

Agenda Item No. 7(e)

DERBYSHIRE COUNTY COUNCIL

CABINET MEETING

10 January 2017

Report of the Strategic Director – Economy, Transport and Communities

**D2N2 SUSTAINABLE TRAVEL PROGRAMME PROJECTS (HIGHWAYS,
TRANSPORT AND INFRASTRUCTURE)**

(1) **Purpose of Report** To seek Cabinet approval for the County Council, as scheme promoter, to accept grant funding from the Derby, Derbyshire, Nottingham, Nottinghamshire (D2N2) Local Enterprise Partnership (LEP) Local Growth Fund (LGF) for a package of cycling and walking infrastructure improvements in Ilkeston, Dronfield and Unstone, to agree revised financial arrangements, and to agree an allocation to the Canal and Rivers Trust for the upgrade of Erewash Canal towpath.

(2) **Information and Analysis** As reported to Cabinet on a number of occasions, the Growth Deal initiative has been the Government's principal response to Lord Heseltine's "No Stone Unturned" report that made recommendations for stabilising the economy, creating the conditions for growth and maximising the performance of the UK. Cabinet will recall from its 26 July 2016 meeting that the D2N2 LEP received an offer of £5.8 million of LGF grant from the Government towards a Sustainable Travel Programme for the area, supported by local contributions to each individual project (Minute No. 219/16 refers). The offer of grant recognised the importance of cycling and walking investment in enabling sustainable economic growth, creating new jobs, increasing connectivity and improving health and well-being.

At its meeting on 26 July 2016, Cabinet also noted that £2.1 million (of the total £5.8 million LGF grant) had been provisionally allocated to projects in Derbyshire and would be supported with local contributions already made from Derbyshire Local Transport Plan (LTP) Capital allocation and the Canal and Rivers Trust. Cabinet agreed that, in principle, the package of Derbyshire projects would consist of:

- Chesterfield Rail Station Access.
- Cycle routes in Dronfield to provide for an extension of the Chesterfield Strategic Cycle network.

- Ilkeston Gateway project, to provide better connectivity for pedestrians and cyclists within the town, and to the new Ilkeston railway station (Minute No. 219/16 refers).

Further design feasibility and preparatory work on the Dronfield and Ilkeston projects, in readiness for their implementation from 2017, and to enable a value for money assessment to be carried out to fulfil the requirements of the D2N2 Assurance Framework and release grant.

Officers have examined a number of different route sections in both Dronfield and Ilkeston to assess whether the routes are deliverable in civil engineering terms and within the LGF grant timescales. Those that meet the criteria are recommended for approval through this report and are shown on maps in Appendices 1 and 2. These route sections have formed the basis for the value for money assessment and completion of a full (Stage 2) business case for the whole D2N2 Sustainable Travel Programme, including the recommended package of proposals in Chesterfield, Dronfield and Ilkeston.

AECOM (traffic and engineer consultants), and their sub-contractors, Integrated Transport Planning, were commissioned to carry out the value for money assessment of the whole D2N2 Sustainable Travel Programme on behalf of the four D2N2 transport authorities. This assessment concluded that the Programme could potentially deliver a benefit-cost ratio of 5.95 (a minimum of 2.0 is required) and is therefore considered to represent a very high value scheme under the Department for Transport's (DfT's) assessment criteria, specifically. The Derbyshire package of improvements is considered to have a good potential to contribute significantly to the local economy. The D2N2 Infrastructure and Investment Board (IIB) considered and approved the value for money assessment and full business case at its meeting on 15 December 2016 although final approval is subject to the assessment being validated by LEP's independent economic assessors, which was not possible before the IIB meeting. It is anticipated that these checks and balances will be completed by the date of the Cabinet meeting and, subject to these being accepted, an offer of £2.1 million LGF will be made to the County Council.

Programme Proposals

Since 2011, the County Council has supported delivery of a coherent strategic cycle and pedestrian network throughout Chesterfield and surrounding areas.

