

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Universal Services
Date:	15 May 2023
Title:	Project Appraisal Update: Southampton and South-West Hampshire Transforming Cities Fund (TCF) Eastleigh Town Centre Cycles
Report From:	Director of Universal Services

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Purpose of this Report

1. The purpose of this report is to provide an update on the delivery and budget for the Transforming Cities Fund (TCF) Eastleigh Town Centre Cycles scheme, outlining the reasons for budgetary increase and an updated scheme programme.

Recommendations

2. That the Executive Lead Member for Universal Services approves an increase in the 2020/21 capital programme value of the Southampton and South-West Hampshire Transforming Cities Fund (TCF) Eastleigh Town Centre Cycles scheme from £914,000 to £1,563,000, to be funded from Department for Transport's (DfT's) Transforming Cities Fund (TCF), Local Transport Plan (LTP) and Section 106 contributions.
3. That the Executive Lead Member for Universal Services approves the Updated Project Appraisal for Transforming Cities Fund Eastleigh Town Centre Cycles scheme, as outlined in this report.
4. That approval be given to procure, spend and enter into necessary contractual arrangements, in consultation with the Head of Legal Services, to implement the proposed scheme to make cycle improvements in Eastleigh in line with the revised budget, to be funded from Department for Transport's (DfT's) Transforming Cities Fund (TCF), Local Transport Plan (LTP) and Section 106 contributions up to £148,000.
5. That the Executive Lead Member for Universal Services delegates authority to the Director of Universal Services, in consultation with the Head of Legal Services, to progress any orders, notices or statutory procedures and secure any consents, licences, permissions, rights or easements necessary to enable implementation of this scheme.

Executive Summary

6. This scheme is part of the Tranche 2 TCF programme and aims to make cycle route improvements in Eastleigh Town Centre, to provide continuity and connectivity for cyclists in the area.
7. The scheme was included in the report '*Project Appraisal: Southampton and South-West Hampshire Transforming Cities Fund Programme*', which was approved in the Executive Lead Member for Economy, Transport and Environment Decision Day on 27 January 2022.
8. The scheme will include the relocation of existing cycleways, the introduction of new cycle ways between Leigh Road and Arnold Road, a change in priority along Desborough Road and the introduction of a raised table on Chestnut Avenue.
9. This scheme is currently forecast to cost £1,563,000.
10. The scheme aligns with Hampshire County Council Strategic plan by helping people in Hampshire to live safe, independent and healthy lifestyles.
11. The scheme aligns with the drafted Local Transport Plan 4 (LTP4) outcomes as it contributes towards a carbon neutral, resilient Hampshire including encouraging fewer vehicles on Hampshire's roads. In addition to helping the public and council to respect and protect Hampshire's environment, the scheme aids people to live healthy, happy and inclusive lives by promoting active travel modes.
12. The scheme is awaiting contract award with a forecast start of works in late May 2023 (subject to approval of this report).

Contextual information

13. The scope of the scheme remains largely as approved in January 2022 and introduces several cycle improvements throughout Eastleigh Town Centre, including:
 - a new signalised segregated crossing arrangement for cyclists on A335 Station Hill, adjacent to existing signalised crossing opposite Eastleigh Railway Station;
 - a new continuous segregated cycleway on the southern side of Leigh Road with existing vehicular parking bays relocated to the north side of Leigh Road;
 - change of junction priority at Desborough Road junctions with Grantham Road, Factory Road/Wells Place and Cherbourg Road to prioritise north/southbound cyclists. New signage and road markings will be implemented at this junction to make drivers aware of the need to give way and the presence of cyclists;
 - a modal filter on Desborough Road south of Meadow Lane which will allow cyclists through (travelling north-south on Desborough and vice versa) but not motor traffic resulting in lower traffic roads which encourage cycling;

