



GFirst Local Enterprise Partnership

Board Paper –9th June 2020

Agenda Item (Title)	Agenda Item 4C: West Cheltenham Walking and Cycling Improvements scheme (WCWCI) - Funding Approval
Paper Author & contact details	Mally Findlater mally.findlater@gfirstlep.com
Supporting Papers	<ul style="list-style-type: none"> • West Cheltenham Walking and Cycling Improvements scheme (WCWCI), Full Business Case - www.gloucestershire.gov.uk/wctis • West Cheltenham Walking and Cycling Improvements scheme (WCWCI): Full Business Case Assessment – AECOM
Confidentiality	<ul style="list-style-type: none"> • West Cheltenham Walking and Cycling Improvements scheme (WCWCI), Full Business Case is published alongside other information on the West Cheltenham Transport Improvement Scheme website: www.gloucestershire.gov.uk/wctis • The West Cheltenham Walking and Cycling Improvements scheme (WCWCI): Full Business Case Assessment by AECOM is published alongside this Board paper, Item 4Ci
Purpose	To provide the LEP Board with the information needed to consider approval of funding for the West Cheltenham Walking and Cycling Improvements scheme (WCWCI), leading to the offer of a funding agreement to the value of £1.6m, with any associated conditions, in line with the indicative funding allocated to the project within the Growth Deal Portfolio. A due diligence process has been completed and in summary the proposal is considered to provide high value for money.
Summary	<p>This paper summarises the Business Case and Business Case assessment of the West Cheltenham Walking and Cycling Improvements scheme (WCWCI).</p> <p>On 8th October 2019, it was proposed to the LEP Board that the £1.6M LEP funds from Staverton Bridge Junction Project are re-allocated to WCTIS Phase 3 and ring-fenced solely for use on the cycleway and associated works. It was also confirmed that the Programme Management Group (including the Accountable Body) had reviewed this request carefully and judged that the broad outcomes of the original allocation would still be delivered, albeit through a different scheme and at a different location. As a result, the request was considered compliant with our Assurance Framework.</p> <p>The LEP Board agreed to the £1.6M 2014 SEP allocation for Staverton Bridge Junction on the B4063 to be re-allocated to WCTIS Phase 3 and 4, and ring-fenced solely for use on the cycle way and associated works.</p> <p>The £1.6m West Cheltenham Walking and Cycling Improvements scheme provides for</p>

upgraded infrastructure to increase the uptake of walking and cycling for commuting, leisure purposes and business along the A40 corridor, in Cheltenham. The scheme will create a mix of segregated and shared use cycling and walking routes along the A40 from Arle Court roundabout to the Triumph Traffic Lights, providing a direct route for users to access Cheltenham Spa Railway Station and the town centre. Secondary routes are included to provide alternative routes and choice for less experienced or confident cycle users. These routes are located in the St Mark's district of West Cheltenham and along parts of Princess Elizabeth Way near the A40, providing residents with accessible and usable cycle links to employment, retail and transport hubs along the A40 corridor.

This business case is based on the preferred design options and aims to provide direct cycle and walking routes that tie into wider planned transport improvements linked to pinch point and designated funds applications submitted by GCC, as well as already funded schemes, such as the LEP funded Cheltenham Spa improvements and the Highways England Gloucester to Cheltenham cycle link. This scheme is intrinsically linked to the package of improvements proposed for the A40 corridor called the West Cheltenham Transport Improvement Scheme (WCTIS) and therefore also supports the enabling of the Cyber Central project adjacent to GCHQ.

The scheme has been assessed fully by AECOM. The full business case assessment report accompanies this paper.

Six cycling and pedestrian route links have been selected to be progressed as part of the scheme (Route 1 being split into two parts), as shown in Figure 1-2:

- 1A Arle Court roundabout to Telstar Way junction.
- 1B Telstar Way Junction to Benhall Roundabout.
- 2A Benhall Roundabout to Triumph Traffic Lights.
- 3A Princess Elizabeth Way. Benhall Roundabout.
- 4A Princess Elizabeth Way to Cheltenham Spa Railway Station, via Shakespeare Road – Tennyson Road – Libertus Road, Queens Road.
- 5A Princess Elizabeth Way to Tennyson Road, via Shelley Road.

The scheme is designed to contribute to improving cycleway facilities which will promote alternative travel options and enable modal shift, remove traffic from the network and reduce stress on congestion hotspots whilst improving physical health, mental health and wellbeing. WCWCI will contribute towards Gloucestershire's Climate Change Strategy, facilitate modal shift, have a positive effect on Air Quality and encourage residents to make shorter journeys by more sustainable means.