Chesterfield Railway Station Access

The most recent route completed during 2016 is the new segregated, off-highway route connecting Chesterfield railway station, into existing town centre pedestrian and cycle routes across a series of new and refurbished bridges. This project was funded by the County Council's LTP grant and additional funding sourced from the DfT's Local Sustainable Transport Fund.

A proportion (£350,000) of the County Council's LTP contribution was intended to be made as a local contribution to the D2N2 Sustainable Travel package of measures. Cabinet should note that later in this report, it is requested to revise the financial arrangements for the railway station access to enable the D2N2 LEP to meet its agreed spend profile for the D2N2 Sustainable Travel Programme.

Dronfield and Unstone Network

Cabinet will recall from its meeting on 26 July 2016, that a regeneration framework for Dronfield is being prepared by North East Derbyshire District Council (NEDDC) to form part of the new Local Plan for the District. This draft framework identifies two potential strategic pedestrian and cycle routes that support the town's regeneration proposals and include expansion of Callywhite Lane Industrial Estate and better connections to the planned Peak Resort leisure and health development. Officers have examined the engineering feasibility of constructing the two routes and considered the potential for delivering either of these through the D2N2 Sustainable Travel Programme, as follows.

The first of the routes follows an east-west alignment from Callywhite Lane to Sindlefingen Park. This route would provide good connectivity between residential neighbourhoods, the town centre, railway station and Callywhite Lane Industrial Estate. Officers are satisfied that a route could be delivered through a combination of segregated and on-highway routes. However, there are concerns about deliverability as the route would need to traverse land currently in the ownership of Dronfield Town Council. It is anticipated the establishment of a cycle route on land in Town Council ownership would require a change in legal status to adopted highway. This would require negotiations and agreements to establish the appropriate transfer of land and agree responsibilities for ongoing maintenance. Such negotiations can take several months to conclude and therefore this route option was unable to meet D2N2 Assurance Framework criteria on the grounds of deliverability, which were required to be resolved by the D2N2 IIB meeting on 15 December 2016 at the latest. It is therefore considered that the east-west proposal is ineligible for LGF grant at this time, but is to be considered again in future as part of proposals to prioritise a key cycle network for Derbyshire.

The second option follows a north-south alignment along the B6057 (Chesterfield Road, Unstone Hill and Main Road) between Dronfield and Unstone. This route would provide a strategic connection between Dronfield town centre and Unstone to the planned Peak Resort development and on to Chesterfield via the proposed Peak Resort bridleways and existing A61 cycle routes. It would also enable a future connection via a potential new access from the B6057 to the Callywhite Lane Industrial Estate as part of NEDDC growth plans for the area. Officers are satisfied that a 2.4km segregated, off-highway route could be delivered by widening the existing roadside footway.

All land required for this route option is in the boundaries of the highway, however, there may be opportunities to seek more direct route alignments in Unstone across land not currently in County Council ownership. These can be pursued as potential enhancements to the project during the design period, rather than being critical to the delivery of a complete route. It is also proposed to provide signed routes for cyclists on the highway to key destinations within Dronfield town centre. Cyclists would be directed to use quieter streets where this is possible.

This package of measures has been estimated to cost £900,000, which exceeds the provisional £750,000 estimate for this element of the D2N2 Sustainable Travel Programme. However, as set out later in this report, the balance can be made by utilising a £150,000 saving in the cost estimate for Ilkeston Gateway. Therefore, Cabinet is requested to approve this second route option as part of the D2N2 Sustainable Travel Programme.

Ilkeston Gateway

Cabinet will recall from its meeting on 26 July 2016, that the 'Ilkeston Gateway' has been developed by Erewash Borough Council into a Supplementary Planning Document (SPD), adopted in March 2015. The SPD includes a broader package of access and connectivity improvements to maximise the significant transport and regeneration benefits from the new railway station and encourage travel alternatives. This will help accommodate the impacts of additional housing and employment development in the area.

