

Forward Plan reference number: FP/AB/181

Report title: Eastbourne and South Wealden Cycling and Walking LGF funding decision	
Report to Accountability Board on 15th February 2019	
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Date: 23.01.2019	For: Decision
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SELEP Partner Authority affected: East Sussex	

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 Eastbourne and South Wealden Cycling and Walking package – phase 2 (the Project) which has been through the Independent Technical Evaluator (ITE) review process, to enable £4m Local Growth Fund (LGF) to be devolved to East Sussex County Council for Project delivery.

2. Recommendations

- 2.1. The Board is asked to:
- 2.1.1. **Approve** the award of £4m LGF 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 to medium certainty of achieving this.
- 2.1.2. **Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

3. Background

- 3.1. This report brings forward the Project for release of the remaining LGF allocation, following the completion and ITE review of an Outline Business Case for the Project.
- 3.2. The Eastbourne and South Wealden Cycling and Walking Package was initially allocated a total of £8.6m LGF through LGF Round 1. This funding was allocated to deliver a number of routes and complementary measures that are interdependent and that will support an expanding walking and cycling network.

- 3.3. The package of works focusses on enabling walking and cycling for short local journeys, or as part of longer journeys, between residential areas to key trip attractors in Eastbourne and Hailsham, as well as linking with future development sites identified in the adopted Local Plan for each area.
- 3.4. In February 2018 the Board approved the reallocation of £2m from the Project to the Eastbourne Town Centre Movement and Access Package, reducing the total project budget to £6.6m.
- 3.5. To date the Board has approved £2.6m of LGF funding for the Project. This funding was approved in 2015 and was awarded to deliver Phase 1 of the Project. This report is seeking the release of the remaining £4m LGF allocation for the Project to facilitate delivery of Phase 2.

4. Phase 1

- 4.1. Phase 1 of the Project was considered by the Board in 2015 and is now predominantly complete.
- 4.2. The £2.6m LGF funding was awarded to allow delivery of the first tranche of seven schemes in the Eastbourne and South Wealden area. These schemes were:
 - 4.2.1. Seafront Cycle Route: Wish Tower to Fishermans Green (shared walking and cycling route);
 - 4.2.2. Cross Levels Way/Lottbridge Drove and Willingdon Drove (walking and cycling improvement/cycle route);
 - 4.2.3. Eastbourne Town Centre to Seafront (walking and cycling improvements);
 - 4.2.4. Langney to Sovereign Harbour and Sovereign Centre (cycle route);
 - 4.2.5. Vulnerable road user improvement scheme – University area to town centre, station and seafront areas, including in the Meads area (safety measures to improve environment for pedestrians and cyclists);
 - 4.2.6. Eastbourne District General Hospital to town centre (cycle route);
 - 4.2.7. Walking and Cycling Improvements – Hailsham – Willingdon (Cuckoo Trail between Hailsham and Polegate/Hindlands Development site/Dittons Road) (shared walking and cycling route/cycling route).
- 4.3. The full £2.6m allocation for Phase 1 of the Project has been spent, resulting in the delivery of 2km of new off-line cycle paths, which are designed to encourage cycling and walking in order to alleviate congestion on the road network.

4.4. The delivery of Phase 1 of the Project has resulted in the following benefits being realised:

- 4.4.1. Horsey Cycle route has provided a safer, largely traffic-free route, and also provides an alternative to cycling along the A259 Seaside corridor, which is a heavily congested route for significant parts of the day;
- 4.4.2. The route has provided links from the town centre and railway station to one of the town's major development, retail and employment hubs at Sovereign Harbour; and
- 4.4.3. Cycle and pedestrian improvements in the Mead areas has improved connectivity to the town centre.

5. Phase 2

5.1. Phase 2 of the Project will build on the improvements to cycling and walking infrastructure delivered through Phase 1. The package of works includes a combination of dedicated cycle facilities, alongside shared cycle/walking schemes and pedestrian crossings, which are complemented by cycle parking across Eastbourne and Hailsham and wayfinding specifically for Eastbourne town centre.

5.2. There are six scheme elements within the Project, as follows:

- 5.2.1. London Road – Battle Road – Hawkswood Road – Hailsham – improved footways and improved access onto the shared use path;
- 5.2.2. Cycle Parking Hailsham – provision of cycle parking for 36 bikes;
- 5.2.3. Stone Cross – Royal Parade via Langney – Eastbourne – improvements to shared use paths and cycle crossing provisions at busy junctions;
- 5.2.4. Cycle Parking Eastbourne – provision of cycle parking for 155 bikes;
- 5.2.5. Eastbourne town centre cycle routes – provision of both on road cycle routes and shared cycling and walking routes around Eastbourne town centre;
- 5.2.6. Eastbourne town centre wayfinding – installation of finger posts and monoliths around Eastbourne town centre.

5.3. Delivery of these elements will support the immediate and growing local demand for cycling and walking infrastructure, to enable local communities to choose cycling and walking for short local journeys. More widely the Project will be an important element of the approach for tackling and mitigating traffic congestion in the area to support sustainable economic growth. Whilst also capturing the opportunities to tackle health and wellbeing issues which are associated with physical inactivity.