Figure 1-1: Study Area

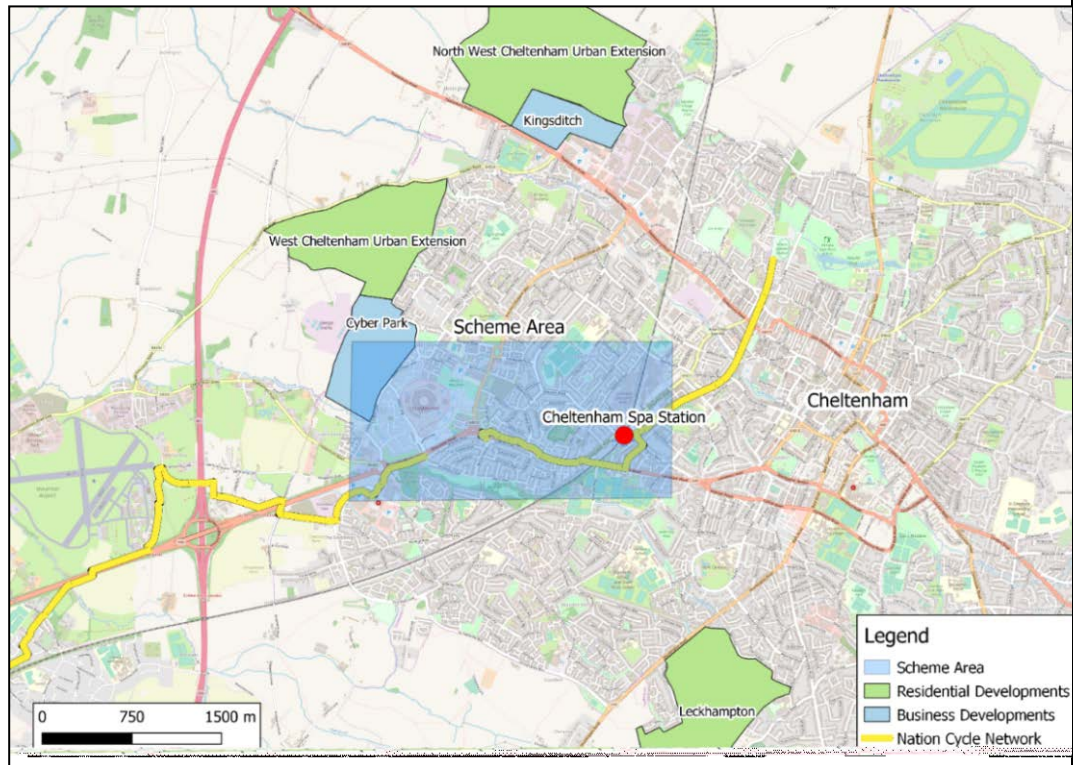
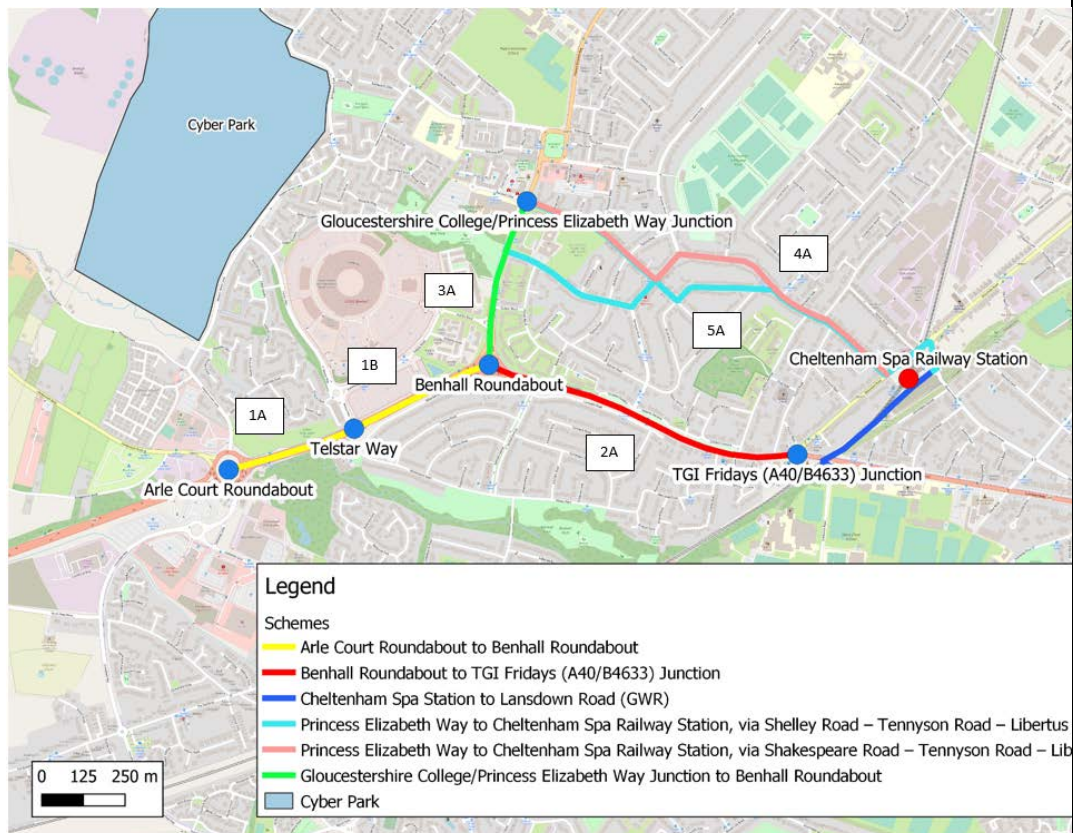


