

Environmental and Community Services Select Committee

14 May 2014

Strategic Transport Investment Programme – Approval of Prioritised Schemes 2014/15

Report by Director Communities Commissioning and Strategic Planning Manager

Executive Summary

In July 2013, the Cabinet Member for Highways and Transport established a Strategic Transport Investment Programme (STIP) to facilitate the identification, prioritisation, development, and implementation of strategic highway and other transport schemes. Significant investment is required to develop priority schemes so that they are ready to secure external funding and to implement the schemes that are ready for implementation. Schemes identified as priorities in July 2013 (with one exception) have been subject to feasibility work and funding is now required to enable continued development of these projects through the preparation of business cases which provide the technical basis for funding bids.

In May 2014, the Cabinet Member for Highways and Transport will be asked to approve strategic highway and other transport schemes as priorities for investment in 2014/15. A long list of schemes has been developed through technical work and engagement with local members and stakeholders. These schemes have been prioritised using the methodology adopted by the Coast to Capital Local Transport Body. Following this prioritisation exercise, ten schemes listed in paragraphs 5.2 and 5.3 are proposed to be taken forward as new priorities in 2014/15. This will include project planning, feasibility studies and engagement with key stakeholders, including local members, to identify and appraise options for each scheme.

Recommendation(s)

It is recommended that the Committee informs the Cabinet Member for Highways and Transport about:

- (a) its views on the prioritisation methodology outlined in paragraph 4.2 and the proposed prioritisation of schemes set out in [Appendix A](#); and
- (b) the proposal that the schemes in paragraph 5.2 and 5.3 be identified as new priorities and taken forward for development.

1. Introduction

- 1.1 In July 2013, the Cabinet Member for Highways and Transport established a Strategic Transport Investment Programme (STIP) to facilitate the identification, prioritisation, development, and implementation of strategic

highway and other transport schemes. Such schemes are important strategically, i.e. either they are important at a county-wide/'larger than local' level or they are necessary to support future development of an area. The STIP does not include infrastructure which is required to mitigate the site-specific impact of a development as this should be secured through the planning system.

- 1.2 Significant investment is required to develop the priority schemes so that they are ready to secure external funding and to implement the schemes that have been developed. Prioritised schemes will be the basis for bids for funding as opportunities arise (e.g. local growth funding administered the Local Enterprise Partnership).

2. **Update on 2013/14 STIP priorities**

- 2.1 The STIP is being rolled-forward on an annual basis to ensure that schemes are sufficiently well advanced to take advantage of funding opportunities as they arise. In July 2013, nine schemes listed in table 1 were identified as priorities for investment. These schemes have been a focus for staff resource and investment in 2013/14 using funding made available by Cabinet to support preparatory work. They have also been put forward to the Coast to Capital Local Enterprise Partnership (LEP) for inclusion in their Strategic Economic Plan (SEP) as they will support economic growth. In some cases, these schemes are part of a wider package of measures identified in the SEP as outlined in table 1.

Table 1. Current status of STIP priorities identified in July 2013

Scheme	Scheme included in the SEP	Current status*¹	Budget required for 2014/15 (capital unless specified)
A284 Lyminster bypass	A284 Lyminster bypass	Preliminary design stage	£192k (funded from allocated S106)
A259 corridor improvements, East Arun	A259 corridor improvements, East Arun	Preliminary design stage	£250k
A24 junctions (Great Daux & Robin Hood* ²)	West of Horsham off-site infrastructure package	Preliminary design stage	£80k
A259 Shoreham	Shoreham area transport package	Feasibility Study complete	£100k (subject to agreeing scope with members)
A2300 Burgess Hill	A2300 corridor improvement	Feasibility Study due to complete March 2014	£100k (subject to agreeing scope with members)
Crawley Town Centre	Crawley area transport package	Feasibility Study due to complete April 2014	£100k (subject to agreeing scope with members)
Northgate gyratory	Chichester area	Feasibility Study	£20k

	transport package	due to complete May 2014	
A22 corridor	East Grinstead area transport package	Preliminary Design stage	£70k
Haywards Heath Town Centre	Haywards Heath area transport package	Pre-feasibility – study brief being prepared	£50k (revenue)

*¹ References to the Gateway Review Process indicate the current project stage rather than confirmation that projects have successfully passed all necessary gateways.

