

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Universal Services
Date:	15 January 2024
Title:	Project Appraisal Update – Southampton & South-West Hampshire Transforming Cities Fund
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 of two schemes within the Southampton & South-West Hampshire Transforming Cities Fund Programme and seek approval of a revised Project Appraisal for each scheme.
2. The report covers the following schemes which have changed in scope since approval of the original Project Appraisal:
 - Providence Hill Cycle Route; and
 - Bluestar2 Bus Corridor Improvements.

Recommendations

3. That the Executive Lead Member for Universal Services approves the Project Appraisals for Southampton and South-West Hampshire Transforming Cities Fund (TCF) schemes, 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 A27 Providence Hill, Bursledon Cycle Route in the value of £4.024million in line with revised Project Appraisal.
5. That approval be given to procure, spend and enter into necessary contractual arrangements, in consultation with the Head of Legal Services, to implement Bluestar2 Bus Corridor Improvements in the value of £530,000 in line with the Project Appraisal.
6. That authority to make the necessary arrangements to implement the schemes, including minor variations to the designs or contracts, be delegated to the Director of Universal Services.

7. 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 these projects.

Executive Summary

8. The County Council, together with Southampton City Council, has secured £57 million of funding from the Department for Transport's (DfT) Tranche 2 Transforming Cities Fund, which aims to improve productivity by investing in public and sustainable transport infrastructure in and around City Regions.
9. Delivery of the programme is well advanced with the majority of schemes completed or in construction. Approval of the Project Appraisals will enable the final two schemes to be delivered. This will provide improvements to cycleways, footways, and road crossings to encourage walking and cycling, and offer improvements to the bus network encouraging bus travel and offering choice.
10. This report focuses upon two schemes:
 - (i) Providence Hill Cycle Route which has previously received approval of a Project Appraisal to enable delivery. However, the scheme has evolved in scope and affordability due a range of technical and financial challenges
 - (ii) Bluestar2 Corridor Bus Improvements which is a new, alternative scheme entered into the Southampton TCF programme to deliver comparable objectives to the original Bishopstoke Road bus priority scheme which has been removed and will be refinanced and delivered to a new timeline

Contextual information

Providence Hill – Cycle Improvements

11. The scheme has been identified to improve cycling facilities between Windhover Roundabout and Church Lane, in order to encourage more people to cycle and walk along the A27 in this location and onwards towards Southampton. The scheme will provide a continuous cycle provision via segregated cycle lanes and shared use footway/cycleways, together with cycle friendly improvements at existing key junctions.
12. The scheme will connect to the Southampton TCF Bursledon Road cycle link via the National Highways Windhover Roundabout improvement scheme, which in turn links to existing cycle and pedestrian infrastructure (including Southampton City Council's Cycle Network "SCN" route 3).
13. The route utilises land within the existing highway boundary adjacent to the A27 and will be located on the north side of A27 between Windhover

Roundabout before crossing via an improved crossing point in the vicinity of Portsmouth Road. The scheme will continue along the southern side of the A27, until its termination at Church Lane where the scheme will provide a connection for cyclists to continue their journey south on-carriageway to link with the station. There will be interventions along the route to establish cyclist priority, facilitate easy crossings at junctions and create a more pleasant cycling environment.

14. The Project Appraisal was approved at the Executive Member for Universal Services Decision Day in July 2023 with a scheme value of £2.8million.
15. Since approval, the scheme design has developed, a contractor appointed to enable Early Contractor Involvement and a target cost received. Costs were considerably higher than anticipated and exceed the approved budget.
16. A descoping exercise was undertaken in Autumn 2023 in order to reduce scheme costs whilst retaining the overall scheme objectives and key features of the project.
17. In addition, the scheme has been developed to respond to feedback from Active Travel England ensuring that a high-quality cycle, concurrent with latest design standards is achieved.
18. The forecast total project cost for the final scheme design is £4.024m inclusive of fees and contingency.
19. Whilst the current proposals do not deliver the original continuous route between Church Lane and Windover Roundabout in its entirety, the scheme remains assessed as offering reasonable value for money and delivers on key policy objectives of providing improvements which seek to encourage walking and cycling.
20. The scheme should also be seen as an early stage of improving transport around Bursledon and Hamble Lane and as part of the draft Eastleigh Borough Transport Strategy where options to complete the route into Southampton will be explored.
21. The section at, and adjacent to, Windhover roundabout is unable to be delivered at this stage due to the deferral of the National Highways improvement works at the Windhover roundabout which were expected to commence in late 2023. These works complimented this scheme to provide a continuous link. National Highways are currently redesigning this project and will require a new planning consent following an unsuccessful land assembly process. Therefore, an interim low-cost on-road solution will be introduced as part of this scheme with the full link being constructed as part of the National Highways scheme when a programme is confirmed.

