

**Forward Plan reference number: FP/AB/202**

<b>Report title:</b> Kent Strategic Congestion Management Programme 2019/20	
<b>Report to Accountability Board on 12th April 2019</b>	
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<b>Date:</b> 29 <sup>th</sup> March 2019	<b>For:</b> Decision
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<b>SELEP Partner Authority affected:</b> Kent	

## **1. Purpose of report**

- 1.1 The purpose of this report is to make the Accountability Board (the Board) to consider the award of £1.127m Local Growth Fund (LGF) the Kent Strategic Congestion Management Programme 2019/20 (the Project) which has been through the Independent Technical Evaluator (ITE) process, to be devolved to Kent County Council for scheme delivery.

## **2. Recommendations**

- 2.1 The Board is asked to:

- 2.1.1 **Approve** the allocation of £1.127m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as achieving high value for money with a low to medium certainty of achieving this.

## **3. Kent Strategic Congestion Management Programme**

- 3.1 The Project is a continuation of improvements being made by Kent County Council to maximise the efficiency of the local highway network as traffic levels increase in line with development.
- 3.2 The Project is being delivered between the financial years 2015/16 and 2020/21, with a total provisional LGF allocation of £4.8m over the 6 years.
- 3.3 LGF funding allocation to this programme of works has been approved by the Board on an annual basis, with each financial year being supported by a separate Business Case up until 2020/21. Each Business Case provides details on the interventions to be delivered during that financial year to ensure that there is no double counting of Project benefits.
- 3.4 To date, Business Cases have been brought forward for a total of £3.375m LGF between 2015/16 and 2018/19. Further detail of the interventions approved to date is set out in Appendix 2.

3.5 Of the £3.375m LGF, £2.483m LGF has been spent to date. This includes £853,000 LGF spend across the a number of interventions for which project delivery is still ongoing, such as the EU Connected Corridor Project and Watlington Crossing, and £1.630m LGF spend on the following completed interventions:

3.5.1 HMC Technology Refresh – improvements to CCTV and network coverage of Variable Message Signs (VMS) to improve traffic management (£745,000 LGF);

3.5.2 A292 Mace Lane/Wellesley Road and Somerset Road/Canterbury Road Junction Improvements (£510,000 LGF);

3.5.3 A225 Princes Road/ Darenth Road Hotspots Junction Improvements Dartford (£200,000 LGF);

3.5.4 A2500 Lower Road/ Barton Hill Drive Junction Improvements, Sheppey (smaller scale intervention, in advance of the large scale scheme being delivered) (£25,000 LGF); and

3.5.5 A2042 junction with Elwick Road and Victoria Road Junction Improvements (£150,000 LGF)

3.6 The 2019/20, £1.127m LGF funding award to the Project will be used to fund the following five interventions:

3.6.1 A2042/A2070 Flemmish Roundabout (£100,000);

3.6.2 Dover TAP Implementation (£200,000);

3.6.3 HGV Trial (£200,000);

3.6.4 INRIX (£175,000); and

3.6.5 Swanley Station Congestion Relief (£452,000).

3.7 In addition, the 2018/19 Business Case and funding decision by the Board included the allocation of funding to support the development of 2019/20 projects. As such the total amount of LGF spend on the five interventions identified in 3.6 above is expected to total £1.127m.

3.8 A further Business Case will be brought forward in 2020/21 for the remaining £298,000 LGF allocation to the Kent Strategic Congestion Management Programme. The smaller nature of the interventions included within the project provides confidence that the remaining £298,000 allocated in 2020/21 can be spent before the end of the Growth Deal.

### **Flemmish Roundabout, Ashford**

3.9 The Flemmish Roundabout (A2042/A2070) suffers from signification congestion and safety issues with 11 crashes occurring over the last 3 years (2016 – 2018). The proposed improvements at this junction will incorporate a Dutch style “Flemmish Roundabout” providing a new layout that will effectively double capacity for particular movements, relieving congestion and the likelihood of accidents experienced.