*² These schemes were previously identified as two separate schemes but have been combined into a single project to achieve efficiencies.

- 2.2 For the nine priority schemes, feasibility work has either been completed or is underway for all but one scheme. To support the next stages of preparatory work, there is a need for a capital funding allocation of £720k in 2014/15 to support development of the 2013/14 priorities. This will fund preliminary design work and preparation of business cases to demonstrate the deliverability and value for money of these schemes which is necessary to secure Government funding.
- 2.3 Feasibility work on the Haywards Heath Town Centre scheme has been delayed due to resource pressures and will be progressed in 2014/15. Revenue funding of £50k is required to in 2014/15 to support this work.

3. Identification of 2014/15 STIP priorities

- 3.1 A long list of schemes (these are shown in appendix A) was produced to help identify priorities for investment in 2014/15. It includes some schemes such as the Bognor Regis Relief Road that are currently being delivered and other schemes that will be delivered by external organisations (e.g. Highways Agency). These schemes (tables A1 and A2 in Appendix A) do not require investment by the County Council at the preparatory stage, as this will be funded by the lead authority. In some cases, these schemes may require County Council investment at the implementation stage.
- 3.2 The long list of schemes has been identified by local members, through engagement with communities or technical work relating to the operation of the transport network. However, in most cases, they have been identified through technical work to assess the current and future operation of the transport network in light of plans for development and developer contributions will be secured to help deliver them. As each local planning authority's Local Plan is being produced to a different timetable, the long list is based on the latest position within each area and it reflects the schemes that are likely to emerge through the plan-making process.
- 3.3 As the transport needs of each area varies, there are a wide range of schemes of different types – such as highway capacity improvements and sustainable transport infrastructure – and scales – ranging from major highway improvements to new pedestrian crossings – needed to support plans for growth. Where the infrastructure required is comprised of many small schemes focused on a specific geographical area or a particular theme

(e.g. Intelligent Transport Systems), these have been combined into packages. In combination, these small scale schemes will have a significant impact on the operation of the transport network, making them strategic and, therefore, suitable for consideration as part of the STIP.

- 3.4 Packages of smaller schemes have many advantages because they are typically lower cost, can be implemented flexibly (i.e. at different times) and generally require less preparatory work than major schemes. They are also particularly suited to congested urban areas where sustainable transport behaviour is more prevalent and opportunities to introduce major highway improvements are relatively limited due to the constraints of the built up area. Packages of small scale improvements have also been shown to be very effective in supporting behaviour change towards sustainable travel behaviour and the Local Enterprise Partnership are very supportive of these schemes, particularly where they will complement efforts to generate economic growth. Therefore, the long list of schemes includes a range of major transport schemes and packages of small scale improvements.

4. Prioritisation of 2014/15 STIP priorities

- 4.1 In order to prioritise the long list of schemes and ensure priorities have a strong chance of securing funding; consideration has been given to the potential sources of funding for implementation and the criteria used to assess schemes and determine how funding is allocated. Local growth funding, which will be allocated to the LEP, will be one of the most likely sources of funding for strategic transport schemes from 2015 onwards. Although the LEP is yet to publish details of how this funding will be allocated, it is likely to relate closely to the methodology adopted by the Coast to Capital Local Transport Body (LTB) in June 2013.
- 4.2 The prioritisation methodology adopted by the LTB is based on the Department for Transport's appraisal methodology and provides a sound, objective approach by assessing schemes against 5 key criteria using the scoring methodology outlined in table 2. The criteria are; scheme-related economic benefits, wider economic benefits, socio-distributional impacts, environmental impacts, and feasibility and deliverability issues. The methodology also takes into account whether schemes accord with the Strategic Economic Plan recently prepared by the LEP.