At its meeting on 3 November 2015, Cabinet approved financial support (£350,000) towards the first phase of the Ilkeston Gateway project supported by a £150,000 contribution from the Canal and Rivers Trust (Minute No. 380/15 refers). This enabled a section of the Erewash Canal towpath between Awsorth Road and Potter's Lock to be upgraded to a high-standard, off-road pedestrian and cycle route. This upgrade was completed during summer 2016.

At its meeting on 26 July 2016, Cabinet also approved to carry out the further development of route proposals for a network of pedestrian and cycle routes consistent with the Ilkeston Gateway SPD (Minute No. 219/16 refers). Council officers and the Canal and Rivers Trust have examined the engineering feasibility of constructing seven additional sections of route (in addition to Phase 1, Erewash Canal towpath upgrade), that maximise connections between the new railway station and the town centre to residential, employment and leisure areas. These routes are listed below and also shown in Appendix 2:

- Erewash canal towpath upgrade from Cotmanhay to Larklands.
- A6096 Millership Way, town centre to new railway station.
- Leisure centre and Manners Industrial Estate.

- Town centre to Manners Industrial Estate.
- Town centre to West End Drive.
- Town centre to Larklands.
- Cotmanhay.

All land required to establish a network of pedestrian and cycle routes for the Ilkeston Gateway is within the highway, or in the ownership of the County Council and there may be opportunity to seek more direct route alignments across land currently not in Council ownership. However, these can be pursued during the design period, rather than being critical to the delivery of the Ilkeston Gateway project. Cabinet should note that the town centre to Larklands route is located within one of the two trial areas approved by the Cabinet Member for Highways, Transport and Infrastructure for the introduction of 20mph speed limits at the 6 December 2016 meeting (Minute No. 133/16 refers) and there may be opportunities in conjunction with this proposal to establish a wider network of on-highway, signed, quiet routes through the Ilkeston Gateway project should funding allow.

The above package of measures has been estimated to cost £1.2 million. This is less than the £1.35 million provisionally estimated for this element of the D2N2 Sustainable Travel Programme. It is therefore recommended the £150,000 saving be transferred to the Improving Sustainable Growth and Connectivity (ISGC) project to make up the balance required to deliver the Dronfield and Unstone network. Cabinet is therefore requested to approve that the Ilkeston Gateway package forms part of the D2N2 Sustainable Travel Programme.

Financial Case

As set out earlier in this report, it is recommended that the £2.1 million LGF grant funding set aside for Derbyshire projects is shared between two projects as follows:

- Inspiring Sustainable Growth and Connectivity, Chesterfield area - £900,000.
- Ilkeston Gateway - £1.2 million.

The LGF grant is required to be supported by contributions from other local sources. The level of contribution is not specified, but a larger contribution generally supports a more favourable business case. At its meeting on 26 July 2016, Cabinet noted that the County Council had already made local contributions through its LTP Capital allocations towards Chesterfield Railway Station Access (£350,000) and the first phase of Erewash Canal towpath improvements (£350,000).

Cabinet should note that the methodology for the WebTAG economic appraisal and D2N2 Assurance Framework referred to earlier in this report requires all associated project costs to be included within the financial case

and value for money calculations. Consequently, the full estimated costs associated with delivery of the Chesterfield Railway Station Access project (£1.760 million) are required to be included within the D2N2 Sustainable Travel Programme, in addition to the proposed Dronfield and Unstone and Ilkeston Gateway projects.

