

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.

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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.