

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 Brinckerhoff 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.