

**Brighton & Hove
City Council**

**ENVIRONMENT, TRANSPORT &
SUSTAINABILITY URGENCY SUB-
COMMITTEE
ADDENDUM**

9.00AM, MONDAY, 23 MARCH 2015

COMMITTEE ROOM 1, BRIGHTON TOWN HALL

ADDENDUM

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COAST TO CAPITAL LOCAL TRANSPORT BODY – 25 March 2015

Funding Meeting

Agenda

Secretary's note:

- Because of the large number of schemes to be considered (sixteen), we would ask all promoting authorities to restrict their presentations to 5 minutes and a single powerpoint slide per scheme.
- We regret that due to the large volume of information we can only provide a limited number of paper copies of the reports on the day. We would ask anyone attending the meeting to print out the papers that are of interest to them.

1. Welcome and introductions – Councillor Pieter Montyn
2. Declarations of interest
3. Report on consultation (to note)
4. Crawley Area sustainable transport package
 - Presentation by West Sussex County Council
 - Officer recommendations: Iain Reeve
5. Epsom Plan E
 - Presentation by Surrey County Council
 - Officer recommendations: Iain Reeve
6. A284 Lyminster Bypass
 - Presentation by West Sussex County Council
 - Officer recommendations: Iain Reeve
7. Wider Network Benefits
 - Presentation by Surrey County Council
 - Officer recommendations: Iain Reeve
8. Resilience:
 - Presentations by promoting authorities
 - Officer recommendations: Iain Reeve

9. Sustainability:

- Presentations by promoting authorities
- LTB funding decision

10. Any Other Business

11. Date of next meeting – Afternoon of 28 May 2015

(Note: this is dependent on further business cases being ready. May not be needed).

Iain Reeve
Transport Adviser
Coast to Capital

19 March 2015

COAST TO CAPITAL LOCAL TRANSPORT BODY – 25 March 2015

Funding meeting

Agenda item 4

CRAWLEY

Introduction

1. This paper considers the bid for local growth funding from West Sussex County Council for the Crawley Area Transport Package (phase 1).

Background

2. This scheme was **not** one of the first five transport schemes accepted by the Local Transport Body in July 2013. It was added to the programme in the second wave of schemes which were developed in the Strategic Economic Plan of March 2014. Funding for the full Crawley Area Transport Package scheme was announced in the Growth Deal in July 2014.

3. The scheme announced by the Growth Deal was:

Coast to Capital and Central Government have agreed to co-invest in the following jointly agreed priorities:

...

- **Crawley Area Transport Package – Includes junction improvements, bus priority schemes, modal interchange and improvements to walking and cycling.**

Coast to Capital LEP commitments	Central Government commitments
...	...
Invest £25m in Crawley Area Transport Package, with a commitment to provide a clear business case and project timeline	Invest £18m in Crawley Area Transport Package (with £2.6m in 2015/16)

4. West Sussex County Council have elected to develop this scheme in two phases – an initial first phase and a subsequent larger phase 2.
5. This bid relates to the smaller first phase of the scheme. As it costs less than £5 million, a full transport business case is not required. The scheme has already been approved in principle for funding and is not competing against other schemes. The Local Transport Body will need to be assured that the scheme is good value for money and deliverable, and that it has a robust business case.

The scheme

6. Phase 1 includes five schemes to be delivered in 2015-16:

- Three Bridges Station Access Scheme will improve safety and access to the station, for buses, cyclists, taxis, pedestrians and cars. Improvements will also be made to the Station forecourt and highway outside the station including a drop off / pick up point to improve vehicle access.
- Three Bridges Junction Scheme will involve the refurbishment and upgrade of traffic control systems at seven junctions between the Paymaster Generals Roundabout and Worth Road along the Haslett Avenue East alongside Three Bridges Station, also improving cycling access.
- Manor Royal Wayfinder Scheme will install new signage and information to aid navigation around the site.
- Manor Royal Gateway 3: improvements to the Gateway 3 north west entrance to the Manor Royal Business District.
- Real Time Passenger Information (RTPI): upgrading life-expired existing RTPI units and installing new units.

7. The combined schemes have a number of benefits to the SEP transport themes of connectivity, sustainability and resilience. The Station Access and Three Bridges Junction schemes are likely to lead to significant journey time savings, helping to improve the commercial attractiveness of the area. The Wayfinder scheme will help to improve access to Manor Royal. The RTPI scheme will help to improve public transport, especially journey quality and reliability. It could also encourage more people to use the bus as an alternative to the private car.

Funding

8. The scheme has a total cost of £4.266 million. The scheme promoters, West Sussex County Council have requested local growth fund grant of £3.466 million, with the remaining £800,000 being provided as a local contribution.

9. This level of local contribution is 19% of the scheme total. This is slightly below the Assurance Framework's standard local contribution of 20%. As this is stage 1 of a larger scheme, we recommend that the LTB accepts this level of local contribution, provided that the wider scheme (this stage plus the next one) provides a local contribution of 20%.

Value for money

10. The scheme promoters have estimated that the scheme would have a benefit: cost ratio of 11 to 1. If confirmed, this would equate to a "very high value for money" assessment.
11. This BCR has been based on the predicted journey time savings from the Three Bridges Station Access and Junction schemes, when compared against the overall scheme costs.
12. This value for money assessment must be considered as an estimate. It does not include benefits from the other three elements of the project, including reductions in accidents and improvements to sustainable transport. The independent assessor has raised a number of technical questions about the BCR which might affect the overall score. However, as the BCR is comfortably over the LTB's threshold of 2:1, there can be considerable comfort that the scheme will offer at least good value for money, and likely very high for money as claimed.
13. The scheme has a number of wider benefits which have not been quantified, such as improved air quality, regeneration, urban realm enhancements and public health benefits from the encouragement of active travel. As these benefits would only increase an already positive assessment, our recommendation is that there is no need for them to be quantified.
14. The business case has not identified any significant disbenefits to the scheme, other than the usual noise and disruption that might be caused during construction.

Deliverability and risk

15. The improvements are relatively straight-forward, easy to implement and non-contentious. West Sussex County Council has considerable experience of delivering similar schemes. The consultants have recommended a number of key risks which would need to be investigated further.

Independent assessment

16. The business case has been assessed by independent consultants, WYG. They have noted that only some of the improvements have had a quantified assessment of benefits, and have raised some technical questions about the modelling.
17. Their overall recommendation is that "the package is given conditional approval subject to receipt and satisfactory review of the information as set out in this report."

Recommendation

18. The claimed BCR of 11 to 1 (if confirmed) would classify the scheme as delivering very high value for money. The scheme is likely to have wider benefits which have not been quantified. Our recommendation is that these benefits do not need to be estimated as the scheme has such a high value for money rating.

19. However, the independent consultants have raised a number of valid questions about the quantification of the scheme which should be investigated further. Accordingly, we recommend that:

- the scheme be given conditional approval, subject to
 - satisfactory answers to questions raised by the independent consultants on scheme benefits and risks

Iain Reeve
Transport Adviser
Coast to Capital

19 March 2015

COAST TO CAPITAL LOCAL TRANSPORT BODY – 25 March 2015

Funding Meeting

Agenda item 5

EPSOM PLAN E – HIGHWAY IMPROVEMENT SCHEME

Introduction

1. This paper consider the bid for funding by Surrey County Council for the Epsom Plan E scheme.
2. Additional documents are available on the Coast to Capital website :
 - The promoting authority's business case
 - An independent assessment report into this scheme produced by Parsons Brinckerhoff.
3. **The paper recommends that the funding request should be fully approved, subject to the normal management and monitoring agreements for growth deal schemes.**

Background

4. This scheme was one of the first five schemes to be approved by the Local Transport Body in July 2013. These five schemes were then endorsed by the Government and subsequently included in the Coast to Capital Strategic Economic Plan. The Government repeated its support for these schemes in the Growth Deal announced in July 2014.
5. This means that the scheme already has been approved in principle as a good fit with the policies and objectives of the Strategic Economic Plan. Unlike the sustainability and resilience programme, this scheme is not competing against other schemes. The question for the LTB to consider is whether the scheme is deliverable, is good value for money and provides the anticipated benefits for economic growth.
6. As the scheme has a gross cost of less than £5 million, a full business case is not required. The scheme promoters have therefore used the same template as for the sustainability and resilience schemes, with the agreement of the LEP officers.

The scheme

7. The scheme is a package of measures to improve Epsom Town Centre by reducing congestion, improving accessibility to local businesses and improving journey time reliability for both residents and visitors. The scheme includes:

- reconfiguring South Street to two-way working
- Reconfiguring junctions to improve traffic flows and pedestrian crossing facilities.
- Review of Urban Traffic Control to improve traffic signal coordination
- Improving existing CCTV
- Upgrading variable message signs and car park information signs.
- better signing and footways for pedestrians
- town centre cycling facilities
- bus improvements, including bus layover areas, improved bus shelters with real time passenger information systems
- public realm improvements.

8. As such, the scheme provides a good policy fit with the Strategic Economic Plan's objectives. The policy rationale for the scheme was accepted by the LTB in July 2013 and reconfirmed by the Government in the Growth Deal.

Costs

9. The scheme would cost a total of £3.375 million. Of this total, £2.7 million is requested as growth deal grant and £675,000 from local contributions. This is consistent with the Growth Deal and the LTB's requirement for a local contribution of at least 20% of the total scheme costs.

Value for money

10. The scheme has an estimated benefit: cost ratio of 3.6 to 1. This is comfortably in excess of the LTB's threshold of 2:1 and is close to the Department for Transport's definition of very high value for money (a BCR of over 4:1). As such, the scheme is clearly good value for money.

11. The scheme assessors noted further benefits to the scheme which were not quantified, such as the health benefits of increased active travel. As these would only increase and already satisfactory value for money score, we do not believe that it would be necessary or justified to carry out more work to study these benefits.

Delivery and risks

12. The scheme is relatively straightforward to deliver and non-contentious. The scheme promoter and their partners have strong management arrangements and a comprehensive risk register. Design work has not yet been undertaken, which is not unusual for a scheme at this stage of development.

SMART objectives

13. The reviewer recommends that more work is done to identify performance measures and monitoring. This is a sensible suggestion and is already part of the Coast to Capital requirements for growth deal schemes.

Overall conclusions and recommendations

14. The independent assessor's conclusions were:

"The conclusion of this review is that the Surrey Epsom Plan E Highway Improvements business case submitted to the LEP is robust and fit for purpose.

The reviewer considers that the scheme will provide significant benefits and has a relatively low risk and as such recommends that the requested LTB funding of £2.7 million is provided for the Epsom Plan E Highway Improvements scheme."

15. LEP officers agree. Recommended:

- That the "Epsom Plan E Highway Improvements" scheme be fully approved, subject to the normal agreements between the scheme promoter and Coast to Capital on management and monitoring issues.
- That the scheme promoters be asked to provide additional information to bolster their business case as recommended by Parsons Brinckerhoff (see paragraph 13 above).

Iain Reeve
Transport Adviser
Coast to Capital

19 March 2015

Annex A

COAST TO CAPITAL VALUE FOR MONEY STATEMENT

Epsom Plan E – Highway Improvements

1. Coast to Capital LEP has examined the business case for the "Epsom Plan E - Highway Improvements" scheme as proposed by Surrey County Council in February 2015.
2. The business case has also been independently assessed by transport consultants Parsons Brinckerhoff.
3. The promoting authority, Surrey County Council, estimates that the scheme would have a benefit to cost ratio of 3.575: 1. Both Coast to Capital LEP and Parsons Brinckerhoff consider this to be a reasonable estimate of the value for money of this scheme.
4. It is possible that the benefit to cost ratio may be higher if other benefits are taken into account, such as the health benefits of increasing active travel. However as these would only increase an already positive value for money score, it does not seem sensible to spend public money on further research.
5. Coast to Capital LEP is happy that this scheme offers high value for money and is close to the Government's definition of very high value for money (for schemes with a BCR of over 4:1).

