

D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)

15th December 2016

D2N2 Sustainable Travel Programme

1.0 Background

In February 2015 DCLG awarded D2N2 Grant Funding to deliver the approved schemes on the Local Growth Fund (LGF).

The LGF comprises of 31 schemes and runs until March 2021.

In March 2015 D2N2 and Derbyshire County Council issued the LGF Local Assurance Framework which sets out the procedures for managing and approving projects.

In April 2015 D2N2 appointed Derbyshire County Council as the Accountable body to administer the Local Assurance Framework.

2.0 Scheme Overview

This project is to create new cycling and sustainable transport infrastructure across the D2N2 area. The project will introduce new cycling infrastructure across the LEP area to increase the amount of cycling trips made and aid businesses and commuters to travel sustainably to and from places of employment.

The primary objectives of this project are to:

- Significantly improve access to priority locations for housing and job growth as identified in the Strategic Economic Plan (SEP). New cycle routes will facilitate access to key destinations such as Queens Medical Centre, University of Derby, Derby Teaching Hospital NHS Trust, Nottingham City Hospital, Nottingham University, Mansfield town centre, the Lindhurst and Gedling Colliery residential developments, Newark town centre, Chesterfield's A61 corridor and the Ilkeston Gateway.
- The routes will therefore improve access by sustainable transport to existing residential areas, employment and education opportunities, key local services, and leisure destinations.

This will enable delivery of a number of outcomes:

- Increase the amount of cycle ways in the D2N2 area
- Improve sustainable transport access to residential and employment sites.
- Various health and economic benefits as a result of the development.

The overall cost of the total package is £10.542m which is funded as follows:

Local Authority Match	£3.595m
D2N2 Local Growth Fund	£5.8m
3rd Party funding (S106)	£1.147m

3.0 Approvals

Derby City Council - Gained approval from full Cabinet to approve the bid and match funding contribution from developer contributions paid to the Council for sustainable transport improvements.

Derbyshire County Council - The programme has in principle approval from Cabinet subject to a further report confirming LGF allocations.

Nottingham City Council - The Council have all approvals in place to deliver the Ring Road Major scheme of which this is an element.

Nottinghamshire County Council - Match funding for the West Bridgford strategic cycle network improvements was approved at March 2016 and September 2016 Transport & Highways Committees.

The proposed improvements to be delivered during 2016/17 were approved at November 2016 Transport & Highways Committee. Match funding for the Mansfield, Newark and Arnold/Carlton strategic cycle improvements (to be delivered during 2017/18) was approved at the November 2016 Transport & Highways Committee.

4.0 Procurement

The procurement strategies for the projects are as follows:

Derbyshire County Council – The procurement process has been initiated and all works within the highway will be undertaken directly the County's Highways Service.

Nottingham City Council - The schemes contained within the bid will be delivered either by Nottingham City Council's own in-house Direct Labour Organisation, or by a contractor from Lot 12 of the Nottingham City Council and Derby City Council joint framework contract (CPU765).

Nottinghamshire County Council - The scheme will be project managed by the new Teckal company, Via East Midlands Limited, acting on behalf of the County Council with responsibility for the design, procurement and delivery of Nottinghamshire County Council highway schemes.

Derby City Council – The council's in house direct labour organisation will deliver the works. Procurement of supplies and materials for the project will follow normal supply chain contracts.

5.0 State Aid

Nottinghamshire County Council has sought advice from Geldards LLP on behalf of all authorities who have confirmed the project is State Aid compliant

6.0 Business Case

The business case has been forwarded to Regeneris and at the time of writing this report the Value for Money (VFM) report had not been completed. Any approval given will be on the basis that the project reports good VFM.

7.0 Delivery Programme

A detailed delivery programme has been supplied to the LEP and this complied with the spending profile for the project.

8.0 Outputs and Outcomes

- 143km of new cycle ways
- An average of 7,000 new cyclists
- Sustainable transport support to 15,670 Jobs.

9.0 Spending profile

2016-17 £2.485m

2017-18 £2.365m

2018-19 £0.95m

10.0 Local Assurance Framework

Stage 1 approval was granted on the 30th June 2016 and a full Business Case was submitted in line with Stage 2 of the approval process. The Accountable Body and D2N2 have assessed the Business Case submission and approval is recommended.

The IIB are asked to approve the project and release this year's funding on the condition that the Regeneris report confirms this project represents good value for money.