22. The sections of the original scheme that have been descoped are set out below and will form part of the future phases of work:

- omission of the proposed cycle track/footway on north side of A27 between Windhover roundabout and a point 45m east of Windmill Lane;
- omission of junction improvements at Windmill Lane
- omission of the shared use footway on north side of A27 between a point 45m east of Windmill Lane and the east side of layby in front of Brookside properties; and
- omission of on road segregated cycle track on north side of A27 between layby in front of Brookside properties and the junction with Portsmouth Road

23. The sections of the original scheme that will be progressed are:

- improvements to north side of A27 at Portsmouth Road to allow cyclists to access shared use footway leading to new Toucan crossing just east of Portsmouth Road;
- revised layout to the south side of A27 for the proposed Toucan crossing east of Portsmouth Road.
- junction improvements at Dodwell Lane to include tactile crossings for pedestrians and a ped refuge island in carriageway;
- junction improvements to Long Lane junction including raised table, continuous two-way cycle track across the junction and the south side of A27 will incorporate segregated two-way cycle track on carriageway and a 2.0m footway;
- segregated two-way cycle track on south side of A27 continues across Old Bridge House Road
- shared use path continues on south side of A27 to new Toucan crossing just west of Church Lane. A raised table will be provided at Church Lane and junction improvements
- junction improvements will be provided at Blundell Lane

Finance

<u>Estimates</u>	<u>£'000</u>	<u>% of total</u>	<u>Funds Available</u>	<u>£'000</u>
Design Fee	508	12	Developer contributions	1,967
Client Fee	145	4	TCF Tranche 2*	1,732
Supervision	71	2	ITB (LTP) budget	75
Construction	3,300	82	Corporate Inflation Risk Reserve*	250
Total	<u>4,024</u>	<u>100</u>	Total	<u>4,024</u>

*Amendments to the funding package since the original Project Appraisal are an increase in TCF grant allocation (funded by a reallocation of grant funding within the overall programme – subject to Department for Transport approval to Change Control) and the addition of Corporate Capital Inflation Risk Reserve

Maintenance Implications	£	% Variation to Committee's budget
Net increase in Current expenditure	0.006%	7.5k
Capital Charges	0.204%	347.0k

Scheme costs have increased between the original Project Appraisal and this report by approximately £1.2million. This can be attributed to the following factors:

- Whilst the original scheme budget was £1.9m, early in the detail design stage it was identified that the scheme was likely to cost circa £2.8m and this amount was sought for approval in July 2023. This estimated figure was prior to receiving the contractor's tender submission which was provided to us in late September 2023. This amount was higher than we had anticipated and hence was unaffordable. This initiated the requirement to descope the scheme extents in order to reduce the costs.
 - inflationary costs due to time between the original preliminary design and detail design and the impacts of the Global Pandemic and the conflict in Ukraine; and
 - inflationary costs of materials and resource due to ongoing world economic climate which has seen a sharp cost increase to fuel, energy, material and resources.
24. As a reflection of the unavoidable inflationary pressures, an allocation from the Corporate Capital Inflation Risk Reserve was included in the Cabinet report on 12 December 2023 and subsequently approved under delegated authority. This will only be applied at the conclusion of the project (if required) and will be returned to corporate reserves if forecast scheme costs can be reduced.
25. The scheme remains assessed as offering reasonable value for money and delivers on key policy objectives of delivering improvements, seeking to encourage walking and cycling to provide more choice for commuters as part of the TCF corridor approach of improving sustainable transport links to Southampton.
26. The scheme should also be seen as an early stage of improving transport around Bursledon and Hamble Lane and as part of the draft Eastleigh Borough Transport Strategy where options to complete the route into Southampton will be explored.