## **Dover TAP**

- 3.10 Dover TAP is a temporary traffic management system which queues port-bound lorries in the nearside (left) lane of the A20 after the Roundhill Tunnel to prevent Dover becoming congested with traffic at times of disruption at the Port of Dover
- 3.11 Dover TAP was identified as an intervention in the 2018/19 Business Case. An award of £100,000 was made to the Project in 2018/19 to link Highway England and Kent County Council's traffic management assets, such as traffic signals, to improve the traffic management, along with measures such as improved traffic signs and road markings. The project has also utilised some of the funding allocated during the earlier years of the programme to the forward design of future interventions. As such, the total LGF allocation to the Dover TAP scheme is £125,000 LGF.
- 3.12 These aspects of the scheme, listed in 3.10 above, have not yet been delivered, but it is proposed that the scope of the project is increased, as preparations are made to manage traffic along the A20/M20 corridor in advance of Brexit. The increase in scope of the package of improvements to help reduce the impact of traffic congestion includes:
- Traffic signal operations (linking of key junctions, including A256 to A20);
  - Introduction of new 'Intelligent Transport Systems'(ITS) technologies (VMS, queue loops and the use of Bluetooth data); and
  - Bus priority (linking to a future bus rapid transit scheme).
- 3.13 An additional £200,000 LGF is sought to support the increase in project scope, increasing the LGF allocation to this intervention to £325,000 LGF.

## **HGV Trial Scheme**

- 3.14 The HGV Trial Scheme has the objective of considering the possibility of concentrating goods vehicles on the most suitable routes. The implementation of a pilot HGV control plan will reduce congestion and minimise the worse environmental and social effects of HGV movements within the local area, whilst recognising the need for effective and efficient transport links.

## **INRIX**

- 3.15 INRIX is a global company that specialises in connected car services and transportation analytics. The roadway analytics provides technical analysis, charts, tables and visualisations of collated traffic data for urban roads. This software will help to improve KCC's understanding of how the network operates, monitoring of network performance and ability to identify and prioritise congestion hotspots where appropriate measures can be considered and implemented.

- 3.16 The analysis provided by INRIX will be used to inform future projects for capital funding, as well as to support the monitoring and evaluation of existing LGF projects.

### **Swanley Station Congestion Relief**

- 3.17 Congestion relief at Swanley Station is sought by creating a new one-way system which will greatly improve congestion and journey times to and from the station as well as on the surrounding road network in Swanley. These improvements also include walking and cycling enhancements to promote a more attractive route for active mode users.
- 3.18 The overall Project objectives of the Project are to:
- 3.18.1 Alleviate congestion by allowing better flow of traffic;
  - 3.18.2 Support economic development in Kent;
  - 3.18.3 To promote accessibility to jobs and services for all;
  - 3.18.4 Provide a resilient network that can respond to disruption and incidents; and ;
  - 3.18.5 Improve air quality

## **4. Funding profile**

- 4.1 Table 1 below sets out the funding breakdown for the Project to be delivered in 2019/20, whilst Table 2 sets out the funding sources for the Project.

- 4.2 Funding contributions have also been confirmed from:

- 4.2.1 Network Rail (£250,000) – for the refurbishment of the overbridge within Swanley Station. This funding is to be spent in 2021 and the improvements will complement the congestion relief scheme and wider Swanley Station Redevelopment schemes.
- 4.2.2 Kent County Council Integrated Transport Programme (£70,000) – Funding contribution to towards the delivery of Flemmish Roundabout. This funding has been secured and is available for spend in 2019/20.
- 4.2.3 Kent County Council Lane Rental Income (£90,000) – This funding is available in 2019/20 to support the Flemmish Roundabout scheme; and
- 4.2.4 Ashford Borough Council (£10,000) – Confirmed funding contribution towards Flemmish Roundabout scheme.

- 4.3 As such, the total funding available to support the interventions is £1.697m. This will be spent as per the breakdown in Table 1 and 2 below.

- 4.4 In addition to the £1.127m LGF allocation for 2019/20, the table also shows an additional £150,000 LGF. The £150,000 LGF is the award of funding in 2018/19 which was approved by the Board to support the design of the interventions to be delivered within the 2019/20 funding allocation.