Ron Crank
Chief Executive
Coast to Capital LEP

25 March 2015

COAST TO CAPITAL LOCAL TRANSPORT BODY – 25 March 2015

Funding Meeting

Agenda item 6

A284 LYMINSTER BYPASS

Introduction

1. This paper considers the bid for funding by West Sussex County Council for the A284 Lyminster Bypass scheme.
2. Additional documents are available on the Coast to Capital website:
 - The promoting authority's business case
 - An independent assessment report into this scheme produced by AECOM.
3. **The paper recommends that the funding request should be conditionally approved, subject to further development of the scheme, particularly its funding package**

Background

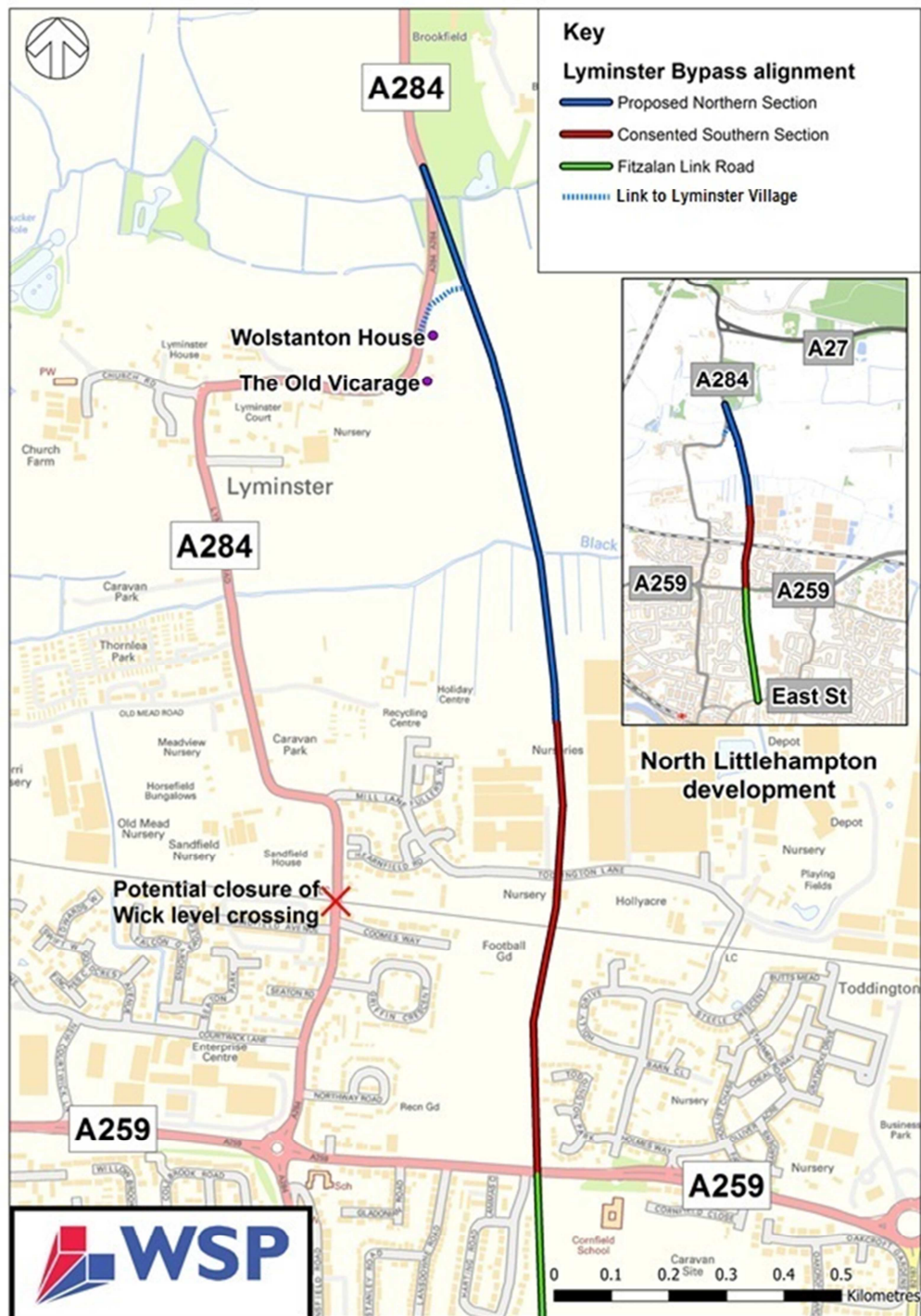
4. This scheme was one of the first five schemes to be approved by the Local Transport Body in July 2013. These five schemes were then endorsed by the Government and subsequently included in the Coast to Capital Strategic Economic Plan. The Government repeated its support for these schemes in the Growth Deal announced in July 2014.
5. This means that the scheme already has been approved in principle as a good fit with the policies and objectives of the Strategic Economic Plan. Unlike the sustainability and resilience programme, this scheme is not competing against other schemes. The question for the LTB to consider is whether the scheme is deliverable, is good value for money and provides the anticipated benefits for economic growth.
6. As the scheme has a gross cost of more than £5 million, a full business case is needed.

The scheme

7. The A284 Lyminster Bypass is a 1.8 km realignment of the A284 to the north of Littlehampton, bypassing Lyminster and Wick villages. The scheme would support the delivery of the Arun Local Plan which seeks to deliver 4,695 jobs, 2,600 homes and 27,370sqm net employment floorspace in east Arun, including direct access to the north Littlehampton strategic development

which has outline planning permission for 1,980 homes and 2 hectares of employment floor space leading to the creation of 700 jobs.

8. The overall scheme consists of two sections. The southern section is 0.7 km and is being funded and delivered entirely by developers. This application is for the northern section, a 1.1 km road between Todington Nurseries and the existing A284 North of Lyminster village.



9. The scheme is needed because the existing alignment of the A284 is tortuous and has several tight bends, leading to slow and unreliable journeys and poor air quality for residents. The new road will provide access to the north Littlehampton strategic development site and also bypasses the villages of Lyminster and Wick, providing a shorter and less congested route for motorists between Littlehampton and the trunk road network via the A27. By improving access to Littlehampton, the scheme will support wider regeneration of the area.

Independent Scheme Assessment

10. In line with the LTB's Assurance Framework, an independent assessment has been commissioned from consultants AECOM. These consultants were chosen by competitive tender and have no financial or other interest in this scheme.

11. The consultant's report is enclosed with these papers.

12. AECOM have identified areas where the scheme meets the LTB's requirements and other areas where further work is needed. Their overall recommendation is:

"On the basis of the materials viewed and discussions with the scheme applicant thus far, the business case suggests that the scheme could proceed in 2015/16 subject to satisfactory responses to the issues and questions identified by AECOM."

(Page 13, Section 4. Conclusions)

Policy fit - strategic and economic cases

13. By linking the growth area of Littlehampton to the trunk road network at the A27, the scheme helps to unlock a large number of new homes, jobs and hectares of employment floor space. The business case claims that the scheme would directly support the delivery of 1,980 homes and 2 hectares of employment floor space leading to the creation of 700 jobs. These form part of the 4,695 jobs, 2,600 homes and 27,370sqm net employment floorspace being delivered in east Arun through the Arun Local Plan.

14. It is difficult to be precise about the exact economic impact of the scheme. AECOM have identified that the strategic case could be strengthened by further research and an expanded explanation of the economic benefits of the northern bypass.

15. These issues appear to be largely presentational. The consultants have agreed that the scheme provides a number of strategic benefits – the remaining question is whether these benefits could or should be fully quantified in the business case. At its most extreme, this could mean that the scheme promoters would need to rewrite a substantial proportion of the business case.

16. In our judgment, the strategic case for the scheme has already been made when the scheme was first accepted for funding in July 2013. The independent assessment of the business case has confirmed that a sizeable number of new homes would be unlocked by the scheme, although it is

not clear exactly how many. It not would seem to be a good use of resources to undertake further work to refine a strategic case that has already been shown to be positive.

17. However, it would be sensible to make an improved presentation of the scheme before full approval is given. This is discussed further in paragraph 35.

Scheme options

18. The scheme as presented contains two main options – with and without the closure of the Wick level crossing. The original intention was to close the level crossing using a financial contribution of £1 million which had been offered by Network Rail. This contribution has since been withdrawn, although negotiations are continuing with Network Rail to see if it can be reinstated.

19. In discussions between AECOM and West Sussex, it has emerged that neither option fully represents the most likely scenario under which the scheme could operate. It is the promoter's intention to demonstrate the range of possible scenarios for the scheme. AECOM have pointed out that this could be confusing for readers of the business case as it is not clear which option is being reported within the business case (paragraphs 3.2.12 to 3.2.14 of the AECOM report).

20. In their overall conclusions, AECOM recommend further work on:

"Providing clarity on Option 1 vs Option 2 testing and explicitly identifying the preferred scheme upon which the business case is reporting."

(Section 3.3)

21. It is not unusual for a scheme promoter to continue to develop a scheme after it has received funding approval. This is a natural consequence of the design process. In this case, it would be reasonable to ask the scheme promoter for a firmer scheme design on which to base a decision on full funding approval.

22. It should be noted that all of the scheme options under consideration would have a very high benefit to cost ratio (discussed in the next section of this report). This should give the LTB reassurance that the scheme can be conditionally approved.

23. We would encourage the scheme promoter to continue to negotiate with Network Rail to secure the closure of the Wick level crossing. It is not essential for the scheme but would be a desirable additional outcome. The LEP has raised this with Network Rail and will continue to lobby on West Sussex's behalf for the reinstatement of their £1 million contribution.

Value for Money

24. The LTB Assurance Framework requires successful schemes to have either a benefit cost ration of more than 2:1 or some other compelling benefit. The benefit cost ratio for the A284 Lyminster Bypass is between 24.7 and 25.8 to 1. This is considerably higher than the Department for Transport's threshold of 4:1 for schemes to be considered as "very high value for money".

25. AECOM have identified a number of ways in which the benefit: cost ratio could be strengthened. Whilst these are sensible suggestions they do involve additional work for the scheme promoters. There is no evidence to suggest that the scheme would have a lower benefit cost ratio than claimed, which is already considerably higher than the LTB's requirement.

26. Accordingly, we do not recommend further work to refine the benefit: to cost ratio, unless the scheme promoters become aware of factors which might reduce it. It is more important that scarce resources are devoted to scheme delivery than to honing a figure which is already considerably higher than the LTB's requirements. West Sussex County Council have confirmed that the BCR is likely to rise to more than 30 to 1 with the latest design of the scheme.

27. Because of this, we are happy to recommend that the scheme offers very high value for money. A value for money statement is attached at Annex A.

Delivery and risks

28. The scheme has adequate project and risk management mechanisms in place. AECOM have raised no concerns about these, other than to note that the CPO public inquiry presented significant risks to delivery and timescale. This is not unusual for a new road scheme.

Finances

29. The cost of the scheme has risen since it was first accepted in principle in July 2013. At that time, the grant component of the scheme was £3 million, with the remainder met from local contributions. In December 2014, the scheme promoters made a formal request for the grant to be increased from the £3 million to fill a funding gap of £2.52 million.

30. The scheme promoters have held discussions with the LTB (in private session) and the LEP about how this funding gap might be filled .

31. At the time of writing, the scheme does not have a complete funding package. There is, as yet, no provision to meet the funding gap of £2.52 million. We understand that the scheme promoters are looking for alternative sources of funding.

32. We therefore consider that the LTB should not give full approval to the scheme at this stage. The completion of the scheme cannot be guaranteed until a full funding package is in place. However, the LTB could decide to give a conditional approval, with one condition being that a full funding package should be identified. That is our recommendation.