Programme

	Gateway Stage			
	3 - Project Appraisal	Start on site	End on site	4 - Review
Date (mm/yy)	01/24 (Update)	02/24	07/24	07/25

Bluestar2 Corridor Bus Improvements

27. The Bishopstoke Road Bus Improvement scheme formed part of the overall Southampton and South-West Hampshire Transforming Cities Programme and received approval to the Project Appraisal at the Executive Lead Member for Economy, Transport and Environment at the Decision Day on 27 January 2022 to deliver a bus only lane westbound between Riverside and Chickenhall Lane; signalisation and active management of traffic at the Riverside and Chickenhall Lane junctions; enhanced bus stop facilities and an improved walking environment.
28. Due to deliverability issues the Bishopstoke Road scheme was removed from the Transforming Cities Programme, as reported to the Executive Lead Member for Universal Services Decision Day on 27 November 2023. With removal of this scheme, which is to be refinanced and delivered to a new timeline, there remains a need to deliver an alternative scheme along this corridor to meet the objectives of the Transforming Cities Fund bid and subsequent grant award.
29. It is proposed that an alternative, new package of measures is delivered along the Blue Star 2 corridor within both the Southampton City Council and Hampshire County Council's administrative areas that will result in the same, or better Value for Money / Benefit Cost Ratio for the corridor compared to the original bid. The alternative scheme uses technology to give buses priority at signal junctions. It involves:
 - Advanced Vehicle Location (AVL) provided by the buses tickets machines and Urban Traffic Management and Control (UTMC) bus priority technology that was installed after TCF bid for a scheme elsewhere;
 - use of these back-office enhancements to allow signal equipment to link up to the location provided by the ticket machines so that the traffic signals recognise approaching buses and provide a green light; and
 - technology modifications to 14 junctions and a number of signalised crossings on Bluestar Bus Route 2 corridor between Fair Oak and Southampton City Centre which the Fair Oak to Eastleigh Bus Priority Scheme was due to deliver journey time benefits.
30. The alternative low-cost technology scheme will offer journey time saving of up to 7 minutes in both directions which is greater than the 1min 30s predicted to be saved by the original Fair Oak to Eastleigh Bus Priority Scheme. The original scheme will still be delivered outside of the TCF programme using

local contributions that will add value to the TCF programme in the longer term.

31. The alternative approach is subject to approval of Change Control by the Department of Transport.

Finance

<u>Estimates</u>	<u>£'000</u>	<u>% of total</u>	<u>Funds Available</u>	<u>£'000</u>
Design Fee	80	15	TCF Tranche 2*	530
Client Fee	27	5		
Supervision	27	5		
Construction	396	75		
Total	<u>530</u>	<u>100</u>	Total	<u>530</u>

* Reallocation of grant funding is subject to Department for Transport approval to Change Control

Maintenance Implications £		% Variation to Committee's budget
Net increase in Current expenditure	0.0k	0.000%
Capital Charges	46.0k	0.027%

32. The finance summary is associated with the alternative technology-based scheme outlined in this report and referenced in the November 2023 Universal Services Capital Programme Quarter 2 2023/24 report.

Programme

	Gateway Stage			
	3 - Project Appraisal	Start on site	End on site	4 - Review
Date (mm/yy)	01/24 (Update)	01/24*	3/24*	3/25

* The programme for implementation of the alternative scheme is subject to approval of the change control submission to DfT.

Consultation and Equalities

33. Political support from Hampshire County Council Members was reported in the January 2022 Project Appraisal: Southampton and South-West Hampshire Transforming Cities Fund Programme report. County Councillors and local

Councillors will continue to be updated as part of ongoing communications on progress.

34. Further to this for the Providence Hill scheme, the local County Member, Councillor Keith House was in support of the majority of the original scheme. Councillor House is aware of the current amendments to the scheme and will be kept updated on the progress.
35. Regarding the Bishopstoke Road Bus Improvement scheme, Councillor Humby and Councillor Adams-King have been made aware of the proposals, and a briefing on the alternative low-cost technology option has been shared with the County Council Members, Councillor Parker-Jones, Councillor Park and Councillor Irish.

Providence Hill

36. The Equalities Impact Assessment undertaken as part of the January 2022 Project Appraisal has been reviewed and remains relevant to this report.
37. The Equalities Impact Assessment has found the scheme to have a positive impact regarding the protected characteristics of age and disability. The 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. The scheme has a neutral impact for other protected characteristics.
38. 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.

