



## GFirst Local Enterprise Partnership

Board Paper – 8<sup>th</sup> December 2020

<b>Agenda Item 4</b>	<b>B4063/A40 Corridor Transport Schemes</b>
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<b>Supporting Papers</b>	<p>Historic GFirst LEP Board decisions: <a href="https://www.gfirstlep.com/about-us/board-minutes-archive/">https://www.gfirstlep.com/about-us/board-minutes-archive/</a></p> <p>Gloucestershire’s 2018 Strategic Economic Plan 2: <a href="https://www.gfirstlep.com/downloads/2018/sep-2-update2018v3.pdf">https://www.gfirstlep.com/downloads/2018/sep-2-update2018v3.pdf</a></p> <p>Gfirst LEP 2019 Draft Local Industrial Strategy: <a href="https://www.gfirstlep.com/downloads/2019/gloucestershire_draft_local-industrial-strategy_2019.pdf">https://www.gfirstlep.com/downloads/2019/gloucestershire_draft_local-industrial-strategy_2019.pdf</a></p> <p>Gloucestershire County Council adopted and emerging Local Transport Plan (LTP): <a href="https://www.gloucestershire.gov.uk/transport/gloucestershires-local-transport-plan-2015-2031/introduction/">https://www.gloucestershire.gov.uk/transport/gloucestershires-local-transport-plan-2015-2031/introduction/</a></p>
<b>Confidentiality</b>	Open
<b>Purpose</b>	For the Full LEP Board to approve that Gloucestershire County Council (GCC) is allowed to use any potential underspend of the West Cheltenham Transport Improvement Scheme (WCTIS) or the West Cheltenham Walking and Cycling Improvements (WCWCI) scheme to continue cycle improvements westerly from the end of the WCTIS / WCWCI schemes at Arles Court to improve cycle infrastructure along the B4063, in line with the overall objectives of these two projects.
<b>Summary</b>	<p>In September 2018 the Gfirst LEP Board agreed that GCC would become the scheme promoter to deliver the infrastructure investment to support the Cheltenham Cyber Park, as outlined in Gloucestershire’s Strategic Economic Plan (SEP) 2.</p> <p>This was followed by a Board decision in December 2018 which defined the specific infrastructure investment as the WCTIS. This paper outlined the significant risks and uncertainties that still surrounded this scheme and to manage this risk, the scheme was broken down into 4 phases, with the last phases gaining LEP Board funding approval in June 2020.</p> <p>From the outset, it was clear that this was a high risk project that would be difficult to deliver by March 2021 (with all of the risks noted by the LEP Board in</p>

December 2019). Through exceptional project management and contract negotiation, GCC now believes that it will be able to deliver all 4 phases of the project as intended and within budget. All phases have now been awarded to Contractors and will be delivered by the end of 2021.

In addition, GCC has successfully mitigated some key risks and was able to develop highly cost efficient solutions. Examples of this have been the refinement of the design to avoid significant diversions of statutory undertakers plant and revising the highways alignment to avoid major widening of structures.

As the scheme progresses in delivery, GCC is confident that it will be able to continue this value engineering process, enabling delivery of high value infrastructure, as set out in the original proposals to the LEP Board within budget. Depending on how the scheme progresses, it may even be possible that the scheme could be delivered slightly under budget, though this would be dependent on future risks not being realised which could still change in Phases 3 or 4 of the project.

The WCTIS scheme is complemented by the WCWCI scheme which will ensure that the new Cheltenham Cyber Park and adjacent housing and employment growth will benefit from a high quality cycleway providing sustainable transport connectivity to the east, into Cheltenham and to Cheltenham Spa Rail Station. To the west, cycling connectivity would be provided by the B4063 cycle scheme, linking all the way to Gloucester rail and bus stations, Gloucester Royal Hospital and to the recent Government investment in a cycle route into Gloucester City centre.