**Table 1 Funding Breakdown**

<b>Intervention</b>	<b>Expected Cost (£'000)</b>
Flemmish Roundabout	295
Dover TAP congestion management	325
HGV Trial	200
INRIX	175
Swanley Station Congestion Relief	702
<b>Total</b>	<b>1,697</b>

**Table 2 Funding Sources.**

<b>Funding source</b>	<b>Amount (£000)</b>				
	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>Total</b>
LGF		150	1,127		1,277
Network Rail				250	250
KCC - Integrated Transport Programme (ITP)			70		70
KCC – Kent Lane Rental income			90		90
Ashford Borough Council			5	5	10
<b>Total project value</b>		<b>150</b>	<b>1,292</b>	<b>255</b>	<b>1,697</b>

## **5. Outcome of ITE Review**

- 5.1 The SELEP ITE has assessed the project Business Case through the Gate 1 and Gate 2 process.
- 5.2 Due to the small-scale nature of proposed interventions, only one of the components of the scheme has been subject to a quantified assessment methodology. To provide an indication of the Value for Money for other components, a benchmarking exercise was carried out. Based on other schemes and experience, it is estimated that the combination of schemes would represent high value for money.
- 5.3 As the LGF ask for the intervention falls below £2m LGF, the Project falls within Value for Money Exemption 1. As defined in the SELEP Assurance Framework, this exemption may be applied where a project does not present

High Value for Money (a Benefit Cost Ratio of over 2:1); but has a Benefit Cost Ratio value of greater than 1.5:1; or where the project benefits are notoriously difficult to appraise in monetary terms.

- 5.4 Exemption 1 can only be applied where the following conditions are satisfied:
- (1) The funding sought from SELEP in relation to the project must be less than £2m and to conduct further quantified and monetised economic appraisal would be disproportionate; and
  - (2) where there is an overwhelming strategic case (with minimal risk in the other cases); and
  - (3) there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.
- 5.5 The ITE assessment of the Project Business Case confirms that an overwhelming strategic case has been made for this scheme and that there is minimal risk in the other cases.
- 5.6 The review also confirms that an appropriate methodology has been applied throughout the business case, which reflects the small funding requirement being requested.
- 5.7 However, while it is expected that the programme will offer high value for money, the nature of the benchmarking approach to the economic appraisal, rather than a quantified value for money assessment means that there is greater uncertainty of the Projects Value for Money.
- 5.8 As such, the ITE have stated that there is low/medium certainty of achieving high value for money.
- 5.9 To mitigate this risk, any substantial changes to the project scope, expected project outcomes or cost of the Project will trigger a further review of the Business Case and decision from the Board.

## **6. Compliance with SELEP Assurance Framework**

- 6.1 Table 3 below provides an assessment of the Project Business Case and funding decision against the requirements of the SELEP Assurance Framework.
- 6.2 The assessment confirms the compliance of the project with SELEP's Assurance Framework.

**Table 3 Assessment of the Project Business Case and funding decision against the requirements of the SELEP Assurance Framework**

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan	Green	The strategic objectives of the Project are identified. The context for each of the proposed interventions is included, recognising current problems in each the road network and the planned interventions. The strategic case successfully links the objectives of the interventions with national policies and SELEP policies, primarily: National Infrastructure Plan 2014, South East LEP: Growth Deal and Strategic Economic Plan 2014 and Unlocking Kent's Potential "delivering growth without gridlock".
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Amber	The expected project outputs and outcomes are set out in the Business Case. The overall scheme outputs are: minimising delays, increasing journey time reliability, improved access and capacity issues and decreased congestion levels. Due to the budget needed to carry out quantified economic appraisal interventions the economic case is based on benchmarking exercises comparing similar projects. However the ITE assessment of the Project confirms that an appropriate methodology has been applied throughout the business case, which reflects the small funding requirement being requested.
Considers deliverability	Green	Project risks have been identified