- signage and repainting of road markings at Desborough Road/Derby Road and the relocation of an existing bus stop on Derby Road away from the junction;
 - a new signalised Toucan crossing on Chestnut Avenue located between Desborough Road and Arnold Road. The provision of this crossing includes the closure of the Chestnut Avenue/Desborough Road junction to all vehicles except cyclists and emergency vehicles which will be enforced via bollards. Arnold Road will become “left turn out only” to facilitate the Toucan Crossing. Two bus stops will also be relocated on Chestnut Avenue as a result of providing the Toucan crossing. The provision of this crossing will result in a net loss of about nine on-street parking spaces on Desborough Road and Chestnut Avenue;
 - new signage and cycle symbols along Arnold Road to highlight presence of cyclists on route;
 - a connection to existing shared use footway/cycleway on Wide Lane via Argosy Crescent and Ambassador Walk;
 - the route will then join the existing shared use footway/cycleway on the western side of A335 Wide Lane; and
 - approximately eight new trees to be planted and one tree to be removed at Arnold Road resulting in net gain in tree numbers along the route.
14. The interventions will encourage people to leave their car at home to travel locally to access facilities, including providing cycle links between public transport hubs such as Eastleigh Bus Station, Eastleigh Train Station and Southampton Airport Parkway. There is a combined success between this scheme and other TCF schemes in the area, such as TCF Travel Hubs to promote and improve active travel opportunities in the local area.
15. The current economic outlook has played a large role in the projects budgetary increase. The regional market has seen high volumes of infrastructure schemes, with similar timescales, and in an uncertain market accurate scheme costs have been difficult to predict. Factors such as material shortages, rising fuel costs, labour costs and a shortage of HGV drivers are impacting logistics and supply chain management as lead times for key materials are affected. Additionally, events in eastern Europe continue to have a very significant impact on top of these existing challenges which has intensified the financial situation. Evidence has been seen through tendering that projects costs have been seen to increase by up to 20% over the past 12 months.
16. The Building Cost Information Service reported the Tender Price Index faced a 9.1% increase on an annual basis in September 2022 and construction materials prices rose by 22.3% from the previous year.

Finance

17. The estimated project cost is £1,563,000, to be funded by Tranche 2 TCF, LTP and S106 funding. The scheme is proposing an increase in budget from the £914,000 budget approved in the January 2022 Project Appraisal: Southampton and South-West Hampshire Transforming Cities Fund Programme.

The new forecast budget is as shown below:

<u>Estimates</u>	<u>£'000</u>	<u>% of total</u>	<u>Funds Available</u>	<u>£'000</u>
Design Fee	265	17	S106	148
Client Fee	119	8	TCF Tranche 2	1,126
Supervision	117	7	LTP*	289
Construction	1,062	68		
Total	1,563	100		1,563

(* Note: if alternative funding becomes available (for example, through appropriate development, or additional grant funding) this could be applied which would alter the funding profile by releasing the LTP element)

18. Forecast costs have increased since approval of the Project Appraisal in January 2022 and are attributable primarily to a combination of (i) increased construction costs which have been impacted by the economic climate, including high levels of inflation (set out in paragraph 15) and (ii) increased fees.
19. The construction cost forecast is based on the Pre-tender Estimate which reflects the inflationary pressures illustrated in paragraph 16. Previous scheme cost estimates were based on lower inflation rates (5% per year) than those being experienced recently (20%).
20. The construction cost forecast includes implementation of monitoring cameras and count surveys, ITS equipment, utility amendments and new utility equipment. Whilst this was recognised in the January 2022 report the scope of work has increased, and actual costs are higher than estimated.
21. Fees have increased due to scheme changes from feasibility to detailed design. These include modifications to respond to public feedback and reworking designs following engagement with utility providers. Responses from road safety and asset management have been incorporated as the design has evolved.
22. Due to the increased forecast cost, a revised Value for Money assessment has been undertaken and the scheme is still assessed as delivering a good level of benefit relative to the cost. The anticipated Benefit Cost Ratio assessed at the scheme development stage will largely be realised and, therefore, it is recommended that the project be progressed, thereby delivering positive benefits in respect of active travel.