Table 2. Scoring methodology

Key criteria	Considerations	Scoring (unless specified POOR=0; FAIR=1; GOOD=2)
Economic Benefits - transport & scheme related - normalised total score of 5 based on scores for each consideration	Benefit Cost Ratio (BCR)	<ul style="list-style-type: none"> • GOOD if BCR > 2 • FAIR if BCR of 1.5 to 2 • POOR if BCR < 1.5
	Journey times & journey time reliability	<ul style="list-style-type: none"> • GOOD = significant beneficial impact • FAIR=limited beneficial impact • POOR= very limited or negative impact
	Cost of travel (time and money)	<ul style="list-style-type: none"> • GOOD = significant beneficial impact • FAIR=limited beneficial impact • POOR= very limited or negative impact

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	Accidents/safety	<ul style="list-style-type: none"> • GOOD = significant beneficial impact • FAIR=limited beneficial impact • POOR= very limited or negative impact
	Valuing public realm	<ul style="list-style-type: none"> • GOOD if delivers • FAIR if provides opportunity • otherwise POOR
Economic Benefits - economic growth - normalised total score of 5 based on scores for each consideration	Retention of jobs	<ul style="list-style-type: none"> • GOOD if strong or specific link • FAIR if some/general linkage • else POOR
	Contribution to Gross Value Added (GVA)	<ul style="list-style-type: none"> • GOOD if strong or specific link • FAIR if some/general linkage • else POOR
	New businesses	<ul style="list-style-type: none"> • GOOD if strong or specific link • FAIR if some/general linkage • else POOR
	Jobs created	<ul style="list-style-type: none"> • GOOD if strong or specific link • FAIR if some/general linkage • else POOR
	Housing delivered	<ul style="list-style-type: none"> • GOOD if strong or specific link • FAIR if some/general linkage • else POOR
Social Distributional Impact - normalised total score of 5 based on scores for each consideration	Regeneration & deprivation	<ul style="list-style-type: none"> • GOOD if significant positive benefits • FAIR if some benefits • POOR if very limited or negative impact
	Severance, physical activity, accessibility	<ul style="list-style-type: none"> • GOOD if significant positive benefits • FAIR if some benefits • POOR if very limited or negative impact
Environmental Impacts - normalised total score of 5 based on scores for each consideration	Carbon emissions	<ul style="list-style-type: none"> • GOOD if positive impact • FAIR if limited/neutral impacts • POOR if negative impact expected
	Air quality	<ul style="list-style-type: none"> • GOOD if positive impact • FAIR if limited/neutral impacts • POOR if negative impact expected
	Noise/natural & urban environment	<ul style="list-style-type: none"> • GOOD if positive noise & limited natural & urban environment impact • FAIR if limited/neutral impacts • POOR if negative impact expected
Feasibility & deliverability - normalised total score of 5 based on scores for each consideration	State of scheme development	<ul style="list-style-type: none"> • GOOD if preliminary design completed • FAIR if feasibility work completed • else POOR
	Land requirements	<ul style="list-style-type: none"> • GOOD if all issues resolved • POOR if known issues exist • else FAIR
	Public acceptability	<ul style="list-style-type: none"> • GOOD if general support known • POOR if known controversy • else FAIR
	Risks	<ul style="list-style-type: none"> • GOOD if minimal risk established • POOR if significant risk anticipated • else FAIR

Policy support	Specific support for a priority location identified in the Strategic Economic Plan	<ul style="list-style-type: none"> • GOOD (5) if direct/obvious linkage • FAIR (3) if some /general linkage • POOR (1) limited or none
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5. **2014/15 STIP priorities**