The B4063 cycle scheme is currently costed at c. £11.6 million. However, in excess of £2m has been secured through the Government Active Travel Fund and a contribution by Highways England to complete the detailed design stage. Highways England has agreed to fund a further £5 million of the construction costs, if the outstanding funding gap of c. £4.5 million can be found.

The B4063 scheme is located in the heart of Gloucestershire, providing congestion relief for the A40, one of the busiest transport corridors in the county, thus significantly improving productivity by reducing time lost while travelling. The scheme would fully align with Highways England's objectives of reducing the number of Killed and Seriously Injured on the Strategic Road network, with several collisions involving cyclists on the A40 corridor. Investment in this scheme would provide a unique opportunity to secure a continuous cycle facility between Gloucester and Cheltenham Rail Stations, which will provide sustainable travel options and free up space allowing improved traffic flows in and around 'Cyber Central'.

The overlap between the B4063 cycle scheme ambitions and the WCTIS and WCWCI objectives is clear and the scheme was selected as one of the highest scoring schemes in the recent LEP prioritization process for the Getting Building Fund, only missing out narrowly because of the size of investment needed. The scheme itself was highly regarded and strongly supported.

The B4063 cycle scheme is also fully in line with the September 2019 Gfirst LEP draft Local Industrial Strategy which identifies better cycle links as one of the key