Programme

23. To align with the project programme, this project will be tendered at the same time as seeking approval for the recommendation set out in this report. If tender returns are received over the value of the construction cost stated in the January 2022 Project Appraisal: Southampton and South-West Hampshire Transforming Cities Fund Programme, the contract will not be awarded until this report has been considered.

	Gateway Stage				
	3 (PA)		Start on Site	End on Site	4
Date	January 2022	May 2023 (update)	May 2023	November 2023	November 2024

Consultation and Equalities

24. Political support from Hampshire County Council Members was established as part of the scheme's early engagement and was reported in the January 2022 Project Appraisal: Southampton and South-West Hampshire Transforming Cities Fund Programme report. County and local Councillors will continue to be updated as part of ongoing communications on the progress of the scheme.
25. The scope of the scheme (and the impact) remains largely as approved in January 2022. The Equalities Impact Assessment undertaken as part of the January 2022 Project Appraisal has been reviewed and remains relevant to this report.
26. The scheme has been found to have a positive impact regarding the protected characteristics of age and disability. The Eastleigh Town Cycle Route scheme focuses on improving the cycling experience, air quality and pedestrian safety by implementing new highways infrastructure. This scheme will mainly benefit those making the trip by cycling and walking and help to encourage modal shift.
27. With respect to age, overall, the scheme is likely to have a positive impact on reducing inequalities. The improvements it provides to cyclists and pedestrians will improve the safety and journey experience of these modes. With respect to disability, this scheme will benefit those with disabilities who use the highway, particularly those with mobility impairments that require mobility aids, such as wheelchairs and walking canes. It will encourage disabled cyclists to commute more as inaccessible cycle infrastructure is one of the biggest barriers to cycling.

Climate Change Impact Assessments

28. The Climate Change Impact Assessment was undertaken as part of the January 2022 Project Appraisal: Southampton and South-West Hampshire Transforming Cities Fund Programme report, and the conclusions are considered to still be accurate.

Other Key Issues

29. All works will be undertaken within the public highway and no dedications or land agreements are required to proceed.
30. No planning consents are required for the delivery of the scheme, as all works are to be carried out as permitted development.
31. The conversion of existing footways into shared footways/cycleways and the provision of new cycleways will be progressed in accordance with the provisions of Sections 65 and 66 of the Highways Act 1980, with no TRO requirement.

Conclusions

32. In conclusion, this report seeks approval from the Executive Lead Member for Universal Services to increase the budget for TCF Eastleigh Town Centre Cycles from £914,000 (as approved in January 2022) to £1,563,000. The reasons for this increase are set out in this report.
33. This report also sets out the reasons for the continued delivery for the project, including its Strategic alignment, as well as provides an update on the schemes future programme. The scheme is considered to generate public value, align with current policy direction and delivery is key to maintaining the County Council's reputation with the DfT.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	no
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> Project Appraisal: Southampton and South-West Hampshire Transforming Cities Fund Programme Transforming Cities Fund – Portsmouth & Southampton: Update	<u>Date</u> 27 January 2022 07 November 2022
Direct links to specific legislation or Government Directives	
<u>Title</u> Transforming Cities Fund	<u>Date</u> March 2018

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

An Equalities Impact Assessment has been undertaken as part of the January 2022 Project Appraisal and the scheme has been found to have a positive impact regarding the protected characteristics of age and disability. The Eastleigh Town Cycle Route scheme focuses on improving the cycling experience, air quality and pedestrian safety by implementing new highway infrastructure. This scheme will mainly benefit those making the trip by cycling and walking and help to encourage modal shift.

With respect to age, overall, the scheme is likely to have a positive impact on reducing inequalities. The improvements it provides to cyclists and pedestrians will improve the safety and journey experience of these modes. With respect to disability, this scheme will benefit those with disabilities who use the highway, particularly those with mobility impairments that require mobility aids, such as wheelchairs and walking canes. It will encourage disabled cyclists to commute more as inaccessible cycle infrastructure is one of the biggest barriers to cycling.