and Engagement

- 6.1. A public consultation exercise, in relation to the options under consideration for The Bell, was carried out between July and September 2018. The consultation exercise included an online consultation questionnaire, as well as two public events which were held at local schools.
- 6.2. The feedback from the public consultation is being considered as part of the local decision making by Southend Borough Council and is being used to inform the preferred scheme highway option and footbridge option.
- 6.3. A public engagement exercise is underway with the residents and businesses in the immediate vicinity of the junction with the purpose being to minimise concerns around the improvements and to listen to issues and concerns in relation to the current junction and proposed improvements.

7. Project Cost and Funding

- 7.1. Table 1 below sets out the total cost of delivering the options set out in the Business Case. This ranges from £8.731m to £13.05m.
- 7.2. Given that the footbridge has now been removed from the scope of the Project, this is expected to reduce the Project cost. However, further iterations to the Project design will be required following the feedback received through the local consideration of the Project. As such, the total Project cost will be confirmed in advance of the final funding decision by the Board.

Table 1 A127 Essential Maintenance and A127 The Bell Project Cost £m)

	2017/19	2018/19	2019/20	2020/21	Total
Option 1 including A127 Drainage, Safety and Pavement Improvements	0.191	1.122	4.137	3.280	8.731

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and The Bell Option 1					
Option 2 including A127 Drainage, Safety and Pavement Improvements and The Bell Option 2 and replacement footbridge	0.191	1.267	3.967	6.404	11.829
Option 3 including A127 Drainage, Safety and Pavement Improvements and The Bell Option 3 and replacement footbridge	0.191	1.426	5.060	7.156	13.833

- 7.3. The total amount of funding currently identified to deliver the Project is £11.683m, a set out in Table 2 below.

Table 2 Funding available (£m)

	2017/18	2018/19	2019/20	2020/21	Total
SELEP LGF		0.800	4.100	6.000	10.900
Southend Borough Council	0.191	0.012		0.517	0.720
S106 contribution			0.046		0.063
Total	0.191	0.812	4.146	6.517	11.683

- 7.4. The S106 funding contribution has been confirmed and the proposed interventions under this Project comply with the terms of the S106 agreement.
- 7.5. The funding contribution from SBC is dependent upon the outcome of the public consultation exercise and will differ depending upon which option is taken forward. To date, SBC have committed to contributing £0.720m to the project.
- 7.6. Based on the Project cost estimates set out in the Business Case it was expected that the funding gap could range between £0.146m and £2.15m. The cost estimate will now be revised based on the decision by SBC Cabinet.
- 7.7. Should a funding gap remain then it is expected that this gap will be bridged either through an increased LGF allocation to the Project through the LGF3b process or that a SBC capital bid will be submitted to increase the SBC contribution to the Project.
- 7.8. It is recommended to the Board that the award of £1.0m LGF to support the progression of the Project in advance of the preferred option being agreed locally, should be subject to the funding gap being bridged. No LGF will be

transferred to support the delivery of the Project until written confirmation is provided to the SELEP secretariat that the funding gap has been bridged.

- 7.9. Furthermore, if the Board do not agree the award of the remaining LGF to the Project based on the Full Business Case and no alternative funding source is identified to deliver the Project, then any LGF spend on the Project in advance of the final decision by the Board may become an abortive revenue cost.

8. Outcome of ITE Review

- 8.1. The ITE review confirms that the Project Business Case provides a proportionate assessment of the schemes costs and benefits which results in a strong benefit cost ratio representing very high Value for Money.
- 8.2. The analysis was robustly carried out and delivers medium to high levels of certainty around the Value for Money categorisation. All three options under consideration present high value for money.
- 8.3. The ITE review confirms that a sensible and proportionate methodology has been employed, with the Department for Transport's WebTAG appraisal guidance having been used to calculate the transport costs and benefits of the scheme.
- 8.4. The ITE report notes that there remains uncertainty around the preferred option and that its selection is subject to a Cabinet decision. When this scheme is assessed at Full Business Case stage the scheme promoter will have an opportunity to present the preferred option.

9. Project Compliance with SELEP Assurance Framework

- 9.1. Table 2 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 2 Assessment of the Project 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 Business Case identifies the current problems and why the scheme is needed now. The objectives presented align with the objectives identified in the Strategic Economic Plan.

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Green	The expected project outputs and outcomes are set out in the Business Case and detailed in the economic case. The Department for Transport's WebTAG appraisal guidance has been used to calculate the transport costs and benefits of the scheme.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	The Business Case demonstrates clear experience of the project team in delivering similar schemes. A comprehensive risk register has been developed which provides an itemised mitigation.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Green	A BCR has been calculated for all options under consideration and indicate very high value for money. The overall BCR for the Project, if Option 2 is progressed, is 17.9:1, presenting very high value for money.

10. Financial Implications (Accountable Body comments)

- 10.1. All funding allocations that have been agreed by the Board 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 further governance requirements may be necessary following the anticipated updates to the National Assurance Framework in Autumn 2018. Government is likely to make any future funding allocations contingent on full compliance with the updated National Assurance Framework. A draft of the revised National Assurance Framework has yet to be circulated at the time of writing this report, which means that the full implications remain unclear.
- 10.2. There is a high level of forecast slippage within the overall programme which totals £37.2m 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.

- 10.3. This misalignment of the funding profile had previously been reported as a risk in 2019/20 when planned spend exceeded the funding available, however, it is noted that this risk has now been mitigated through the planned re-profiling of spend in 2020/21 set out above.
- 10.4. 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. It also clarifies that LGF can only be used for Capital purposes and therefore, should the Board not agree the award of the remaining LGF to deliver the Project, then the LGF spent may become an abortive revenue cost and the LGF will need to be repaid.

11. Legal Implications (Accountable Body comments)

- 11.1. There are no legal implications arising out of the recommendations within this report.

12. Equality and Diversity implication

- 12.1. 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.
- 12.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 12.3 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.

13. List of Appendices

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

14. List of Background Papers

- 14.1. Business Case for the A127 Essential Major Maintenance and The Bell Junction 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)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Margaret Lee)	 8/11/18