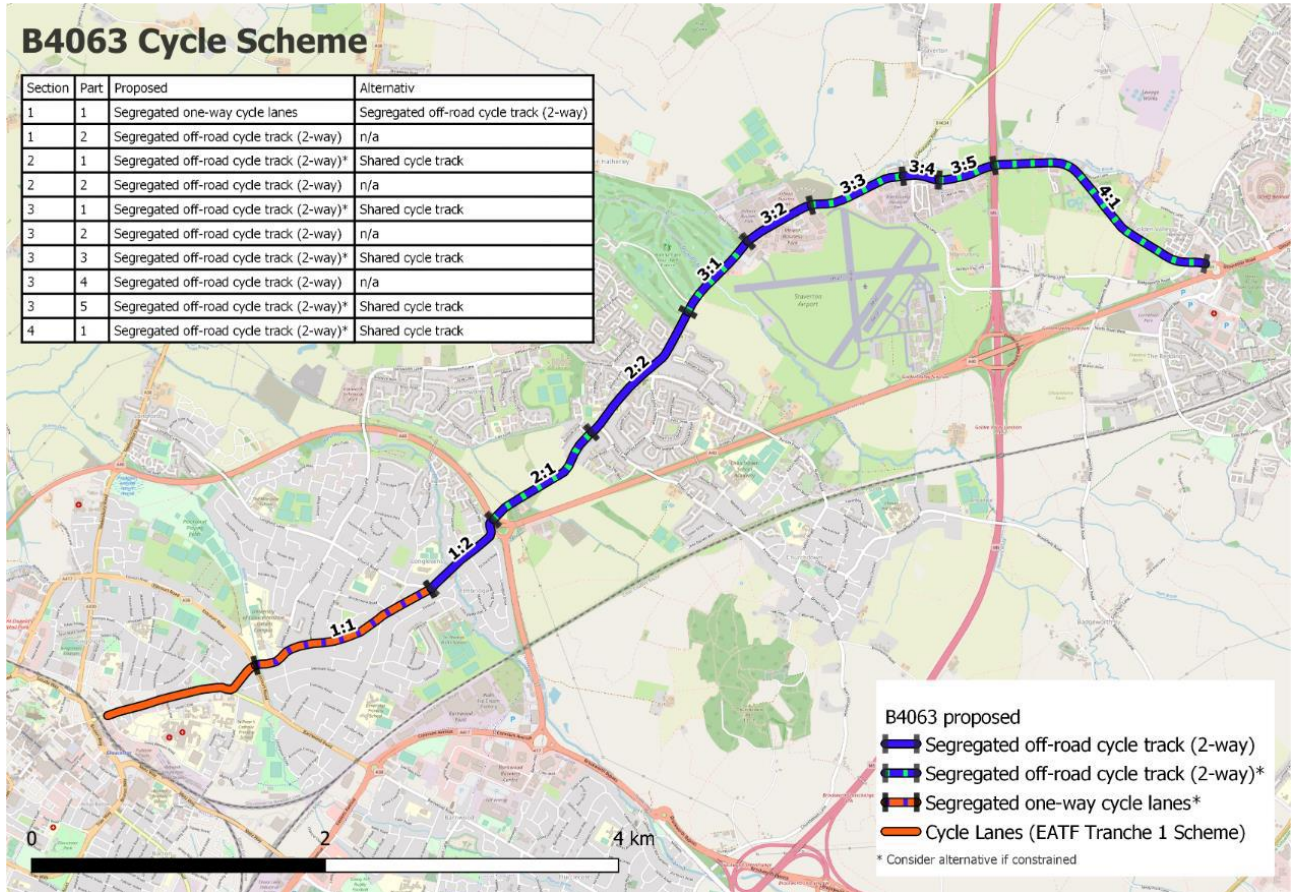
Agenda Item 4

	<p>infrastructure investment needs to deliver green growth and modern transport choices.</p> <p>As an advanced project, ‘shovel ready’ for delivery, the B4063 has already undergone significant due diligence scrutiny and completed a technical value for money assessment which concludes that the scheme achieves a BCR (Benefit Cost Ratio) of 2.21 with a Net Present Value (NPV) of approximately £10.78 million. The scheme can be categorised as achieving <b>high value for money</b>.</p> <p>To overcome the uncertainty created by the fact that it won’t be known until the end of the contract if there is any underspend or indeed how much, GCC will investigate whether it is possible for either of the two contractors delivering the WCTIS/WCWCI work to seamlessly move onto the B4063 to continue constructing the cycle route. This would ensure that any underspend is spent quickly and fully utilised without having to go through another procurement exercise at the end of the contract.</p> <p>Considering the substantial overlap between the objectives of the WCTIS/WCWCI schemes and the B4063 cycle scheme, as well as the fact that it will not be known whether there is any underspend in the WCTIS/WCWCI project until after the end of the Growth Deal Programme (March 2021), it is recommended to give GCC permission to use any potential underspend of the WCTIS and WCWCI projects to improve cycle infrastructure on the B4063. Considering the advanced state of the due diligence assessment of the B4063, it is also recommended to delegate the final sign off of any additional due diligence work for the B4063 cycle scheme to the Growth Deal Programme Management Group (PMG).</p>
<p><b>Implications, impacts or risks</b></p>	<p>£5m of matched funding, or more, could be lost to Gloucestershire if the current funding gap for the B4063 scheme cannot be secured.</p> <p>In addition, an agreement to use any potential WCTIS/WCWCI underspend for the B4063 scheme will give the LEP Board the reassurance that money would be spent on a scheme that has significantly progressed through the due diligence process, scored very highly in recent LEP priority assessments, provides evidenced value for money, and can be delivered at extremely short notice within a year of the Growth Deal Programme end date of the 31<sup>st</sup> of March 2021.</p>
<p><b>Decision required</b></p>	<p>The Board is asked to approve that GCC is allowed to use any potential underspend of the WCTIS and WCWCI projects to improve cycle infrastructure on the B4063, in line with the overall objectives of these two projects.</p> <p>The Board is also asked to delegate approval of any further due diligence assessments required for the B4063 scheme to the PMG.</p>
<p><b>Recommendations</b></p>	<p>That the Board approve that GCC is allowed to use any potential underspend of the WCTIS and WCWCI projects to improve cycle infrastructure on the B4063, in line with the overall objectives of these two projects.</p> <p>That the Board delegates approval of any further due diligence assessments required for the B4063 scheme to the PMG.</p>

Agenda Item 4

For further information about any points raised in this Board paper, please contact David Owen:  
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**Appendix A: B4063 scheme in potential delivery sections**





Agenda Item 4

Appendix B: WCTIS scheme and the B4063 scheme