- 5.1 The long list of schemes has been assessed using the criteria set out in paragraph 4.2. The results of this exercise are shown in appendix A (tables A1, A2 and A3). In May 2014, the Cabinet Member for Highways and Transport will be asked to approve strategic highway and other transport schemes as priorities for investment, in addition to those identified in July 2013.
- 5.2 Of the schemes which require County Council investment (Appendix A table A3) at the preparatory stage, it is proposed to take forward the following schemes as they have scored highest and align closely to the LEP's Strategic Economic Plan.
- Shoreham Area Transport Package
 - Burgess Hill Area Transport Package
 - Crawley Area Transport Package
 - A29 realignment
 - Horsham Area Transport Package
 - Chichester area Transport Package
 - NCN2 completion
 - Worthing Area Transport Package
 - Enterprise Link Road, Bognor Regis
- 5.3 In addition to the schemes listed above, it is also proposed to take forward a scheme for the B2132 Yapton Lane due to an ongoing operational issue at the level crossing. As a consequence of ongoing safety concerns about HGV movements at the level crossing, Network Rail has imposed a speed restriction on all train services through the level crossing. This is having a significant impact on railway operations and all short term measures have been considered to rectify the problem. Therefore, it is proposed that feasibility work takes place in 2014/15 to identify a permanent solution to the problem so that the speed restriction can be lifted.
- 5.4 Preparatory work will be progressed for these schemes in 2014/15 and 2015/16. Typically, this will involve project planning, feasibility studies and engagement with key stakeholders, including local members, to identify and appraise options for each scheme. This work is needed to inform decisions about the scope of schemes to be taken forward to design phases and preparation of business cases.

6. **Business case preparation**

- 6.1 In most cases, in order to secure funding, it will be necessary to prepare a business case for each scheme (or package) to confirm value for money and deliverability. These will need to conform to the DfT's Transport Appraisal

Guidance (webTAG) and any supplementary guidance which may be issued by bodies charged with administering funds such as the LEP. Therefore, the development of prioritised schemes will require significant investment by the County Council on a rolling annual basis to ensure that such schemes are 'shovel ready' when funding become available for implementation.

- 6.2 As a guide, preparation of a major scheme business case (for schemes costing over £5m) could cost up to £500k and take up to a year to produce. In line with DfT guidance, proportionate business cases can be produced for lower cost schemes (less than £5m) which typically include transport packages. These are expected to cost up to £100k and take up to six months to produce.
- 6.3 Once business cases have been produced and accepted, then resources are needed to manage the following phases which could include planning application, public consultation, compulsory purchase orders, public inquiries, detailed design and construction for each scheme which secures a funding commitment. Once a funding commitment has been made, it is expected that preparatory costs thereafter will be recoverable as part of the funding allocation.

7. Alternative Options Considered

- 7.1 The only alternatives to the identification, assessment and prioritisation of strategic schemes are (a) to do nothing and (b) to invest in schemes on an ad-hoc basis. Under (a), failure to invest in scheme development would mean that the County Council would not be able to bid for external funding for schemes which will support economic growth. Under (b), without specific provision being made, a strategic scheme would have to compete against local schemes for internal funding. Therefore, there is a risk that it may not be developed and failure to invest in the development of the scheme development would mean that the County Council would not be able to bid for external funding.

8. Consultation

- 8.1 Consultation was carried out with key stakeholder on the long list of schemes included in the STIP between December 2013 and January 2014 for 6 weeks. The consultation included key stakeholders with an interest in transport and accessibility issues including:
 - West Sussex County Council members;
 - District, Borough, Town and Parish Councils and Local Strategic Partnerships;
 - South Downs National Park Authority;
 - Neighbouring Highway Authorities;
 - Coast to Capital Local Economic Partnership, area economic partnerships and local economic associations and Chambers of Commerce;
 - Main Universities and Colleges
 - Transport operators, organisations and interest groups (including Gatwick Airport; bus and rail companies; bus, rail, cycle, local access forum, taxi representative groups and partnerships)

- Other transport interest and representative groups (including disability groups, road safety, young persons, gypsies and travellers, youth, and health organisations)
- 8.2 There were 39 responses to the consultation from 36 different organisations or individuals. There were 171 different comments on specific schemes, 19 of which were regarding specific schemes or infrastructure issues not on the original long-list. Of the 48 schemes in the long list, only 4 schemes (all in Crawley Borough) received no comments. A consultation summary setting out the key themes is included in [Appendix B](#).
- 8.3 Following the stakeholder engagement process the long list entries were reviewed and the following additional entries were added to the list:
- Fitzalan Link Road;
 - Enterprise Bognor Regis Link Road;
 - A24/A283 Washington Roundabout;
 - New town centre area transport packages for Burgess Hill, Chichester, Crawley, Haywards Heath, Horsham, Shoreham and Worthing;
 - West of Horsham Strategic Development Location off site highway infrastructure package;
 - Haywards Heath station bus-rail interchange;
 - Wivelsfield Station interchange;
 - Arun Valley Station interchanges enhancements;
 - Countywide flood resilience package;
 - Intelligent Transport Systems package; and
 - Rural economy destinations package.