Local Assurance Framework
Stage 2 Approval Check List:

1. A Value for Money assessment carried out in accordance with the Local Assurance Framework and concluding that the project overall provides at least a good value for money score	A value for Money assessment is currently being carried out by external consultants and the project is requested to be approved subject to Value for Money approval.
2. Evidence supporting the need for the project and the how the outputs in the Business Case will be delivered/guaranteed. This will also include evidence identifying when the outputs will be delivered.	<p>This project is made up of various cycling infrastructure improvement schemes across the D2N2 area and is targeted to help achieve DfT's target of doubling cycle usage by 2025. The project will meet the needs of local businesses and support the growth in the focused areas. It will support Access to training and employment for people without a car, including people seeking to commute for training and apprenticeships. Many firms in the D2N2 LEP area will benefit from improved cycle connectivity as their shift patterns will not be well supported by public transport.</p> <p>The project aims to deliver:</p> <ul style="list-style-type: none"> - 143km of new cycle ways - An average of 7,000 new cyclists - Sustainable transport support to 15,670 Jobs.
3. A statement confirming that the funds are in place and that adequate	Match funding from each of the local authorities involved in the project has been confirmed. The separate cabinets and respective boards from each

<p>safeguards have been taken in regards to any cost over-runs. Examples of this could be confirmation that contingency has been secured for the project and/or that all risk have been passed to the contractor/developer.</p>	<p>council have approved the individual match funding contributions for each element of the project.</p> <p>A statement has also confirmed that any cost overruns in a particular element of the project will be covered by the respective local authority.</p>
<p>4. A statement confirming that the project is State Aid compliant.</p>	<p>Nottinghamshire County Council sought state aid advice from Geldards LLP on behalf of the other Local Authorities and they have confirmed that such highways schemes are State aid compliant.</p>
<p>5. Full design and specification to RIBA Stage F (if applicable) (Appendix 4)</p>	<p>All projects from each local authority have reached the appropriate level of design. RIBA Stage 4 design is not applicable to this project due to the nature of the works taking place.</p>
<p>6. A detailed Business case submitted by the Section 151 officer, Finance Director or Chief Executive Officer.</p>	<p>A detailed business case with the signature of each Local Authority's S151 officer was submitted to the LEP.</p>
<p>7. Confirmation that all planning consents and other consents in relation to the delivery of the project have been granted. The promoter is also required to</p>	<p>Each element of the project has been granted consent to proceed with the works apart from Derbyshire County Council who have agreed the programme in principal at cabinet level subject to LGF approval.</p>

confirm that all pre-commencement conditions have been met along with details regarding how and when the remaining planning conditions will be discharged.	<p>Most of the works being approved do not require planning permissions as they comprise permitted development within the highway. Two elements of the Derby City works require planning permission and have both been granted these permissions.</p> <ul style="list-style-type: none"> - Manor Kingsway (DER/07/08/01081) Approved 31/07/2008 - Mackworth College (DER/11/12/01333) Approved 07/12/2012
8. A statement from the promoter confirming how project aligns with the LEPS sustainability and local procurement framework (if applicable)	The workforces delivering the projects are from the councils' respective in house contractors which are made up of a predominantly local labour force. Local Apprenticeship opportunities have been provided in the contractor team of Derby City Council creating employment opportunities for local people.
9. Confirmation that all funding approved and in place to deliver the project along with written confirmation from the other funders confirming the funds are agreed and available.	Match funding from each of the local authorities involved in the project has been confirmed. The separate cabinets and respective boards from each council have approved the individual match funding contributions for each element of the project.
10. Confirmation that a delivery contract is in place (JCT or equivalent) and confirmation of how cost/programme overruns are to be managed. The LEP will require promoters to either confirm that any cost over-runs are the risk of the	<p>Construction contracts have been entered with each local authorities Direct Labour Force, should any additional works be required these will be resourced through the existing frameworks of the Midlands Highway Alliance.</p> <p>Promoters have confirmed that they will individually be responsible for any</p>

developer or additional funds have been set aside	cost overruns.
11. All land assets purchased and vacant possession obtained (if applicable)	The majority of the works take place in the highway and therefore no land purchases are necessary for this development and where land is not in the highway permission has been granted to undertake these works.
12. Value for Money report carried out by a suitably qualified and experience professional with at least a 'Good' score. The LEP and the Accountable body will seek confirmation on the conclusions of the report from external consultants.	A value for Money assessment is currently being carried out by external consultants and the project is requested to be approved subject to Value for Money approval.
13. How the risks will be managed?	A list of risks have been outlined for each element of the project and a risk register has been put in place to identify any areas of risk to the project alongside mitigations should these arise.