Revised Business Case

33. One outstanding question is whether the business case should be revised or rewritten. AECOM have made a number of recommendations which would strengthen the business case and include additional information, such as the relationship between the scheme and the Government's announcements about the A27 in the 2014 Autumn Statement. AECOM have also pointed out that some parts of the business case can be difficult to follow, particularly the discussion of options which may not be built.

34. We would recommend a degree of proportionality. The LTB's and LEP's role is to deliver the best possible schemes and not to write the best possible business cases. Because of this we recommend that the promoting authority should be invited to submit supplementary information and to correct errors in their business case. But we do **not** recommend asking West Sussex County Council to undertake a major revision of their business case or further refinement of a clearly positive BCR.

35. Our recommendation is that West Sussex County Council be asked to produce a supplementary statement to present the scheme in its latest form and to answer these and other questions raised by AECOM, so far as they are relevant to the scheme. This supplementary statement could then be published on the LTB website to deal with any confusion arising from the current business case.

Conclusions and recommendations

36. The A284 Lyminster Bypass remains a strong scheme. It offers very good value for money, with a benefit to cost ratio of more than 24 to 1. It helps to unlock large numbers of new homes, hectares of employment land and jobs. It reduces congestion, reduces journey times and helps to promote reliable journeys. It also takes unsuitable through traffic away from the villages of Wick and Lyminster.

37. However, there are uncertainties about the scheme which mean that we do not recommend full approval at this stage. In particular, we do not yet know exactly how the funding gap will be filled. Because of this, we recommend that the scheme should be given conditional approval.

38. AECOM have made a number of recommendations to improve and strengthen the business case. We recommend that West Sussex County Council should take a measured approach to these amendments. The LTB should ask the County Council to provide a supplementary statement to respond to these points and to clarify both the final design of the scheme and its funding package.

39. Full funding approval should be conditional on this supplementary statement being considered to be satisfactory. We recommend that the LTB consider this scheme again in another public meeting.

40. **We recommend:**

- That the A284 Lyminster bypass be given conditional approval, subject to West Sussex County Council providing a satisfactory supplementary statement which would include:
 - greater clarity on the scheme being proposed.
 - a full funding package with no funding gap
 - answers to other questions raised by AECOM, as appropriate.

Iain Reeve
Transport Adviser
Coast to Capital

19 March 2015

Annex A

COAST TO CAPITAL VALUE FOR MONEY STATEMENT

A284 Lyminster Bypass

1. Coast to Capital LEP has examined the business case for A284 Lyminster Bypass as proposed by West Sussex County Council in December 2014.
2. The business case has also been independently assessed by transport consultants AECOM.
3. The promoting authority, West Sussex County Council, estimates that the scheme would have a benefit to cost ratio of in excess of 24 to 1. Both Coast to Capital LEP and AECOM consider this to be a reasonable estimate of the value for money of this scheme.
4. It is possible that there could be some variation in the value for money of the scheme as the design is finalised. But given that it is considerably higher than the LTB's requirement of 2:1, we are happy to certify that, to the best of our knowledge, this scheme offers very high value for money.

Ron Crank
Chief Executive
Coast to Capital LEP

25 March 2015

FUNDING MEETING

Agenda item 7

SURREY: WIDER NETWORK BENEFITS

Introduction

1. This paper assesses the bid by Surrey County Council for Local Growth Funding for the "Surrey Wider Network Benefits" scheme.
2. Additional documents are attached:
 - Coast to Capital's Value for Money Statement for this scheme (Annex A)
 - The promoting authority's business case
 - An independent assessment report into this scheme produced by Parsons Brinckerhoff.
3. **The paper recommends that the funding request should be approved.**

Background

4. This scheme was one of the first five schemes to be approved by the Local Transport Body in July 2013. These five schemes were then endorsed by the Government and subsequently included in the Coast to Capital Strategic Economic Plan. The Government repeated its support for these schemes in the Growth Deal announced in July 2014.
5. This means that the scheme already has been approved in principle as a good fit with the policies and objectives of the Strategic Economic Plan. Unlike the sustainability and resilience programme, this scheme is not competing against other schemes. The question for the LTB to consider is whether the scheme is deliverable, is good value for money and provides the anticipated benefits for economic growth.
6. As the scheme has a gross cost of less than £5 million, it does not require a full business case. The scheme promoters have used the same template as for the sustainability and resilience schemes, with the agreement of the LEP officers.

The Scheme

7. The Wider Network Benefits scheme would help to make the road network more effective and so assist in reducing congestion. This would help to achieve two of the transport objectives of

the Strategic Economic Plan – helping to make journeys more reliable and to improve the resilience of the transport network.

8. The scheme would manage congestion by enhancing the County's existing traffic control technology, known as Intelligent Transport Systems. It would improve traffic control technology on key routes and also upgrade the County's central traffic control centre in Leatherhead – the Network Management Information Centre. The key routes are:

- A23
- A24 (north of the M25)
- A25
- A217
- A240

9. The scheme is based on four principles:

- **Prevent** - to reduce the number of traffic incidents by installing average speed cameras
- **Monitor** - to collect live traffic data using Automatic Number Plate Recognition and CCTV cameras.
- **Inform** - to give information about travel conditions to the public through social media, email alerts and roadside signs.
- **Control** – to make real time alterations to traffic signals in response to incidents.

10. It should be noted that the scheme has a number of wider benefits. Improving the capability of the Network Management Information Centre will help improve the resilience of all of Surrey's roads. The use of average speed cameras will not only reduce congestion but also help reduce the number of collisions. The installation of Automatic Number Plate Recognition cameras will not only assist in data collection but will also be an aid for law enforcement.

11. The police have asked that the location of the new Automatic Number Plate Recognition cameras should not be included in the business case. This seems entirely reasonable, and we would recommend that it is a level of operational detail that the LTB does not need to know.

Independent scheme assessment

12. The scheme has been independently assessed by consultants Parsons Brinckerhoff. These consultants were appointed by competitive tender to be part of Coast to Capital's panel of assessing consultants. They have no financial or other interest in the scheme.

13. The report by Parsons Brinckerhoff is attached. Their overall recommendation is:

"The conclusion of this review is that the Surrey Wider Network Benefits business case submitted to the LEP is robust and fit for purpose, and the reviewer recommends that the Board approves the requested funding."

(Paragraph 1.3.1)

14. As part of their review, Parsons Brinckerhoff have made a number of recommendations to strengthen the business case and provide missing information. These recommendations are relatively minor and do not affect the overall recommendation to approve the funding for the scheme. The scheme promoters subsequently provided additional information and updated the business case and submitted these to the LEP on 11 March 2015.

Value for money

15. This scheme is relatively innovative and, as such, it is challenging to quantify its benefits. The scheme promoters have not provided a benefit to cost ratio. Instead they have given qualitative information on the kinds of benefits which would be gained by the scheme.

16. We recommend that this is sufficient for the LTB's purposes, especially as the scheme is innovative. As the scheme costs less than £5 million, it requires a lower level of evidence than a major scheme of more than £5 million.

17. Parsons Brinckerhoff have concluded that the scheme's economic benefits are sufficient to recommend approval:

"The nature of the WNB package does not easily suit economic assessment leading to a figure for BCR, and no attempt has been made to do so.

The transport benefits, if realised, are consistent with the aims of the scheme and consistent with normal expectations of measures of the kind proposed, although they are not quantified."

(paragraph 1.3.1)

18. The Appraisal Summary Table for the scheme shows that the scheme has a **large beneficial effect** on economic impacts on business users and transport providers, reliability for business users, traffic flows/ delays/ congestion and journey quality.

19. The scheme has a moderately beneficial impact for air quality, greenhouse gases, accidents, reliability and access to services. No negative impacts have been identified.

20. Because the benefits of the scheme have not been quantified, we recommend that Coast to Capital officers should agree suitable SMART monitoring targets for the scheme. This can be done as part of the normal process of delivering the scheme and need not delay the LTB's decision. The scheme promoters are considering SMART objectives for the scheme.

Risks and deliverability

21. The project includes an appropriate risk strategy. It can be scaled down if costs increase, with no risk to the LTB of a call for increased funding. Optimism bias of 15% has been applied.

22. The scheme is relatively straight-forward to deliver. It uses technology that Surrey County Council have considerable experience in using. It does not require planning permission or land acquisition. With the possible exception of speed cameras, the scheme is relatively non contentious with the public.

Costs

23. The total cost of the scheme is £3.75 million, of which £3 million is requested as grant. This is consistent with the Growth Deal and the requirement for a local contribution of 20%. The spend profile for the scheme has been reprofiled to fit available growth deal resources:

2015-16	£1.3 million
2016-17	£1.75 million
2017-18	£0.7 million
Total	£3.75 million

24. The local growth fund would provide only the capital costs of installing the new equipment. The revenue costs of operating and maintaining that equipment would be the responsibility of Surrey County Council. However, as a proportion of the new equipment replaces existing equipment it is possible that the County Council's operating costs may decrease. The new equipment should be more reliable than the outdated equipment it is replacing.

25. Nevertheless, it would be prudent for the LTB to stipulate that its grant of £3 million is a fixed contribution and to ask Surrey County Council to meet any cost increases and any revenue costs inherent in operating the new equipment.

26. This would not stop Surrey County Council from making further bids in the future for additions to the scheme. The scheme is designated as phase 1 of a larger programme.

Consultation and stakeholder engagement

27. The business case contains evidence of support from other authorities and the Highways Agency. There have been no responses as a result of the Coast to Capital consultation exercise. This is perhaps not surprising as the scheme is relatively technical and non-contentious.

Transferability of expertise and best practice

28. This scheme will help to keep Surrey County Council at the forefront of the use of Intelligent Transport Systems. The use of average speed cameras to help control congestion is a particularly novel and smart approach.

29. Because of this we would ask Surrey County Council to share its expertise with neighbouring authorities and partners, including its ongoing experience of delivering and operating this new equipment. If this approach is as successful as we believe it can be, there would be merit in extending it to other parts of the Coast to Capital road network.

Conclusions and recommendations

30. This is a bold and innovative proposal. Whilst its benefits cannot easily be quantified, it offers the prospect of making Surrey's road network more reliable and effective. It is a smart solution to congestion because it uses technology to make the most of existing road capacity. We believe that it is exactly the sort of scheme that the LEP and LTB should be encouraging.

31. Independent assessment of the scheme has found no reason why it cannot be accepted. The scheme has already been accepted in principle by the LTB in July 2013.

32. We therefore recommend that:

- the Surrey Wider Network Benefits scheme be approved in full
- the scheme promoters undertake to make the small corrections and amendments to their business case recommended by Parsons Brinckerhoff
- that the LTB's contribution be fixed at £3 million and that the scheme promoters undertake to meet any cost increases in the scheme plus the revenue cost implications of operating the scheme
- that the scheme promoters agree to share their expertise and experience with other authorities in the Coast to Capital area.

33. Following discussion with the scheme promoters, we understand that they are content to agree to these conditions. We therefore recommend that the scheme be approved in full.

Iain Reeve
Transport Adviser
Coast to Capital

19 March 2015

Annex A

COAST TO CAPITAL VALUE FOR MONEY STATEMENT

Surrey Wider Network Benefits

1. Coast to Capital LEP has examined the business case for Surrey Wider Network Benefits, as submitted by Surrey County Council in February 2015.
2. The business case has also been independently assessed by transport consultants Parsons Brinckerhoff.
3. The promoting authority have demonstrated that this scheme would have a large beneficial effect on Surrey's economy by improving the county council's ability to prevent and respond to congestion incidents on its road network. Whilst the promoters have not been able to quantify these benefits in a benefit: cost ratio, the independent consultants have confirmed that this is not unusual for schemes of this type. They have concluded that the scheme is robust and fit for purpose.
4. We are happy to certify that, to the best of our knowledge, this scheme offers good value for money and is a prudent use of resources.