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		within the Project Business Case and a 10% risk contingency has been applied.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Amber	<p>No Benefit Cost Ratio is provided, as the economic appraisal has been completed through benchmarking the expected BCR of the Project against other comparable schemes. This suggests the interventions will represent high value for money.</p> <p>The Project complies with value for money exemption 1, as set out in the SELEP Assurance Framework.</p>

## 7. Financial Implications (Accountable Body)

- 7.1 All funding allocations that are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2019/20 have yet to be confirmed and funding for future years is indicative.
- 7.2 Until confirmation of receipt of grant is received, any future funding awards made by the Board remain at risk. It is hoped that confirmation of receipt of the funding will be made in advance of the Board meeting on the 12<sup>th</sup> April; a verbal update will be provided at the meeting to set out the latest position in this regard.
- 7.3 All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that future years' funding can only be made available when HM Government has transferred LGF to the Accountable Body.
- 7.4 The Funding Agreement or SLA also makes clear that LGF can only be utilised for Capital Expenditure; it is the Sponsoring Authority's responsibility to ensure that and LGF allocations meet the criteria for Capitalisation as applied by the Authority.



## **8. Legal Implications (Accountable Body)**

8.1 There are no legal implications arising out of this report.

## **9. Staffing and other resource implications**

9.1 None at present.

## **10. Equality and Diversity implications**

- 10.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 10.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 10.3 In the course of the development of the project business case, the delivery of the project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

## **11. List of Appendices**

- 11.1 Appendix 1 - Report of the Independent Technical Evaluator  
11.2 Appendix 2 – Breakdown of LGF allocation to specific interventions

## **12. List of Background Papers**

- 12.1 Business Case for Kent Strategic Congestion Management Package 2019/20  
12.2 Kent Strategic Congestion Management Programme LGF Funding Decision 2018/19 Accountability Board Agenda Pack 23rd February 2018

**(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)**

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>	

Stephanie Mitchener

04/04/19,

(On behalf of Margaret Lee, S151 Officer, Essex County Council)

**Appendix 2 – LGF allocation to specific interventions within the Kent Strategic Congestion Management Programme**

<b>Scheme Description</b>	<b>Status</b>	<b>Total LGF (£) (Actual or Forecast)</b>
<b>2015/16 - 2018/29 Interventions (Business Case Approved)</b>		
HMC Technology Refresh	Delivered -2015/16	745,000
Forward design 16/17 and Inflation/risk	complete with £11,000 carried forwards	75,000
EU Connected Corridor – Part 1	Ongoing – to be completed by 2021 (funding carried forwards)	300,000
A292 Mace Lane / Wellesley Road and Somerset Road/ Canterbury Road Junction Improvements	Delivered – 2016/17: additional budget allocated as per previous change request	510,000
Forward design 17/18 and Inflation/risk	overspend is from £11k carried forwards from 15/16	101,000
EU Connected Corridor - Part 2	Spent	300,000
A225 Princes Road/Darenth Road Hotspot Scheme	Delivered - September 2017	200,000
A2500 Lower Road/Barton Hill Drive junction, Sheppey	Delivered - December 2017	25,000
Forward design 18/19 and Inflation/risk	Ongoing	69,000
Elwick Road	Delivered 2018/19	150,000
Tunbridge Wells ITS Implementation	Ongoing	100,000
Dover TAP ITS Implementation	Ongoing	100,000
MOVA	Ongoing	200,000
Wateringbury Crossroads Improvement	Ongoing	300,000
Forward Design 2019/20 and Inflation/risk	Ongoing	200,000
Sub Total 2015/16 - 2018/19		3,375,000
<b>2019/20 Schemes (subject to business case sign off, under agenda item 7)</b>		
Flemmish Roundabout	Construction in summer 2019	100,000
Dover TAP Implementation	Ongoing	200,000
HGV Trial	Ongoing	200,000
INRIX	Ongoing	175,000
Swanley Station Congestion relief	Ongoing	452,021
Sub-total 2019/20 schemes		1,127,021
<b>Total 2015/16-2020/21</b>		<b>4,502,021</b>
<b>Total LGF Allocation to the Programme</b>		<b>4,800,000</b>
<b>Remaining allocation to the Programme (2020/21)</b>		297,979