The D2N2 IIB has agreed the LGF grant spend profile for the whole D2N2 Sustainable Travel Programme, as follows:-

Table 1 D2N2 Sustainable Travel Grant spend profile

2016-17 (£ million)	2017-18 (£ million)	2018-19 (£ million)	Total (£ million)
£2.485	£2.365	£0.950	£5.800

Cabinet should note that, in usual circumstances, scheme promoters should seek D2N2 IIB approval of a business case, in advance of any spend from LGF grant. However, the D2N2 IIB has recognised that the complexity of bringing together a business case for eight separate projects, to be delivered by four different scheme promoters, means it is not possible for the authorities to spend £2.485 million before the end of March 2017. Therefore, the D2N2 LEP has agreed special arrangements where expenditure that has already been made on associated D2N2 infrastructure during 2016-17, is eligible for retrospective funding from LGF grant, but on the understanding that this funding is re-cycled on delivering the full D2N2 Sustainable Travel Programme in the period to 2018-19.

County Council contributions to the Chesterfield Railway Station Access, and Ilkeston Gateway, are eligible for retrospective funding from 2016-17 LGF grant. The four D2N2 local authorities have agreed that the County Council is able to recover a total of £1.040 million of its LTP contributions from 2016-17; split as follows, Chesterfield Railway Station Access (£730,000), and Ilkeston Gateway (£310,000). The other three D2N2 authorities would recover a share of the remaining 2016-17 LGF grant. These financial arrangements would not affect the total amount spent on each individual project but they would reduce the level of support the County Council has made to the Chesterfield Railway Station Access and a corresponding increase in County Council contribution to the Dronfield and Unstone cycle network. Tables 2 and 3 below set out the funding arrangements in each scenario:

Table 2 Financial arrangements without retrospective funding

	LGF Grant (£ million)	Derbyshire County Council LTP (£ million)	Other source (£ million)	Total
Inspiring Sustainable Growth and Connectivity				

Chesterfield Railway Station Access	0	1.265	0.495	1.760
Dronfield and Unstone Cycle network	0.900	0	0	0.900
Ilkeston Gateway	1.200	0.350	0.150	1.700
Total	2.100	1.615	0.645	4.360

Table 3 Financial arrangements with retrospective funding

	LGF Grant (£ million)	Derbyshire County Council LTP (£ million)	Other source (£ million)	Total
Inspiring Sustainable Growth and Connectivity				
Chesterfield Railway Station Access	0.730	0.535	0.495**	1.760
Dronfield & Unstone Cycle Route	0.170	0.730	0	0.900
Ilkeston Gateway	1.200	0.350	0.150*	1.700
Total	2.100	1.615	0.645	4.360

*Canal and Rivers Trust and **Local Sustainable Transport Fund

It is recommended that Cabinet accepts the D2N2 grant of £1.040 million from 2016-17 and re-cycle it towards the delivery of the Dronfield and Unstone, and Ilkeston Gateway packages in 2017-18 and 2018-19. This would then be supplemented by direct grant of £1.060 million towards the same projects during the period to 2018-19. A proposed spend profile is set out in Table 4 below:

Table 4 Proposed spend profile

£ million	2016-17		2017-18		2018-19		Total (£ million)
	LGF (£ million)	Match (£ million)	LGF (£ million)	Match (£ million)	LGF (£ million)	Match (£ million)	
Inspiring Sustainable Growth and Connectivity							
Chesterfield Railway Station Access	0.730	1.030	0	0	0	0	1.760
Dronfield and Unstone Cycle Route	0	0.005	0.170	0	0	0.725	0.900

Ilkeston Gateway	0.310	0.263	0.780	0	0.110	0.237	1.700
Total	1.040	1.298	0.950	0	0.110	0.962	4.360

Contribution to Canal and Rivers Trust

The Canal and Rivers Trust has indicated it is able to deliver the second Phase of the Erewash Canal Towpath upgrade, commencing on site in February 2017. The total cost of this has been established through the engagement of a contractor and is £0.432m. It can therefore proceed if the County Council, as scheme promoter, makes available £0.120 million of recycled LGF grant in 2016-17 and £0.312 million LGF grant in 2017-18. The use of recycled LGF in 2016-17, is preferable to a claim against LGF grant to build-in flexibility to the delivery programme should there be delays in construction due to cold weather during winter months. The contribution would be fixed and, in exchange for this, the Canal and Rivers Trust would commit to delivery of the specified scheme (and would retain responsibility for future maintenance of the asset). Its contractor is procured through its National Engineering and Construction Contract 2015-2021, selected from six applicants following a pre-qualification process, in accordance with the requirements of the Official Journal of European Union (OJEU) Utilities Contracts Regulations 2006.