Ron Crank
Chief Executive
Coast to Capital LEP

25 March 2015

Agenda item 8

TRANSPORT RESILIENCE SCHEMES

Introduction

1. This paper makes recommendations for allocations to transport resilience schemes which can start in 2015-16.

Background

2. The Coast to Capital Strategic Plan (March 2014) included the concept of transport resilience: "Will transport be there when I need it – 24/7?"

3. The Transport Annex of the SEP said:

"One of our five overarching transport aims is that the transport networks should be resilient. Whether privately or publicly operated, our transport networks should be able to withstand the effects of adverse weather, traffic incidents and road works. This will help to build business confidence in our area, as it will assure employers, visitors and residents that they will be able to complete their journeys. Businesses should be able to get goods to market, employees to their place of work, customers to their shops and showrooms, and visitors to cultural and recreational/ leisure destinations.

We recognise that there will occasionally be unforeseen and unavoidable incidents which will cause disruption to transport. These disruptions should be kept to an absolute minimum, but it would not be possible or sensible to guarantee that the transport networks will never be disrupted. However we believe that the level of resilience should be substantially increased, so that major disruptions become the exception rather than the norm.

This should be a place where businesses are confident that their work will continue uninterrupted. It should be an area that visitors can enjoy and want to return to.

We have therefore assembled a programme of schemes designed to improve transport resilience. In addition, a level of resilience has also been built in to other programmes, such as the sustainability packages and the priority schemes to unlock growth.

There are three types of resilience schemes in this programme:

- Maintenance of critical infrastructure
- Flood mitigation
- Traffic management and the ability to respond to severe road incidents (crashes, poor weather, roadworks, events).

4 In the first Growth Deal in July 2014, the Government agreed to provide funding for these resilience schemes

Coast to Capital LEP commitments	Central Government commitments
Invest £5m in Resilience Schemes	Invest £30.9 million in Resilience Schemes (with £5.5 m in 2015/16)

5. The Letter of Delegation from the Coast to Capital board invited the Local Transport Body to allocate funds to Resilience Schemes as follows:

Transport Resilience

	Total LGF Funding	Amount of LGF to be spent in 2015/16	Total Local Match Funding Contribution
Transport resilience	£30,900,000	£5,500,000	£5,000,000

We now ask the Local Transport Body to allocate these funds to suitable schemes.

The LTB will be responsible for:

- Implementing an open and transparent process to select the schemes that will be funded, drawing on the list of eligible schemes as put forward in the Strategic Economic Plan
- Taking the selected schemes through the Assurance Framework as agreed with DfT. The LTB may also wish to make special arrangements for the first year of funding given the short timescales involved.
- Overseeing delivery of the schemes which pass the Assurance stage
- Reporting on a regular basis to the Coast to Capital Board

In selecting the schemes to be funded the LTB should have regard to the following criteria:

- Criteria set out in the Assurance Framework agreed with Department for Transport
- The schemes must be selected from those included in the Strategic Economic Plan March 2014 and here set out in Annex 2 or close variants of them.
- Schemes which are certain to deliver in 2015/16
- Schemes which have the highest levels of direct match funding and indirect leverage from both the public and private sector
- Schemes which deliver the highest value for money
- Schemes which deliver the greatest economic impact in terms of new jobs, new homes or new employment space

Bids received

6. We have received five bids for resilience schemes plus one bid for a hybrid scheme that includes elements of both resilience and sustainability:

Resilience schemes

- Brighton & Hove City Council: Intelligent Transport Systems (ITS) Package
- Surrey County Council: A22 Network Resilience
- Surrey County Council: A23 Network Resilience
- Surrey County Council: A217 Network Resilience
- Surrey County Council: A24 Network Resilience

Hybrid scheme

- West Sussex County Council: West of Horsham Transport Package

7. The hybrid scheme is discussed separately under the Sustainability fund - agenda item 9.

8. Under the terms of the Assurance Framework, this funding is open to Brighton & Hove City Council, Surrey County Council and West Sussex County Council.

9. In order to speed up the process, the promoting authorities have voluntarily agreed to restrict their bids to schemes with a gross cost of less than £5 million. This means that full major scheme business cases are not required. Subject to other voluntary agreements, promoting authorities may submit bids for schemes costing more than £5 million in future rounds.

10. A standard bidding proforma was used for all bids for resilience and sustainability. The proforma includes sections where promoters can describe the wider benefits of schemes, including the economic, socio/ distributional and environmental impacts. However, it is not mandatory for schemes to record benefits in each of these areas. Because the same proforma was used for sustainable transport and resilience, it is expected that not all sections of the proforma will be relevant for resilience schemes.

11. Resilience is a relatively new and innovative funding stream. It is therefore understandable that scheme promoters will not be able to demonstrate as wide a range of benefits as, say, a highway improvement or a sustainable transport scheme.

Independent Assessment

12. In line with the Assurance Framework, we asked independent consultants White Young Green (WYG) to assess the business cases. WYG were chosen by competitive tender and do not have a financial or other interest in any of these schemes.

13. Their assessments of these schemes are available on the Coast to Capital website and are summarised in this paper.

14. The independent consultants recommended that all five of the resilience schemes should be conditionally accepted, subject to further work to quantify their benefits.

The benefits of resilience schemes

15. Our resilience programme is innovative. We were the first LEP to promote the concept of resilience and to propose a programme of works to improve it. Other LEPs have since followed our example. This means that we have relatively little precedent to help us to assess resilience schemes or for the promoting authorities to develop strong business cases.

16. It is more challenging to define the benefits of a resilience scheme than it is for many other forms of transport improvement. A typical resilience scheme might reduce the risk of flooding or enable the road network to recover more quickly from congestion by improving traffic signals (known as intelligent transport systems). Schemes like this generally do not improve transport connectivity or capacity. They do not unlock new housing or employment land in the same way that a link road or bus lane would do. Instead they improve business and resident confidence in an area by helping to ensure that the transport networks fail less often.

17. Because of this, it has been difficult to quantify the benefits of the resilience proposals. As the schemes cost less than £5 million, the promoters do not need to produce a full business case or a benefit to cost ratio. However, the LTB still needs to have reassurance that the schemes are good value for money and are a sensible use of public money.

18. The independent assessors have suggested a number of ways to measure the effectiveness of resilience schemes. For example, flood mitigation schemes could be assessed by calculating the impact of additional traffic on alternative routes if the main route is closed by a flood. These proposals for assessing resilience schemes are being investigated.

19. The LEP, LTB and central Government have accepted the policy need for resilience schemes. We would therefore recommend accepting the schemes on principle whilst continuing to develop the mechanisms for quantifying their benefits.

Ranking of schemes

20. In the absence of quantified benefits, the independent consultants have not offered a ranking of the five schemes. However, they have recommended that all five schemes are suitable for funding subject to further work on their benefits. We would agree. In our assessment, the Brighton & Hove City Council ITS scheme is likely to have similar benefits to the Surrey Wider Network Benefits scheme, which is also being recommended for funding. The Surrey proposals tackle well-known flooding hotspots.

Funds available

21. We expect the funds available for resilience to be £5.5 million in 2015-16 and £5.08 million in each of the five years from 2016-17 to 2020-21. The Growth Deal confirms a total allocation of £30.9 million over the funding period.

22. If the LTB agrees that all of the five schemes are suitable for funding, it may choose to approve three, four or all five schemes. Approving more schemes gives greater certainty to scheme promoters, but it does mean that there are less funds to allocate in future rounds.

23. For example, a programme of three schemes could look like this:

	15-16	16-17	17-18	Total
Brighton & Hove ITS	£255,000	£886,000	£689,000	£1.83 million
Surrey A22	£4.165 million			£4.165 million
Surrey A24	£1.08 million	£1.67 million		£2.75 million
Total	£5.5 million	£2.556 million	£689,000	£9.067 million
Grant	£5.5 million	£5.08 million	£5.08 million	
Unallocated	0	£2.554 million	£4.391 million	

24. This would mean that there would be £2.5 million to bid for in 2016-17 and £4.391 million in 2017-17

25. A programme of all five schemes would allocate a total of £16.8 million. This would mean that the resilience fund would be committed for its first three years (2015-16, 2016-17 and 2017-18).

26. On balance, we believe that a programme of three resilience schemes would seem to provide a sensible programme. Accordingly, we recommend that the LTB gives conditional approval to:

- Brighton & Hove ITS package
- Surrey County Council's Network resilience schemes for the A22 and A24; their highest and second highest priority schemes.

27. We would encourage Surrey County Council to bid again with the A217 and A23 schemes. Subject to further work on the quantification of benefits and comparison against future bids, they would also seem to be suitable for funding.

28. Assessments of all five schemes are given in the annexes to this report.

Iain Reeve
Transport Adviser
Coast to Capital

19 March 2015

ANNEX A

BRIGHTON & HOVE CITY COUNCIL: Intelligent Transport Systems (ITS) package

The scheme

A1. This package will upgrade and enhance Brighton & Hove's existing ITS infrastructure with a strong emphasis on growth areas and key corridors, especially the A23, A259 and A270.

A2. The programme will include a range of technologies to improve travel for all road users, including:

- traffic management systems for smoothing traffic flow and reducing congestion
- improved PUFFIN pedestrian crossings
- Variable message signs for travel and car park information
- CCTV
- Bus lane enforcement automatic number plate recognition cameras

A3. The promoting authority has helpfully provided a detailed breakdown of the different elements in the scheme as Annex 1 to the business case.

Funding

A4. The total scheme would cost £2.152 million. £1.83 million is being requested as grant with £322,000 of local contributions. This is consistent with the Growth Deal requirement for a 15% contribution.

Deliverability and risks

A5. The scheme is non-contentious and presents a low risk. Brighton & Hove City Council has considerable expertise in ITS technology.

A6. We would recommend that the promoting authority should liaise with Surrey County Council about their Wider Network Benefits scheme. As the two schemes are similar, it would be sensible to see if there are any lessons learned that can be applied to either scheme.

Independent assessment

A7. We commissioned independent consultants WYG to assess the scheme. Their overall recommendation was:

"It is recommended that the scheme is given conditional approval subject to the receipt and satisfactory review of [the] information as requested."

A8. The independent assessor's report highlights a large number of areas where they recommend that the promoters should provide more information.

LEP Officer Assessment

A9. Improvements to traffic control systems (ITS) were one of the key measures of the Strategic Economic Plan, in order to tackle increasing problems of congestion and journey time reliability. Enhanced ITS will help to make the transport networks more resilient and able to cope with unexpected incidents and problems.

A10. Because of this, we welcome the application from Brighton & Hove City Council and recommend that it be conditionally approved.

A11. We recommend a further dialogue between LEP officers, the independent assessors and Brighton & Hove City Council. Whilst it is desirable to have a better grasp of the scheme's outcomes and outputs, we do believe that some of the information requested by the assessors is excessive. This is a relatively small scheme which does not need a full major scheme business case. The costs of bidding should not be disproportionate to the cost of the scheme itself.

A12. It is possible that the level of additional information may be agreed before the LTB meeting on the 25th of March so that a firmer recommendation of funding may be possible.

Recommendations

A13: Recommended:

- That the scheme be conditionally approved, subject to:
 - satisfactory additional information, as negotiated between Coast to Capital, the scheme promoters and the scheme assessors.

ANNEX B

SURREY COUNTY COUNCIL: A22 Network Resilience

The scheme

B1. The scheme is a package of resilience improvements to improve the ability of the Surrey sections of the A22 to cope with extreme and unpredictable events. It is expected to:

- Reduce the frequency of flooding on the network and associated diversions and accidents
- reduce disruption and additional costs to businesses and local services due to delays and reduced access to locations
- reduce negative impacts on road users across all modes of transport.