9. Impact of the proposal

- 9.1 Failing to invest in further preparatory work for these schemes will result in schemes not being 'shovel ready' when funding opportunities arise which could mean implementation is delayed or that opportunities are missed altogether.
- 9.2 The impact of each scheme will be considered on a case by case basis, but in general, the development of strategic transport schemes is considered to have an overall positive impact on the quality of life for the community. This is because the transport system plays an integral part of day to day life by providing access to goods, services and employment. It is also vital to the success of the economy by reducing costs for businesses and making West Sussex an attractive place to invest and do business.

10. Equality Duty.

- 10.1 An Equality Impact Report has been undertaken and is detailed below or attached as [Appendix C](#). The report concludes that:
- development work for individual prioritised schemes should consider the impacts on people, businesses and communities, and different socio-demographic groups; and

- a monitoring strategy should be developed as part of the approval process for individual schemes to assess how the anticipated outputs and outcomes of individual schemes are met.

11. Resource Implications and Value for Money

- 11.1 For the nine priority schemes (2013/14) identified in table 1, feasibility work has either been completed or is underway for all but one scheme. To support the next stages of preparatory work, there is a need for a capital funding allocation of £720k in 2014/15 to support development of the 2013/14 priorities. Feasibility work on the Haywards Heath Town Centre scheme has been delayed due to pressures resulting from preparation of the SEP and will be progressed shortly. This requires revenue funding of £50k.
- 11.2 To support the development of the new priority schemes listed in paragraph 5.2, revenue funding of £260k is required for feasibility studies in 2014/15 (this includes £50k to fund Haywards Heath Town Centre which is carried over from 2013/14). Additionally, there are two schemes where feasibility work has already been undertaken, funded by the local planning authority. For these schemes, capital funding will be required for preliminary design and business case preparation. This is additional to the capital funding needed for 2013/14 STIP priorities as outlined in paragraph 11.1 and will be identified following completion of the current feasibility study.
- 11.3 In July 2013, Cabinet allocated £1.25m to invest in STIP priorities. This has been used to fund feasibility studies for priorities identified in 2013/14 although £1m remains unspent and has been rolled forward to 2014/15. It is proposed that the funding required to support further development of STIP priorities is drawn from this funding allocation.
- 11.4 In order to support the scale of preparatory work needed for STIP priorities identified in table 1 and paragraph 5.2, additional staff resource of approximately four temporary posts will be required in the Engineering Solutions business unit to project manage the development of these projects.
- 11.5 This proposal will make a significant contribution to the delivery of the emerging economy programme by ensuring that strategic transport projects are being developed and support local plans for growth.

12. Risk Management Implications

- 12.1 Although some strategic highway and other transport infrastructure priorities are already being delivered, prior to the establishment of the STIP in 2013, there had not been any formal arrangements in place within the County Council for the identification, prioritisation, development, and implementation of other strategic schemes. Also, such schemes (when identified) have had to compete for funding against maintenance and more local transport priorities.
- 12.2 The emergence of new or revised local plans and the need to generate economic growth is resulting in a significant number of new projects that require significant investment. Failure to invest in scheme development will mean that the prioritised schemes will not be 'shovel ready' at the

appropriate time. This will mean that the County Council will not be able to bid for external funding.

- 12.3 However, investment in scheme development does not guarantee that external funding will be secured. Schemes will be competing against other schemes, largely within the Coast to Capital area for Government funding. Similarly, any bids to the Government to secure challenge funds may not be successful.
- 12.4 However, ensuring that the STIP prioritisation process is based on criteria that mirror that of the LTB (and which also reflects Government priorities) will help to ensure that the County Council only invests in the development of schemes that have the best chance of success. Also, even if schemes do not secure external funding, they can still be retained as priorities and rolled-forward as bids in future rounds of funding.

13. Crime and Disorder Act Implications

There are no identifiable Crime and Disorder Act implications.

14. Human Rights Act Implications

There are no identifiable Human Rights Act implications.

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