It is therefore recommended that Cabinet agrees to the allocation of a total £0.432m to the project described above and delivered by the Canal and Rivers Trust.

(3) **Financial Considerations** As detailed within the report.

(4) **Legal Considerations** The grant funding is for the provision of infrastructure improvements and, therefore, falls within the general Block Exemption Regulations (GBER) in relation to State Aid.

(5) **Social Value Considerations** Packages of cycling and walking infrastructure measures in Chesterfield, Dronfield and Ilkeston will provide better connectivity and improve access to jobs and services. Sustainable travel networks will improve connectivity to support the delivery of new housing and employment growth sites, and develop a thriving tourism sector to support the creation of new jobs in the local economy.

The value for money assessment considers the benefits of a more healthy and active workforce and shows support for improved productivity and reduced sickness absenteeism. Travel to work journeys in north-eastern Derbyshire and Ilkeston are relatively self-contained which provides opportunities to create more sustainable and green communities with reduced reliance on the car, leading to reduced carbon emissions.

(6) **Equality and Diversity, and Health considerations** A health and equality and diversity impact assessment will be carried out alongside the detailed design of the proposals to ensure that any detrimental impacts are identified and mitigated where possible. Overall, the proposals will make a significant positive contribution to health and well-being, and will provide more affordable and easy access to jobs and community facilities.

(7) **Property Considerations** All land and property affected by the proposed construction projects fall within the highway or within the control of the Canal and Rivers Trust. There may be opportunities during the detailed design stage to establish more direct routes across land within the control of public-sector partners. Further reports will be brought to Cabinet in due course, should land assembly or the undertaking of necessary agreements be required.

(8) **Transport Considerations** The Derbyshire LTP supports the development of town-wide pedestrian and cycling networks. Improved pedestrian and cycle connectivity in Chesterfield, Dronfield and Ilkeston will increase opportunities for local people to access work, local services and education and training. The proposals support the delivery of economic growth associated with new housing, employment and leisure development by seeking to manage travel demand by prioritising walking and cycling improvements within the early build-out period of new development.

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, human resources, and environmental considerations.

(9) **Key Decision** Yes.

(10) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(11) **Background Papers** Held on file within the Economy, Transport and Communities Department. Officer contact details - Jim Seymour, extension 38557.

(12) **OFFICER'S RECOMMENDATIONS** That Cabinet agrees:

12.1 To accept, as scheme promoter, £2.1 million D2N2 (Derby, Derbyshire, Nottingham, Nottinghamshire) Local Growth Fund (LGF) grant towards the implementation of a package of pedestrian and cycling infrastructure measures in Chesterfield, Dronfield and Ilkeston, as set out in this report.

- 12.2 To accept revised financial arrangements, as set out in Table 3, to recover from 2016-17 LGF grant £1.040 million against elements already delivered through 2016-17 County Council Local Transport Plan (LTP) Capital expenditure, and to reallocate the LTP funding to the delivery of the D2N2 Sustainable Travel projects in Dronfield and Ilkeston.
- 12.3 As scheme promoter, to a total allocation of £432,000 from the 2016-17 and 2017-18 D2N2 Sustainable Travel Programme to the Canal and Rivers Trust for a second phase of upgrades of the Erewash Canal towpath.
- 12.4 Approves the addition to the Capital Programme of the Dronfield and Unstone Cycle Route and the second phase of the Ilkeston Gateway.

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