B2. The package includes drainage works and major repairs to the flood damaged carriageway in order to provide future resilience. The improvements will result in positive drainage solutions to enhance the route's resilience to the impact of water penetration on the highway.

B3. The resilience measures include: draining the route through positive surface run-off; improved drainage capacity through larger diameter pipes and an increased number of gullies.

B4. There are three main elements to this package:

- **A22 drainage system** – improving the water management system between New Barn Lane at the Croydon boundary and Aspen Vale in Whyteleafe.
- **Wapses Lodge Roundabout** – improvements to allow the road drainage to perform better in relation to potential flooding events.
- **M25 Junction 6 and Godstone Bypass** – repair and upgrade the carriageway management system including the adjoining ponds.

B5. This is Surrey County Council's **highest priority** resilience bid.

Funding

B6. The scheme would cost a total of £4.9 million, which is just under the major scheme threshold of £5 million. Surrey County Council are requesting a grant of £4.165 million and are proposing a local contribution of £0.735 million (15%). This is consistent with the Growth Deal.

Scheme benefits

B7. The severe flooding in early 2014 caused considerable harm to local communities – both physical damage and loss of reputation. Whilst no drainage works can guarantee that a flooding event would never happen, these works would make it far less likely.

B8. It is challenging to quantify precisely what the benefits of these works would be. The independent assessor has recommended further work to gauge the impact of additional traffic on alternative routes in the event that the A22 is closed because of flooding.

B9. The independent assessor has also recommended further work on other scheme benefits such as the economic, environmental and socio-economic impact of the scheme. This appears to us to be not necessary or cost effective. We would recommend a process of negotiation with the independent assessor to determine the most appropriate measure of the scheme's benefits.

Deliverability and risk

B10. This scheme carries low risk and is easy to deliver. It does not require land and is not contentious. Surrey County Council has considerable expertise in schemes like this.

Independent assessment

B11. We commissioned independent assessor White Young Green (WYG) to assess this scheme, along with all of the resilience schemes. Their overall conclusion is:

"It is recommended that the scheme is given conditional approval subject to the receipt and satisfactory review of the information as requested with the Council."

B12. The assessor recommended that Surrey County Council provide a large amount of additional information about the benefits of this scheme. Discussions have continued between the assessor and Surrey County Council since WYG's assessment report was written about an appropriate amount of additional information. A verbal update will be given at the meeting on the progress made in these discussions.

LEP Officer view

B13. There is a strong policy need for this scheme. It is important to do all we sensibly can to ensure that the flooding of 2014 does not happen again.

B14. It is also important to be able to quantify the benefits of schemes like this. However, the amount of quantification should be proportionate. If the scheme can be shown to have a substantial resilience benefit, there does not seem to be a strong reason for quantifying its additional benefits, such as economic, environmental or socio-distributional benefits.

Recommendation

B15. We recommend that this scheme be given conditional approval, subject to the scheme promoter providing further information on quantified scheme benefits. The extent of such additional information should be proportionate to the size of the scheme.

B16. As the scheme cost is very close to the major scheme threshold of £5 million, a cost increase could take it over the threshold and mean that a more extensive business case would have been required. We therefore recommend that the level of the grant should be frozen at £4.165 million and that Surrey County Council be asked to fund any increases in scheme costs that might occur.

B17: Recommended:

- That the scheme be given conditional approval, subject to:
 - satisfactory additional information as negotiated between Coast to Capital, the scheme promoter and the independent assessor
 - Surrey County Council agreeing to meet any increases in scheme costs.

ANNEX C

SURREY COUNTY COUNCIL: A24 Network Resilience

The scheme

- C1. This proposal is for a similar scheme to the A22 scheme (see Annex B). To avoid duplication, this annex (and the next two) will focus on issues which are unique to this scheme.
- C2. This proposal is for a package of improvements along the A24 to tackle areas which were badly flooded in the winter of 2013-14:
- Givons Grove to Burford Bridge
 - Burford Bridge to Pixham Lane.
- C3. As with the A22 scheme, the improvements will include improved surface water run-off, improved capacity drainage pipes and an increased number of gullies.
- C4. This is Surrey County Council's **second highest** priority resilience bid.

Funding

- C5. The scheme would cost a total of £4.6 million. Grant of £3.92 million has been requested, with local contributions of £690,000. This is consistent with the Growth Deal's requirement for a 15% local contribution.

Independent Assessment

- C6. The independent assessor's recommendation is:
- "It is recommended that the scheme is given conditional approval subject to the receipt and satisfactory review of the information as requested and discussed with the Council."
- C7. Our reservations about this extra information are the same as for the A22 scheme. We would want to ensure that the information requested is proportionate and does not present too onerous a burden on the promoting authority.

LEP officer view

- C8. This is a very similar scheme to the A22 and most, if not all, of the same issues apply. This schemes seems less well developed than the A22 proposals, but appears to be no less important. We would applaud Surrey County Council for adopting a template approach to these resilience schemes, as this should help to reduce the workload in producing business cases.

C9. There does appear to be a slightly higher risk with this scheme as compared to the A22 scheme. Because this scheme is at an earlier stage of development, the scheme's components are not yet fixed. We would therefore recommend that this scheme has an additional condition, that Surrey County Council confirm the scheme design and cost when their investigation work is complete.

Recommended

C10. Recommended:

- That this scheme be conditionally approved, subject to:
 - satisfactory additional information as negotiated between Coast to Capital, the scheme promoter and the independent assessor
 - Surrey County Council agreeing to meet any increases in scheme costs.
 - Further clarification by the scheme promoter of the scheme components and costs, when initial investigative work is completed.

ANNEX D

SURREY COUNTY COUNCIL: A217 Network Resilience/ A23 Network Resilience

The schemes

D1. For convenience, the two remaining resilience schemes are discussed together. They are Surrey County Council's **third and fourth highest priority** schemes respectively.

D2. These proposals are for similar measures to those in the A22 and A24 packages. The scheme costs are:

Scheme	Total cost	Grant	Local contribution	Proportion
A217	£3.225 million	£2.75 million	£475,000	15%
A23	£4.9 million	£4.182 million	£735,000	15%

D3. As with the A22 and A24 schemes, there is a strong policy justification for these schemes, but more work is needed on the scheme design and on the quantified outcomes and benefits.

Independent assessment

D4. The independent assessor reached the same conclusion for both schemes, recommending that they be conditionally approved, subject to the provision of additional information.

LEP Officer view

D5. These appear to be strong schemes which would be suitable for funding at some point in the programme, subject to the same conditions as the A22 and A24 schemes.

FUNDING MEETING

Agenda item 9

SUSTAINABILITY SCHEMES FOR 2015-16

Introduction

1. This paper makes recommendations for sustainability schemes that could start in 2015-16.

Background

2. Sustainable transport is at the heart of all five of the Strategic Economic Plan's transport themes:

- Connectivity: "Can I get where I want to go?"
- Reliability: "Will I arrive when I expect?"
- Capacity: "Will I get a seat, a parking space, a clear road?"
- Quality: "Will my journey be healthy, safe, clean, sustainable and enjoyable?"
- Resilience: "Will transport be there when I need it – 24/7?"

3. The Strategic Plan said:

"We are bringing forward a number of **sustainable packages** to restore confidence in our towns as areas which are ready and fit for growth. These will combine both transport and non-transport interventions.

"Each package contains a number of core improvements which are common to most packages, as well as several tailor-made components to tackle the specific local problems of the area in question.

The measures which are core to nearly all transformational packages are:

- Improvements to walking and cycling links and the urban realm
- Tackling the severance caused by busy roads, rivers, railway lines, level crossings and other physical barriers
- Improvements to junctions and traffic management systems to ease traffic flow and reduce congestion
- Improvements to rail stations, including better cycling and pedestrian access
- Improvements to public transport, such as bus and taxi priority measures and better interchanges

- Behavioural change measures, including improved information to the travelling public
- Improved road safety"

4. The Growth Deal (July 2014) included a commitment from Government to provide funding for sustainable transport schemes in the Coast to Capital Area.

Coast to Capital LEP commitments	Central Government commitments
Invest £10m in Sustainable Transport Packages	Invest £31.7m in Sustainable Transport Packages (with £3.7m in 2015/16)

5. The Letter of Delegation from Coast to Capital invited the LTB to select schemes to be funded from this allocation:

Sustainable transport funding

The Government has provided Local Growth Funding for sustainability schemes:

	Total LGF funding	Amount of LGF to be spent in 2015/16	Total Local Match Funding Contribution
Sustainable Transport	£31,700,000	£3,700,000	£10,000,000

We now ask the Local Transport Body to allocate these funds to suitable schemes.

The LTB will be responsible for:

- Implementing an open and transparent process to select the schemes that will be funded, drawing on the list of eligible schemes as put forward in the Strategic Economic Plan
- Taking the selected schemes through the Assurance Framework as agreed with DfT. The LTB may also wish to make special arrangements for the first year of funding given the short timescales involved.
- Overseeing delivery of the schemes which pass the Assurance stage
- Reporting on a regular basis to the Coast to Capital Board

In selecting the schemes to be funded the LTB should have regard to the following criteria:

- Criteria set out in the Assurance Framework agreed with Department for Transport
- The schemes must be selected from those included in the Strategic Economic Plan March 2014 and included here as Annex 1 or close variants of them.
- Schemes which are certain to deliver in 2015/16
- Schemes which fall in the seven strategic priority areas (excluding Croydon and Newhaven) as set out in the SEP:
 - Burgess Hill

- Heart of the Gatwick Diamond (Horsham & Crawley)
- East Surrey M25 Corridor
- Coastal Corridor
- Shoreham Harbour and Airport
- Brighton Centre
- Enterprise Bognor Regis
- Schemes which deliver the greatest economic impact in terms of new jobs, new homes or new employment space
- Schemes which have the highest levels of direct match funding and indirect leverage from both the public and private sector
- Schemes which deliver the highest value for money

Process

6. In line with the letter of delegation, the LTB invited the three eligible local transport authorities to submit bids for sustainable transport schemes that could start in 2015-16. As there was relatively little time between the Growth Deal announcement in July 2014 and the start of the funding period on 1 April 2015, the transport authorities agreed to restrict their bids to schemes with a gross cost of less than £5 million each. This would mean that full business cases would not be required, which would reduce the workload in producing bids.

7. Six sustainable transport scheme bids were received by the deadline in December 2014, plus one hybrid bid which contains elements of both sustainability and resilience. These bids are:

Sustainability schemes

- Brighton & Hove City Council: Bike Share scheme
- Surrey County Council: Dorking Town Centre, phase 1
- Surrey County Council: Greater Redhill Package
- West Sussex County Council: NCN (National Cycling Network) 2
- West Sussex County Council: Beautiful Outdoors
- West Sussex County Council: Worthing Sustainable Transport Package

Hybrid Scheme

- West Sussex County Council: West of Horsham

8. Although the NCN2 and Beautiful Outdoors schemes were originally submitted as separate schemes, West Sussex County Council subsequently requested that they be considered a single combined scheme.

9. These bids have been assessed by independent consultants Parsons Brinckerhoff, who were selected by competitive tender. Parsons Brinckerhoff do not have a financial or other interest in any of these schemes. The hybrid scheme, West of Horsham, has been assessed by two sets of consultants – Parsons Brinckerhoff (for the sustainability elements) and WYG (for the resilience elements).

10. In line with the Assurance Framework, these schemes have been subject to a one month consultation.

11. Each of the bids is assessed in the annexes to this paper.

Eligibility and suitability

12. The consultants have looked at each scheme from two perspectives - whether the schemes were fit for purpose and how the bids should be ranked in priority order.