6. Options Considered

- 6.1. Through the development of the Project, consideration has been given to the different options available. These options are considered in detail within the Business Case and are summarised as:
- 6.1.1. **Do Nothing (no LGF investment)** – If the LGF contribution is not forthcoming the Eastbourne and South Wealden Cycling and Walking Package will have to be delivered as individual scheme elements, on a piecemeal basis as and when other funding sources become available.
 - 6.1.2. Whilst there are other funding opportunities that could be considered in the absence of LGF funding, including the use of the East Sussex County Council's Capital Programme for Local Transport Improvements, developer contributions or other sources of external funding, it is unlikely that East Sussex County Council would be in a position to prioritise enough funding to enable the delivery of the entire package in the short term.
 - 6.1.3. Failure to deliver the Project in its entirety would remove a critical element of mitigation for planned growth as identified in the respective Local Plan Infrastructure Delivery Plan.
 - 6.1.4. **Do Minimum** – if a reduced allocation of LGF funding was available the Project could potentially be scaled back, as the programme has been designed to enable some flexibility in delivery. A further assessment would be undertaken to prioritise schemes for inclusion within the reduced Project.
 - 6.1.5. Delivery of a scaled back Project would reduce the impact of the Project and would therefore not address all the issues outlined within the Business Case.
 - 6.1.6. **Do Something** – This option would allow for delivery of the full package of walking and cycling measures outlined in the Project Business Case. This option will maximise the benefits within the geographic area, will facilitate realisation of the economic benefits, and will contribute to overcoming key issues within both Hailsham and Eastbourne through mitigating the impacts of planned growth. The estimated cost of these works is £4.3m.
 - 6.1.7. **Do Maximum** – If additional LGF funding was available the scale of the Project could be increased and additional cycling and walking schemes delivered.
 - 6.1.8. **Preferred Option** – The preferred option is the Do Something option as this will facilitate delivery of the full package of measures proposed and will maximise the benefits within the geographic area as well as

contributing to overcoming key issues within both Hailsham and Eastbourne.

- 6.2. At the point of Project completion, anticipated in March 2021, the Project is expected to indirectly support the delivery of the following outcomes:
- 6.2.1. 1,120 jobs created in Eastbourne and 1,647 jobs created in Hailsham;
 - 6.2.2. 13,182sqm of employment space delivered in Eastbourne and 43,389sqm of employment space delivered in Hailsham;
 - 6.2.3. 642 homes completed in Eastbourne and 2,587 homes completed in Hailsham.
- 6.3. Delivery of the outcomes stated for Eastbourne will also be indirectly supported through the delivery of the Eastbourne Town Centre Movement and Access Package.

7. Public Consultation and Engagement

- 7.1. East Sussex County Council has undertaken considerable engagement with representatives from local cycling and walking groups. This engagement was through the development of the East Sussex County Council emerging Local Cycling and Walking Infrastructure Plan, which has enabled identification of a network of cycling infrastructure schemes and measures to improve walking. This engagement offered local group representatives the opportunity to provide direct input into the consideration of potential schemes for inclusion in the Project.
- 7.2. In addition, extensive engagement has been carried out in Eastbourne as part of the development of Phase 2 of the Eastbourne Town Centre Movement and Access Package. This engagement offered the opportunity to work closely with stakeholders from a variety of town centre community and business groups to identify a list of preferred movement and access scheme options. Engagement took the form of a series of interactive workshops, which resulted in a list of preferred movement and access schemes which were then tested within the new town centre transport model. These workshops resulted in a new town centre cycle network which is included within the Project.
- 7.3. The outcome of the intensive engagement undertaken with key stakeholders enabled the identification of schemes for inclusion in the Local Cycling & Walking Infrastructure Plan audit for Eastbourne and South Wealden, which was positively received. Further engagement with stakeholders utilising the Local Cycling and Walking Infrastructure Plan document was undertaken between April 2017 and March 2018 to prioritise cycle routes and cycle parking schemes for inclusion in the Business Case.
- 7.4. Whilst the engagement undertaken to date has provided the opportunity for a variety of community groups to input into the wider scheme proposals, there will be further public consultation on each of the proposed routes within the Project by East Sussex County Council or Eastbourne Borough Council (as

applicable) as preliminary designs are completed. This consultation is expected to take place during 2019/20.

8. Project Cost and Funding

8.1. The total cost of the Project (Phase 2 only) is estimated at £4.3m, as set out in Table 1 below. This includes funding contributions from the following sources:

8.1.1. £4m LGF allocation – considered in this report.

8.1.2. £300,000 Developer Contributions.

8.2. The Developer Contributions are currently held by East Sussex County Council and are therefore considered to be secure.

Table 1 – Eastbourne and South Wealden Cycling and Walking Package Spend Profile (£)

	2018/19	2019/20	2020/21	Total
SELEP LGF	805,000	1,695,000	1,500,000	4,000,000
Developer Contributions		150,000	150,000	300,000
Total	805,000	1,845,000	1,650,000	4,300,000

9. Outcome of ITE Review

9.1. 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 high Value for Money.

9.2. The analysis was robustly carried out and delivers high levels of certainty around the Value for Money categorisation.

9.3. The ITE review confirms that a reasonable assessment approach has been employed, using the Department for Transport's WebTAG active mode appraisal toolkit. In addition, other non-quantified benefits have also been considered including indirect support for new jobs and homes.

10. Project Compliance with SELEP Assurance Framework

10.1. 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.
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 are detailed in the economic case. The Department for Transport's WebTAG Active Mode Appraisal Toolkit has been used to assess the expected outputs and outcomes of the Project.
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 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 as 2.4:1, which indicates high value for money.

11. Financial Implications (Accountable Body comments)

- 11.1. 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 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.

- 11.2. 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.
- 11.3. 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.

12. Legal Implications (Accountable Body comments)

- 12.1. There are no legal implications arising out of the decisions within this report.

13. Equality and Diversity implication

- 13.1. 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.
- 13.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 13.3. 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.

14. List of Appendices

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

15. List of Background Papers

- 15.1. Business Case for the Eastbourne and South Wealden Cycling and Walking Package – phase 2.

(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, S151 Officer, Essex County Council)	 07/02/19