Figure 1-2: Proposed Cycle and Pedestrian Links



	<p><u>Full Business Case Assessment</u></p> <p>In terms of the value for money of the scheme the scheme promoter has calculated a Benefit Cost Ratio (BCR) of 2.78 for the scheme, corresponding to a value for money category of ‘High’.</p> <p>The quantified assessment of the scheme benefits indicates a Present Value of Benefits (PVB) of £3.69m over a 20 year appraisal period. The majority of the benefits derive from a reduction in the risk of premature death associated with the health benefits of additional cycle trips predicted to be undertaken using the corridor. Other significant areas of benefit include a reduction in absenteeism (again associated with improved health and well-being) and the value associated with improved journey ambience.</p> <p><u>Summary of Due Diligence Checks</u></p> <p>A series of Due Diligence Checks have also been undertaken against the criteria set out as part of the GFirst LEP Assurance Framework on the Due Diligence process. This included information on the Strategic, Financial and Economic Case for the scheme, as well as the planned processes for the delivery and management of the scheme.</p> <p>Across all criteria it was considered that the planned scheme and its intended delivery and management processes were sufficient to ensure the intended project outputs and outcomes are delivered.</p>
<p>Implications, impacts or risks</p>	<p>The Business Case Assessment report highlights that at the time of the BC assessment, GCC Cabinet approval to confirm GCC commitment to the financial risks identified and to the funding of future ongoing maintenance was still outstanding. GCC Cabinet approval is sought on the 17th of June 2020 for GCC to proceed at the earliest opportunity with the procurement of this scheme.</p> <p>Delivery of the scheme is reliant on the parallel delivery of WCTIS Phases 3 and 4. Should funding approval for WCTIS Phases 3 & 4 phases be declined, then a revised programme of cycling improvements should be identified utilising the existing budget which would contribute to the scheme objectives identified and represent value for money. Any such change would need to be agreed with the LEP Growth Fund Programme Management Group.</p> <p>In addition, the Covid-19 crisis has resulted in further delays and construction is indicated to be complete in December 2021 which is outside of the LEP funding period and addressed in the project risk register. Government advice currently is that, where possible, all Local Growth Funds should be spent by March 2021. In some instances of underspend BEIS will consider withholding funds. However, in this instance this is considered a low risk, due to the importance of the scheme and the confidence of delivery in 2021. This is being managed by the Programme Management Group (PMG) in consultation with BEIS.</p> <p>Aspects of the scheme are subject to planning approval or other consents. If these are not forthcoming, the delivery could be delayed or even be at risk. These risks need to be reflected in the funding agreement.</p>
<p>Decision required</p>	<p>The LEP Board is asked to decide whether to approve or not to approve the funding of £1,600,000 for the West Cheltenham Walking and Cycling Improvements scheme (WCWCI) outlined in this paper and supporting documents. If they approve the funding, to instruct the GCC Accountable Body to prepare the necessary legal agreement.</p>

Agenda Item 4C

Recommendations	<p>Based on the AECOM assessment of the Final Business Case and the Due Diligence checks undertaken it is recommended that the LEP Board:</p> <ul style="list-style-type: none">• Approve the offer of a formal funding award, of £1.6m, post due diligence and business case assessment, for the West Cheltenham Walking and Cycling Improvements scheme (WCWCI).• Authorise GCC as the Accountable Body to prepare the final Heads of Terms for the release of the funding, in line with the delegated Scheme Agreement between the LEP and GCC and noting the following conditions and recommendations in the executive summary of the accompanying due diligence and business case assessment report. <p>The following Funding Conditions are recommended to ensure the scheme delivers the outcomes intended:</p> <ul style="list-style-type: none">• If planning approval or other outstanding consents are declined then funding can be withheld or clawed back as required.• Should the project be delivered for less than the allocated £1.6m, a funding condition should be included to ensure that any underspend is returned to the LEP.• GCC Cabinet approval to proceed to procurement.• Delivery of the scheme is reliant on the parallel delivery of WCTIS Phases 3 and 4. Should funding approval for WCTIS Phases 3 & 4 phases be declined, then a revised programme of cycling improvements should be identified utilising the existing budget which would contribute to the scheme objectives identified and represent value for money. Any such change would need to be agreed with the LEP Growth Fund Programme Management Group.• Any outstanding environmental mitigation identified as necessary should be delivered as part of the scheme.
------------------------	--

For further information about any points raised in this Board paper, please contact Mally Findlater:

mally.findlater@gfirstlep.com