13. The consultant recommends that six of the seven schemes are suitable for either full or conditional funding from the sustainability fund:

- Worthing Sustainable Transport Package
- Greater Redhill Package
- Dorking Town Package (phase 1)
- NCN2
- Beautiful Outdoors
- Brighton & Hove Bike Share

14. Each of these schemes would deliver significant benefits for sustainable transport and are consistent with the Growth Deal, the SEP and the letter of delegation from Coast to Capital Board.

15. We recommend further work on some of these schemes before full approval should be given. In some cases, that further work may be completed before the meeting on 25 March 2015. If so, we will report it verbally to the LTB.

West of Horsham hybrid scheme

16. The one scheme that we do not recommend for funding from the sustainability fund is the West of Horsham Transport Package. West Sussex County Council have asked for this scheme to be considered as a hybrid scheme because it contains elements of sustainability and resilience.

17. Accordingly, we have asked for an assessment of this scheme from two sets of independent consultants:

- Parsons Brinckherhoff for the sustainability elements
- White Young Green (WYG) for the resilience elements

18. We asked the consultants to coordinate their assessments. To maintain independence and impartiality, the LEP officers were not involved in these discussions.

19. The consultants recommend that the scheme should **not** be funded from either the sustainability or resilience funds. The business case has not demonstrated a clear link to either fund. The consultants also have a number of questions about the way that the benefits of the scheme

have been calculated. We expect that these questions could be resolved relatively easily in discussions between the promoters and consultants.

20. However the scheme does have considerable merit as a general highways scheme which helps to unlock new homes. If it were presented to the LEP/ LTB in those terms, it is highly likely to be given a high priority. Accordingly, we recommend that this scheme is not suitable for sustainability or resilience funding, but that another mechanism should be found by the Coast to Capital Board to fund it from within this or subsequent Growth Deals.

Prioritisation and ranking

21. The consultants have suggested a prioritised ranking of the schemes based on the information in the business plans. Their ranking takes into account a wide range of factors including economic and transport benefits, contribution to the SEP, cost, BCR, etc. Their rankings for the six schemes (excluding West of Horsham) are:

Ranking	Scheme	Score
1	Worthing Sustainable Transport Package (stage 1)	43.95
2	Dorking Transport Package (phase 1)	37.25
3	Brighton Bike Share	36.00
4	Greater Redhill Sustainable Transport Package	33.25
5	Beautiful outdoors	32.50
6	National Cycling Network 2	30.50

22. Subject to funding, our recommendations for these schemes (plus West of Horsham) are:

Scheme	Approval	Conditions
Worthing Sustainable Transport Package (stage 1)	Full	
Dorking Transport Package (phase 1)	Full	
Brighton Bike Share	Conditional	<ul style="list-style-type: none"> provide more explanation of the BCR commit to provide subsidy if the scheme is not profitable
Greater Redhill Sustainable Transport Package	Conditional	<ul style="list-style-type: none"> the scheme promoters provide more information about the elements of the package
Beautiful outdoors	Full	
National Cycling Network 2	Full	
West of Horsham Transport Package	Conditional	<ul style="list-style-type: none"> A suitable funding vehicle is found the scheme promoters provide requested information

23. It is possible that some of these conditions may be met before the meeting, or by a verbal agreement with the scheme promoters, for example to commit to suitable consultation.

24. All schemes, even those recommended for full approval, will be subject to standard growth deal requirements around scheme monitoring and reporting.

Funding

25. The Government has committed to provide £31.7 million for Coast to Capital's sustainable transport schemes. We expect the funding to be provided as £3.7 million in 2015-16 followed by five instalments of £5.6 million over the six years of the Growth Deal.

26. This means that the LTB can afford to fund all of the schemes in this programme, subject to all conditions being satisfactorily met. This could include the West of Horsham scheme if the LTB and Coast to Capital Board agree that it is eligible for funding as a general transport scheme.

27. The total grant requested for these seven scheme is £10.58 million spread over three years from 2015-16 to 2017-18. The precise funding arrangements will depend on negotiations with the promoting authorities. One indicative grant allocations for these schemes would be:

Scheme	2015-16	2016-17	2017-18
Worthing Sustainable Transport Package (stage 1)	£0.2 million	£0.6 million	
Dorking Transport Package (phase 1)	£0.6 million		
Brighton Bike Share	£0.56 million	£0.6 million	
Greater Redhill Sustainable Transport Package	£0.87 million	£0.98 million	£1.825 million
Beautiful outdoors/ NCN2	£0.965 million	£0.235 million	
West of Horsham Transport Package	£0.51 million	£2.64 million	
Total	£3.7 million	£5.05 million	£1.825 million

Does not include local contributions

29. The next table shows how these grant allocations match the amounts available from the Growth Deal:

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Available	£3.7 million	£5.6 million	£5.6 million	£5.6 million	£5.6 million	£5.6 million
Awarded	£3.7 million	£5.1 million	£1.8 million	-	-	-
Unallocated	-	£0.5 million	£3.8 million	£5.6 million	£5.6 million	£5.6 million

30. The LTB has already decided to invite the next round of bids for schemes starting in 2016-17. If the LTB agrees to accept all seven of these schemes, there will be approximately £0.5 million available in 2016-17 and £3.8 million in 2017-18.

Recommendations

31. We recommend that:

- The LTB agrees that the Worthing Sustainable Transport Package (stage 1) is eligible for sustainable transport funding; and that it should be approved in full
- The Dorking Transport Package (phase 1) be approved in full
- The Brighton Bike Share scheme be conditionally approved, subject to:
 - satisfactory evidence about to justify the scheme's benefit: cost ratio
 - a commitment from the scheme promoters to meet any funding shortfall in the scheme if it does not prove to be profitable
- The Greater Redhill Sustainable Transport Package be conditionally approved, subject to:
 - more information about the elements which make up the package
- The Beautiful Outdoors/ NCN2 schemes be approved in full; and
 - that the LTB agrees to treat it as a single scheme
 - the grant be reduced from £1.235 million to £1.2 million to be consistent with the Growth Deal requirement for a 25% local contribution.
- The West of Horsham Transport Package be conditionally approved, subject to:
 - confirmation from the Coast to Capital Board that the scheme can be considered as a general highways scheme that unlocks growth
 - further information about the scheme, including its costs and benefits.

Iain Reeve
Transport Adviser
Coast to Capital

19 March 2015

ANNEX A

BRIGHTON AND HOVE CITY COUNCIL: Bike Share Scheme

The scheme

A1. The proposal is for a bike hire scheme in Brighton with 430 bikes and 50 docking stations. The scheme would directly support 6 FTE jobs.

A2. The scheme would help people without access to a car to reach the city centre for work, leisure and education. It would support a number of developments, such as Valley Gardens, Circus Street, Preston Barracks Central Research Laboratory and City College Brighton (Pelham Street Campus). The scheme would also cover the i360 and Brighton Waterfront area.

Funding

A3. The scheme promoters are requesting a grant of £1.160,120 which would be matched by local contributions of £290,030. We would ordinarily round a figure like this to £1.16 million.

A4. The promoters have confirmed that the grant is for capital expenditure only. They estimate that the revenues from the scheme will exceed its operating costs, and that therefore the scheme would be financially viable.

Independent Assessment

A5. The promoting authority claims that the scheme would have a benefit to cost ratio (BCR) of 4.99 to 1. If confirmed, this would mean that the scheme was very high value for money as defined by the Department for Transport.

A6. The independent assessor, Parsons Brinckerhoff, has highlighted a number of risks with the BCR for this proposal:

- the number of bikes needed for the scheme is unknown with a wide range of uncertainty. The proposed 430 bikes could be too many or too few.
- the annual operating costs of £700,000 are based on estimates and could be incorrect.
- the business case has not included detailed consideration of the need to redistribute bikes to compensate for "tidal" journeys (ie when large numbers of people travel to the same destination at the same time, such as a college).
- The assumed number of bike trips of 5.6 trips per bike per day is high for the UK. A 30% decrease in revenue would result in an operating loss of £200,000.
- The predicted operating surplus is reliant on sponsorship revenue of £185,000 which is not yet secured.
- The outturn BCR for the London Barclays Cycle Hire Scheme is 0.7: 1, which would be classified as "poor" by the Department for Transport. This casts doubt on the claimed BCR of 4.99: 1 for the Brighton Bike share scheme.

A7. The Parsons Brinckerhoff reviewer concludes that it would be "inadvisable to rely on a high or very high BCR in considering this application." A value of under 1.5 (low or poor) would be more typical of a scheme of this nature.

A8. The promoting authority disputes this assessment, stating that the assessor has placed too much emphasis on the London scheme. They contend that a number of unfavourable outcomes would be needed for a poor BCR (eg low or no sponsorship, increased costs, lower than expected usage).

Deliverability

A9. In general terms, the infrastructure needed for a bike hire scheme is not usually innovative or prone to significant risks. However, the independent assessor points out that:

- planning consents for the docking stations have not been achieved,
- the construction and purchase costs could exceed the estimates,
- there could be opposition from existing suppliers or businesses adversely impacted
- Sponsorship has not been secured.

Overall assessment

A10. The Parsons Brinckerhoff reviewer's full recommendations are:

"The reviewer recommends that the scoring is reduced to 19 out of 25 as noted in this report. Environmental benefits are not substantiated and the business case is not considered to be sufficiently robust or fit for purpose in its current forum. The benefits claimed for economic growth, socio-distributional impact and contribution to the Strategic Economic Plan included in the business case are acceptable.

It cannot be readily judged from the business case what the BCR should be without the application of more robust assumptions. In the circumstances a conservative conclusion at present would be that the BCR will be low or poor, in keeping with the London Bike Hire scheme.

This application should be considered on that basis but – in the event that the project is not funded in 2015-16 – the business case should be resubmitted in a more robust form as a future application."

A11. The LEP officer view is that this is an interesting scheme which contains an element of risk. The comparison with the London Bike Hire scheme is apt. The London scheme has a poor BCR and does not generate an operating surplus, but it also has considerable totemic value. It is a highly visual statement of London's commitment to sustainable transport and cycling. By publicising cycling, it could encourage people to use their own bikes more. It is possible that the patronage and revenue of the London Cycle scheme could improve in future years.

A12. The independent assessor's report argues that a more realistic BCR for the Brighton scheme would be in the region of 1.5 to 1. This would fall short of the LTB's threshold of 2:1. The promoting authority does not agree with this assessment. They believe that the Brighton & Hove scheme will have several key differences from the London scheme.

A13. This means that we cannot currently advise the LTB what the value for money score is for this scheme. We have a difference of opinion between the promoting authority and the independent assessors. Accordingly, we recommend that more work is carried out on this point.

A14. The Assurance Framework does allow for limited circumstances when a scheme with a BCR of less than 2:1 could be funded:

61. The LTB will only fund schemes which offer high value for money (i.e. greater than 2:1), except in limited circumstances. The limited circumstances could include:

- schemes which form part of a wider package or initiative which would have a high value for money assessment;*
- schemes which are innovative or which trial new techniques;*
- where the benefits of the schemes are not adequately captured by conventional assessment techniques; and*
- where the interventions could help to maintain or grow unquantifiable business or consumer confidence in the area, and so lead to economic growth.*

62. Where a proposed scheme does not offer high value for money, it will be for the promoting authority to demonstrate that there is a compelling need for the scheme to be funded. The promoting authority should provide suitable evidence of the need for the scheme and of any harm or dis-benefits that might occur if the scheme is not approved. This evidence will be considered by the independent assessor and the LTB officers when producing the value for money statement for that scheme. Their assessment of the scheme will be published and laid before the LTB in the usual way.

A15. We do not yet know whether these provisions of the Assurance Framework will be relevant or whether the scheme will be shown to have a BCR of more than 2:1.

