

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