Bishopstoke Road

39. The Equalities Impact Assessment included in the January 2022 Project Appraisal has been updated to consider the amended scope of the project.
40. The updated Equalities Impact Assessment undertaken has found the scheme to have a positive impact regarding the protected characteristics of age, disability and sex. The scheme has a neutral impact for other protected characteristics.
41. With respect to age and disability, the scheme is likely to have a positive impact on reducing inequalities. The benefits it provides to public transport will improve the journey experience.
42. Regards the protected characteristic of sex, women are more likely to use bus services than men and will therefore benefit from the scheme.

Climate Change Impact Assessments

43. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
44. 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.
45. Overall, the proposed schemes seek to encourage a modal shift toward active travel for journeys, bringing benefits in terms of reduced local congestion and associated air quality, and environmental benefits, including reductions in carbon emissions from vehicles.
46. A27 Providence Hill Cycle has vulnerability to sea level rise/coastal flooding and heavy rainfall/surface flooding. This is due to the proximity of these schemes to tidal bodies of water and floodplains. The drainage has been designed to withstand a 1:100-year storm plus 40% to mitigate this vulnerability. The schemes are not considered to be any more vulnerable than existing highway infrastructure in these areas; and the scheme was not considered vulnerable to any other climate variables.
47. Carbon emissions from this project arise from the use of highway materials to construct the scheme, e.g., concrete and steel and from plant and equipment needed to undertake the work.
48. Carbon emissions will be mitigated by sourcing construction materials and plant locally wherever possible and prioritising the use of recycled materials where practical. On completion, the schemes will encourage a modal shift toward active travel for journeys, bringing benefits in terms of reduced local congestion and associated air quality, and environmental benefits, including reductions in carbon emissions from vehicles.

Conclusions

49. In conclusion, the schemes at Providence Hill and the Bluestar2 Bus Corridor are important elements of the overall Southampton and South-West Hampshire Transforming Cities programme and delivery key objectives in encouraging walking, cycling and bus use.
50. Whilst costs have increased significantly to deliver cycle improvements at Providence Hill, the scheme remains assessed as offering reasonable value for money and delivers on key policy objectives of delivering improvements, seeking to encourage walking and cycling to provide more choice for

commuters as part of the TCF corridor approach of improving sustainable transport links to Southampton. The scheme should also be seen as an early stage of improving transport around Bursledon and Hamble Lane and as part of the draft Eastleigh Borough Transport Strategy where options to complete the route into Southampton will be explored.

51. Adopting a new approach to the Bluestar2 Corridor Bus Improvements enables scheme objectives to be retained.
52. The alternative approach for the Bluestar2 Bus Corridor offers considerable benefit which is deliverable within the funding window and cost envelope.
53. The recommended approach has been discussed and endorsed by the Capital Programme Board which is a senior officer board providing governance, oversight and direction to the highways and transport elements of the capital programme.
54. Therefore, it is recommended that the Project Appraisals for both schemes are approved.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes

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.)

Document

Location

Southampton and South West Hampshire
Transforming Cities Fund Programme-
2022-01-27-ELMETE Decision Day
(hants.gov.uk)

PA Update - TCF A27 Providence Hill
Bursledon 2023-07-10-ELMUS Decision
Day (hants.gov.uk)

Transforming Cities Fund – Portsmouth &
Southampton Update-2022-11-07-
ELMTES Decision Day (hants.gov.uk)

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:

Providence Hill

The Equalities Impact Assessment undertaken as part of the January 2022 Project Appraisal has been reviewed and remains relevant to this report.

The Equalities Impact Assessment has found the scheme to have a positive impact regarding the protected characteristics of age and disability. The 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. The scheme has a neutral impact for other protected characteristics.

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.

Bishopstoke Road

The Equalities Impact Assessment included in the January 2022 Project Appraisal has been updated to consider the amended scope of the project.

The updated Equalities Impact Assessment undertaken has found the scheme to have a positive impact regarding the protected characteristics of age, disability and sex. The scheme has a neutral impact for other protected characteristics.

With respect to age and disability, the scheme is likely to have a positive impact on reducing inequalities. The benefits it provides to public transport will improve the journey experience.

Regards the protected characteristic of sex, women are more likely to use bus services than men and will therefore benefit from the scheme.