A16. An additional concern is whether the scheme would be profitable or whether it would require subsidy. Many bike hire schemes require ongoing sponsorship and/or local subsidy.

A17. If the scheme were to go ahead, it would be prudent to ask the scheme promoter for a guarantee that any shortfalls in revenue would be met from local sources. Otherwise, the sunk capital investment of bikes and docking stations could be lost if the scheme subsequently ceases operation for a lack of subsidy.

A18. The scheme has a number of benefits. It would encourage more cycling and support local business. It complements existing growth sites and projects such as Valley Gardens. It is relatively low cost. It has the potential for a very high BCR.

Recommendations

A19. We would therefore recommend that the project be given conditional approval for funding, with the following conditions:

- the promoting authorities either provide more justification of the claimed BCR or, if the BCR is less than 2:1, offer evidence in line with the Assurance Framework that the scheme has wider benefits which would compensate for its BCR.
- the promoting authority provides an assurance that the scheme will be subsidised in the event that it does not make an operating surplus.

ANNEX B

SURREY COUNTY COUNCIL: Dorking Transport Package (phase 1)

The scheme

B1. This proposal is for a package of improvements to Dorking Deepdene station, as part of the first phase of improvements in the Dorking Transport Package.

B2. The current Dorking station is unattractive and difficult to use. It can only be accessed by steps and does not have a number of facilities which customers now expect, such as CCTV, cycle parking and good waiting facilities. There is poor signage and passenger information. The link between the station and Dorking Main station could also be improved to allow easy interchange.

B2. The proposal is the first phase in a three stage project to improve the station:

- **Phase 1** (this bid) – replacement of waiting shelters, removal of vegetation, installation of acoustic and privacy screening, lighting improvements, installation of CCTV and improvements to the stairs, new cycle facilities, installation of new ticket vending machine at the north entrance to the station.
- **Phase 2** - installation of lifts to each platform and changes to the two access paths and stairs to provide DDA (Disability Discrimination Act) compliant access to the station, exploration of new walking route between the two stations (potentially to be funded by redevelopment of Federation House).
- **Phase 3** – delivery of station building with full customer facilities, gatelines and subway to make the station secure. The entrance path to the westbound platform would be closed and all access would be through the new station building on the northern side.

Funding

B3. The overall cost of phase 1 is £800,000, which is requested as £600,000 of grant and £200,000 of local contributions. The scheme promoters confirm that the funding would be used for capital purposes and that there would be no ongoing revenue liabilities.

B4. There is a time pressure for this scheme as the local contribution of £200,000 is only available in 2015-16. The works could be funded over two years with local contribution being used in 2015-16 and growth fund grant being used in 2016-17.

Consultation

B5. A large number of consultation responses have been received in support of this scheme. It is evident that there is considerable local support for the need to improve the station.

B6. Whilst there is unanimous agreement that "something needs to be done" to improve the station, there are a number of different points of view about what should be done.

B7. A number of respondents have expressed a need for the scheme to go further than is currently proposed. Some responses have asked for the installation of lifts to be brought forward. The lifts are part of stage 2 of the proposals and are not covered by this bid. Others have recommended that the lifts be replaced with ramps.

B8. Several respondents to the consultations have asked for improved service patterns and more frequent trains, which could be achieved through electrification of the line. This is already a Coast to Capital policy objective. It is not within the scope of this bid, although we would hope that investment in North Downs Line stations would help to build the case for electrification of the line.

B9. The Dorking Town Forum support the need for improvements to the station, but would like to be consulted on the detailed design. They have undertaken a considerable amount of work themselves and have a large amount of experience and expertise.

B10. These are very valid points. Accordingly, we recommend that if this bid be accepted that the funding should be conditional on the scheme promoters agreeing to carry out detailed consultation with local residents, especially the town forum, on the specifics of the design. If this agreement can be given before or at the meeting, our recommendation would be to accept the scheme in full.

Independent assessment

B11. As the scheme costs less than £1 million, the promoter has not estimated a benefit: cost ratio. The independent reviewer, Parsons Brinckerhoff, estimates that the scheme would deliver medium value for money. The accessibility and connectivity improvements are likely to increase patronage to the stations and more passengers may be encouraged to interchange.

B12. The overall assessment from Parsons Brinckerhoff is:

"The reviewer considers that the business case is robust and fit for purpose for a scheme of less than £5 million, and that the scheme will provide significant benefits and with reasonably low risks. As such, the reviewer recommends that the requested funding of £0.6 million is approved for Phase 1 of the Dorking Transport Package.

However, to reduce the specified risks associated with funding and timescales, it would be beneficial if an initial breakdown of costs (including contingency) and information on consultation requirements is provided to C2C at the earliest opportunity."

B13. Surrey County Council have agreed to provide the requested breakdown of costs.

B14. The LEP officer assessment is that this is a robust scheme with a high level of public support. There is a clear local appetite for further improvements to the station, in addition to what is proposed in this bid. If the scheme is successful for funding we would encourage the scheme promoters to come forward with additional stages, both for the station and more widely for Dorking

itself. The promoters have agreed to carry out detailed consultation in the summer of 2015 with local residents including the Dorking Town Forum.

Recommendation

B15. We recommend that the scheme be accepted in full, subject to the normal Growth Deal requirements for scheme management and monitoring.

COAST TO CAPITAL VALUE FOR MONEY STATEMENT

Dorking Transport package (phase 1)

1. Coast to Capital LEP has examined the business case for the Dorking Transport Package, (phase 1) scheme as proposed by Surrey County Council in December 2014.
2. The business case has also been independently assessed by transport consultants Parsons Brinckerhoff.
3. As a relatively small scheme, a benefit: cost ratio is not required. The consultants and Coast to Capital consider that the scheme business case is robust and fit for purpose, and that the scheme delivers at least medium value for money. The scheme also has unquantified wider economic benefits which could increase the value for money assessment.

Ron Crank
Chief Executive
Coast to Capital LEP

Date?????

ANNEX C

SURREY COUNTY COUNCIL: Greater Redhill Sustainable Transport Package

The scheme

C1. This scheme proposes a package of walking, cycling and bus improvements focused on the Coast to Capital growth areas along the A3/ A2044, A217 routes between the Redhill/ Reigate and Horley/ Gatwick areas.

C2. Cycling would be improved along the National Cycling Network route 21, along the A23, in Horley town centre and by providing links to adjoining destinations such as Reigate.

C3. Walking improvements would be made along the same route and would include signalised crossings, tactile paving, dropped kerbs, safe crossing points, signing and quality surfaced areas.

C4. Bus journeys would be improved through measures such as:

- bus priority measures including traffic signal priority
- traffic management and junction improvements
- real time information
- smart card ticketing
- safe pedestrian routes to the bus stops
- investment in lower emission high quality buses.

C5. The scheme would meet a number of SEP transport objectives including journey time reliability, reducing congestion, encouraging sustainable transport and improving the quality of journeys across all modes.

Funding

C6. The scheme has a total cost of £4.9 million, of which £3.675 million is requested as local growth fund grant. There is a local contribution of £1.225 million (25%). This is consistent with the Growth Deal.

C7. Surrey County Council's intention is to phase the scheme over three years from 2015-16 to 2017-18. If the LTB chose, grant funding could start from 2016-17, with the first year costs being met from local contributions.

Consultation

C8. The scheme has a high level of support from local stakeholders including:

- Gatwick Airport Ltd
- Metro Bus
- Southern Railway
- East Surrey Hospital
- Sustrans
- AXA Assistance (based in Redhill)
- Reigate & Banstead Borough Council
- Lawsons (a Redhill business)

Independent Assessment

C9. The scheme promoter has not offered a benefit cost ratio as the scheme costs less than £5 million. The application notes that:

"Sustainable transport packages of this nature within the county and nationally have been evaluated and continue to provide a BCR of above 2, including the Local Sustainable Transport Fund project within Surrey (TravelSMART) focused on three towns, including Redhill/ Reigate."

C10. The overall recommendation from the assessor is:

"The reviewer considers that the business case is robust and fit for purpose for a scheme of less than £5 million, and that the scheme will provide significant benefits with relatively low risks. As such, the reviewer recommends that the LTB funding of £3.65 million is approved for the Greater Redhill Sustainable Transport Package dependent on the ranking of schemes."

Risks

C11. The design work for the scheme has not yet been undertaken. This is perhaps understandable given the accelerated timescales that we are working to, but it does mean that there cannot be certainty about exactly what would be delivered by the programme. In particular, the business case describes the sorts of bus measures which **may** be delivered, but does not offer a commitment about the precise elements of the scheme.

C12. Surrey County Council tells us that feasibility work will be followed by consultation during the summer. The Horley area works are well developed and will be introduced this financial year.

C13. As the project is scaleable, it does not appear that contingency or optimism bias has been applied. We understand that any cost increases in the scheme would be met by scaling the project down.

Value for money

C14. The assessor has concluded that the scheme offers high value for money, which is equivalent to a benefit to cost ratio of more than 2 to 1. This is based on comparison with similar schemes elsewhere.

LEP officer assessment

C15. This is a sound and pragmatic proposal which builds on Surrey County Council's expertise of delivering similar schemes elsewhere. The project is consistent with the SEP objectives and is likely to offer high value for money.

C16. The proposals are not as well developed as some of the other bids. We would therefore recommend that any offer of funding should be subject to the promoter agreeing to provide additional information about the scheme design and to commit to a consultation with residents on those designs.

Recommendations

C17. We recommend that the scheme be conditionally approved, subject to:

- the scheme promoter providing more information about the projects within the package

COAST TO CAPITAL VALUE FOR MONEY STATEMENT

Greater Redhill Sustainable Transport Package

1. Coast to Capital LEP has examined the business case for the "Greater Redhill Sustainable Transport Package" scheme as proposed by Surrey County Council in December 2014.
2. The business case has also been independently assessed by transport consultants Parsons Brinckerhoff.
3. The promoting authority estimates that this scheme would have a benefit: cost ratio in excess of 2 to 1, based on experience with similar schemes elsewhere. This would equate to a high value for money.
4. Based on the information provided to us, Coast to Capital would agree that this scheme is likely to deliver high value for money.

Ron Crank
Chief Executive
Coast to Capital LEP

Date?????

ANNEX D

WEST SUSSEX COUNTY COUNCIL: Worthing Sustainable Transport Package (Phase 1)

The scheme

D1. This project is for a sustainable transport package to refurbish the urban realm along the pedestrian section of Montague Street, the junction of Montague Street with Crescent Road and Portland Road.

D2. In addition, the scheme would improve Montague Place including the removal of the Rotunda. This would create an area for market and social events and strengthen the link between the main shopping area and the seafront.

D3. The works proposed for phase 1 (this bid) include:

- Removing the Rotunda at Montague Place
- Installing two contemporary shelters for events/ stalls
- Installing central paving with integrated way-finding lettering
- Providing stone cubes for informal seating and to act as a barrier to vehicles
- Providing a raised table to improve pedestrian links to Liverpool gardens
- Relocating disabled bays

D4. By improving the public realm and connectivity of the town centre, the area will become a more attractive environment, leading to increased footfall. The area will also be made safer for pedestrians by removing uneven paving.

Funding

D5. The total cost of phase 1 is £1.2 million, of which £800,000 is being requested as Local Growth Fund grant. Local contributions of £400,000 (33%) would be provided. The works are evidently capital in nature and do not have an ongoing revenue cost.

D6. The promoting authority intends to submit further bids for successive phases. The works in this bid are free-standing and can be constructed with making a commitment to the later stages.

D7. Construction is expected to start in January 2016. This would mean that the scheme would require relatively little funding in 2015-16, especially if there is slippage in the construction schedule.

Value for money

D8. The estimated benefit: cost ratio for the larger scheme is 4 to 1, which would be considered very high value for money. Stage 1 will have a lower BCR, but it is still expected to be higher than 2 to 1.

Risks

D9. The risks with this scheme are relatively small. The designs are at outline stage and therefore costs may rise. There is a chance that the construction could slip to 2016-17.

Consultation

D10. We have received a small number of consultation responses arguing that the scheme should not proceed because, in their view, it does not promote sustainable transport. One respondent contended that the scheme would encourage more people to drive to Worthing, and that this would lead to more car travel and not less.

D11. This is an interesting argument, but is not necessarily the case. It is true that improving a town centre might generate some additional car trips into that town. However, it is also the case that improvements to the urban realm will encourage more local residents to work and shop locally instead of travelling further to alternative shopping destinations such as Brighton.

D12. The scheme would improve the pedestrian environment in Montague Place and improve the pedestrian link to Liverpool Gardens.

D13. We are therefore firmly of the view that this is a sustainable transport scheme and suitable for funding by the LEP.

Independent assessment

D14. The independent assessor concluded:

"The Independent Review considers that the scheme is well developed for this stage of the process and there is sufficient evidence to support the business case.

The scheme is considered to represent high value for money. The scheme scoring assessment has concluded an overall score of 18.

The reviewer considers that the business case is robust and fit for purpose for a scheme of less than £5 million, and recommends that the requested LTB funding of £0.8 million is approved for the Worthing Sustainable Transport Package, dependent on the ranking of schemes."

D15. The LEP officer view is that this is a strong sustainable transport scheme which offers considerable benefits and is entirely consistent with the objectives of the Strategic Economic Plan. The one question mark over the scheme is that it has a predicted start of January 2016, which could make it more suitable for funding in 2016-17 than in 2015-16.

Recommendations

D16: We recommend that the LTB agrees that this scheme would improve sustainable transport and is therefore eligible for funding from this programme.

D17. We recommend that this bid be approved in full.

COAST TO CAPITAL VALUE FOR MONEY STATEMENT

WORTHING SUSTAINABLE TRANSPORT PACKAGE (STAGE 1)

1. Coast to Capital LEP has examined the business case for the Worthing Sustainable Transport Package (stage 1) as proposed by West Sussex County Council in December 2014.
2. The business case has also been independently assessed by transport consultants Parsons Brinckerhoff.
3. The promoting authority, West Sussex County Council, estimates that the full scheme would have a benefit to cost ratio of 4 to 1. If confirmed, this would mean that the scheme was high value for money.
4. Parsons Brinckerhoff consider that stage 1 of the scheme would have a slightly lower BCR than for the full scheme, but that it would still have a good to high BCR. Coast to Capital agrees.
5. We are happy to confirm that this scheme offers at least "good" value for money and that it is close to "high" value for money.

Ron Crank
Chief Executive
Coast to Capital LEP

Date?????

ANNEX E

WEST SUSSEX COUNTY COUNCIL: NCN2 and Beautiful Outdoors Capital Investment Programme Phase One

The schemes

E1. These are two schemes to promote cycling within West Sussex. The County Council has asked for them to be considered as a combined scheme.

E2. The National Cycling Network (NCN) is a continuous long distance network of cycle routes across the UK. This proposal would create a direct cycle facility between Littlehampton and Bognor Regis. This will involve the construction of a 3 metre wide combined cycle and footpath alongside the A259. The route will be segregated from traffic.

E3. The scheme would have a number of benefits including:

- encouraging more people to cycle
- providing a safer segregated route
- linking several new housing developments
- reducing the number of car trips

E4. The "Beautiful Outdoors Capital Investment Programme phase 1" scheme is a set of improvements to cycle links in the South Downs National Park. It would include:

- a marketing campaign targeting visitors from London and the South East to take walking and cycling offer to the park
- Business support to enterprises in the local tourism, accommodation, food service and agricultural sectors
- A 3 year capital investment programme to improve pathways, bridleways and cycle routes.

Funding

E5. The total cost of the combined schemes is £1.6 million. A grant of £1.235 million has been requested with local contributions of £365,000 (22.8%). This is slightly below the normal requirements for sustainable transport schemes of a 25% local contribution. If the LTB wished to increase the local contribution to 25% it would need to reduce the grant to £1.2 million and ask West Sussex County Council to increase its contribution to £400,000 – a transfer of £35,000.

Value for money

E6. The independent assessor considers that the scheme would offer medium value for money. The scheme promoters have estimated a BCR of 2:1 for the NCN2 scheme. A BCR has not been produced for the Beautiful Outdoors scheme.

Risks

E7. The schemes are at an early stage of development and therefore may not be deliverable within the 2015-16 programme. No preliminary designs have been undertaken and there is a need for further environmental work.

Consultation

E8. We have received a number of consultation responses supporting the need for the NCN2 scheme.

Should the two schemes be combined?

E9. The independent assessor has questioned whether the two schemes should be combined and recommends that they should be funded separately.

E10. In our view, this is a decision for the scheme promoter to take. Whilst the two schemes are geographically separate they do both promote cycling and involve the construction of footpaths and cycle paths. We can see the presentational advantages of bracketing cycle schemes together to help to encourage more cycling.

Recommendation

E11. The independent assessor's recommendations are:

"It is therefore recommended that the schemes are considered separately by Coast to Capital. It is recommended that both schemes be approved for funding as follows subject to agreement by the LEP of the following:

- **NCN2 – no local contribution and subject to ranking of schemes**
- **Beautiful outdoors – subject to ranking of schemes**

It is further recommended that as part of further scheme development updated information on delivery risks and projected value for money be provided to Coast to Capital."

E12. The LEP officer view is that both schemes are suitable for funding. They are a good fit with the objectives of the SEP and provide medium value for money. If both schemes are accepted for funding, we can see no reasons why they cannot be funded as a single scheme, as West Sussex County Council has requested.

Recommendations

E13. We recommend that:

- these two schemes be combined into a single cycling scheme
- the grant be reduced from £1.235 million to £1.2 million
- the scheme be fully accepted for funding, subject to the normal requirements for programme management and scheme monitoring information.

COAST TO CAPITAL VALUE FOR MONEY STATEMENT

NCN 2 and Beautiful Outdoors

1. Coast to Capital LEP has examined the business cases for the NCN2 and Beautiful Outdoors schemes as proposed by West Sussex County Council in December 2014.
2. The business cases have also been independently assessed by transport consultants Parsons Brinckerhoff.
3. The promoting authority, West Sussex County Council, estimates that the NCN 2 scheme would have a BCR of 2 to 1. No BCR has been offered for the Beautiful Outdoors scheme. Based on experience of similar schemes, Parsons Brinckerhoff estimates that these schemes would offer medium value for money. Coast to Capital agrees.

Ron Crank
Chief Executive
Coast to Capital LEP

Date?????

ANNEX F

WEST SUSSEX COUNTY COUNCIL: West of Horsham Transport Package

The scheme

F1. The West of Horsham Transport Package comprises four schemes to be delivered in the 2016-17 financial year:

- Farthings Hill interchange
- Five Oaks roundabout (including traffic management and speed reduction measures in Broadbridge Heath)
- Great Daux roundabout
- Robin Hood roundabout

F2. The Farthings Hill and Five Oaks schemes are linked to the wider delivery of the 2,000 home West of Horsham development. They would improve connectivity and severance issues between Broadbridge Heath and Horsham, especially for pedestrians. The Farthing Hill interchange will include Toucan crossings and shared use paths.

F3. The Great Daux and Robin Hill schemes are linked to the delivery of the 2,500 home North of Horsham development. Both junctions are located on the strategic A24 and both experience congestion and delay. The proposal is for both junctions to be improved with additional entry lanes and signal control.

F4. The scheme promoter has put forward the scheme as a hybrid scheme which offers both sustainable transport and resilience benefits.

Policy case

F5. The scheme offers a good fit with the Strategic Economic Plan. It supports the delivery of additional homes and meets all five of the transport objectives.

Funding

F6. The scheme has a total cost of £4.188 million. The scheme promoter is requesting grant of £3,141,378. The balance of £1,047,125 will be met from local contributions. This represents a local contribution of 25%, which is consistent with the Growth Deal.

F7. It is relatively unusual for a scheme promoter to request grant to the nearest £1. If the scheme is accepted for funding, we would recommend rounding the grant offer to the nearest thousand - £3.14 million.

Independent Assessment

F8. In the current exercise, we have commissioned consultants Parsons Brinckerhoff to assess sustainability schemes and WYG to assess resilience schemes. As this scheme is a hybrid, we asked both consultants to assess the scheme separately and then to produce a joint report. This report is available on the Coast to Capital website and is summarised below.

F9. The consultants have concluded that the scheme is **not** suitable for funding as either a sustainability scheme or a resilience scheme.

F10. **Sustainability:** the Farthings Hill and Five Oaks schemes should improve walking and cycling trips. However, the benefits have not been quantified. The benefit: cost ratios for the sustainable transport elements of the schemes are negative. This is perhaps not surprising as new pedestrian and cycle crossings will slow down vehicles, but we would need to see more evidence of the benefits that the scheme would bring for walking and cycling.

F11. **Resilience:** the Great Daux and Robin Hill roundabouts are designed to reduce congestion. The reviewers have pointed out that the business case does not provide evidence for how the scheme contributes to network resilience. The reviewer has also raised a number of technical questions about how the BCR for the scheme has been calculated.

F12. The reviewers recommended:

"... the scheme promoter should liaise with Coast to Capital to determine the most appropriate funding stream to apply to, as the junction improvements included under the resilience elements in the current application could be considered to be general highway improvements linked to unlocking development.

However, our analysis has identified short comings in relation to how the BCRs of the four schemes have been calculated, specifically concerning the journey time, the accident PVB calculations and how the proposed junction schemes have been modelled. Therefore it is not possible to recommend the business case as submitted, under any funding stream, and it is considered that an update be made, using the recommendations provided, in order to be considered suitable for final submission."

Value for Money

F13. The scheme promoters claim a benefit to cost ratio of 205: 1, based on journey time savings and accident reductions. If confirmed, this would be considered to be very high value for money. However the consultants have raised a number of questions about the methodology for calculating the BCR, which means that we are unable to confirm it.

F14. The sustainability aspects of the scheme (on their own) have negative BCRs of:

Farthings Hill: -14.9

Five Oaks: -3.9

F15. This is perhaps not surprising as the scheme would introduce delays for drivers and the scheme promoters have not including the benefits of increased walking and cycling.

LEP officer view

F16. The LTB has deliberately given a broad definition of both sustainability and resilience to allow scheme promoters flexibility in the schemes that they put forward. In the case of this scheme, the scheme promoters have not been able to demonstrate that this scheme fits either definition. The scheme does appear to have some benefits for sustainable transport and resilience, but these have not been quantified.

F17. Accordingly, we cannot recommend this scheme for funding from either the sustainability or resilience funds.

F18. However, there are a large number of positives connected with this scheme. The Department for Transport considers a benefit cost ratio of more than 4 to 1 as "very high" value for money. This scheme's BCR of 205 to 1 (if confirmed) would be remarkable and highly unusual.

F19. The scheme fits many of the SEP objectives:

- It helps to unlock a large number of new homes
- it improves journey times
- it reduces accidents
- it helps to reduce severance between Broadbridge Heath and Horsham
- it improves the public realm, social inclusion and community well-being

F20. **If this scheme was brought forward as a connectivity or general highway scheme, it is highly likely that the LEP and LTB would want to give it a high priority.** We would therefore recommend that the LTB looks for a way to fund the scheme outside the sustainability or resilience funds.

F21. Given the scheme's high benefits, we would recommend conditional approval, subject to:

- a suitable alternative funding mechanism being found within the Growth Deal
- the scheme promoters providing satisfactory additional information to respond to the comments made by the independent assessors.

F22. Due to the uncertainties about the BCR, we do not recommend providing a value for money statement at this stage.