



Coast to Capital LEP Local Transport Board

Sustainability Schemes: Independent
Business Case Assessment

NCN2 and Beautiful Outdoors
(combined funding application)

Prepared for
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**PARSONS
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SCHEME SUMMARY

Scheme Name	NCN2 and Beautiful Outdoors	Date	9 th March 2015
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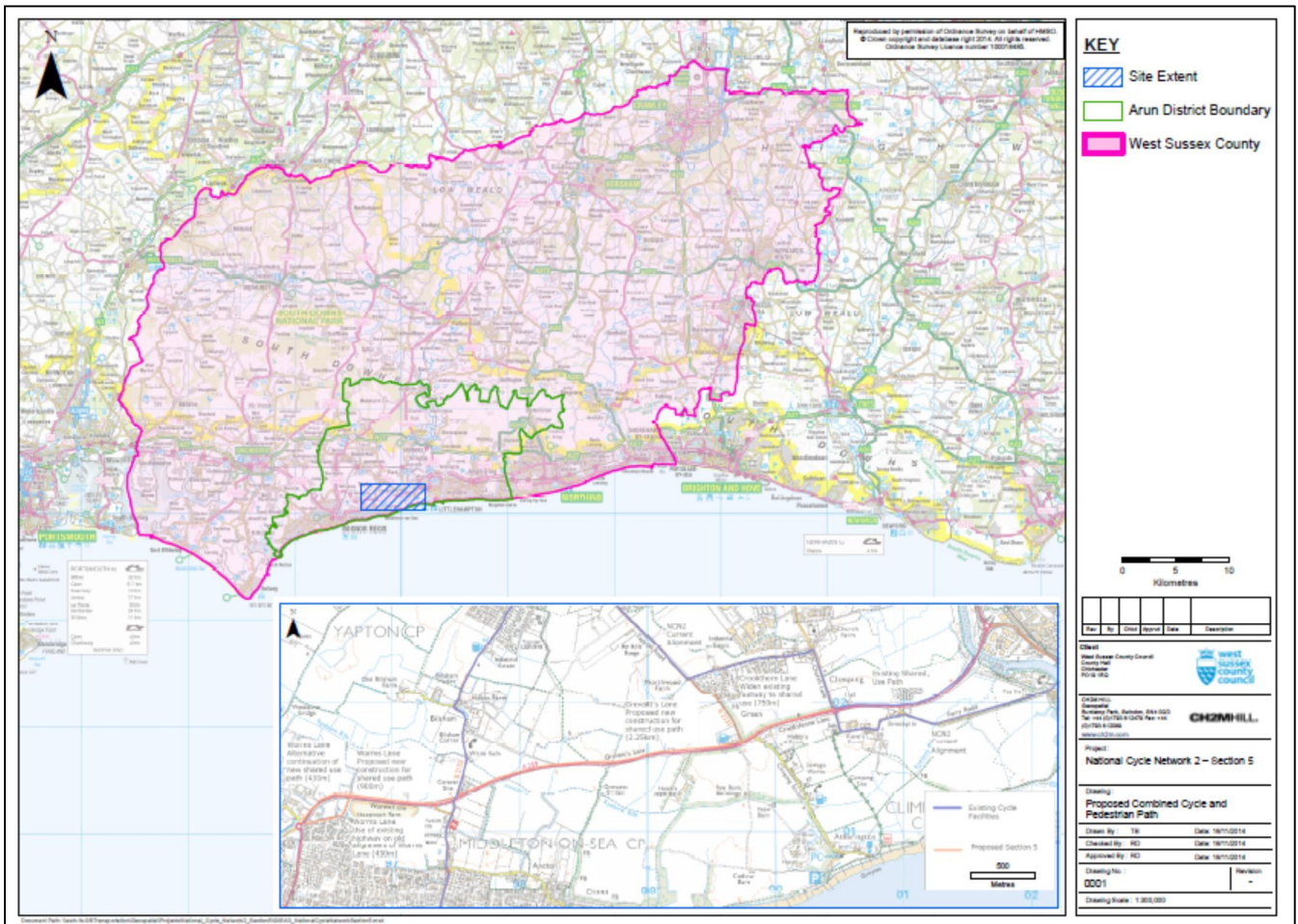
Scheme Description

The proposed scheme is a package of 2 schemes; improvements to the National Cycle Network Route 2 (NCN2) and the Beautiful Outdoors Package. Whilst two separate funding applications and supporting business cases have been submitted for these schemes, the scheme promoter (West Sussex County Council) has requested that they be considered as a combined funding application.

National Cycle Network Route 2 Section 5 (Littlehampton to Bognor Regis) Scheme (NCN2)

The NCN2 Section 5 Scheme will create a direct cycle facility between Littlehampton and Bognor Regis. This will involve the construction of a 3 metre wide combined cycle and foot path alongside the northern side of A259 between Church Lane Climping junction and the eastern end of the Bognor Regis Relief Road (BRRRd) at Felpham, along with signing upgrades. At the western end it will connect with the new cycle facility into Felpham and new homes served by the BRRRd. The eastern end will connect with an existing combined cycle & footway along A259 towards employment and new housing in Littlehampton. New crossing points will be provided at Church Lane Climping, B2132/A259 'Comet Corner' and Worms Lane. The total length of the works within this section is 4.35km.

The dedicated cycle and foot path will be segregated from traffic. It will require widening of the existing footway, between Church Lane and B2233 Yapton Road; between Yapton Road and BRRRd it will be a new construction. All of the proposed works will take place within the highway boundary and no land outside the highway boundary will be required, but some lopping or tree removal may be required.



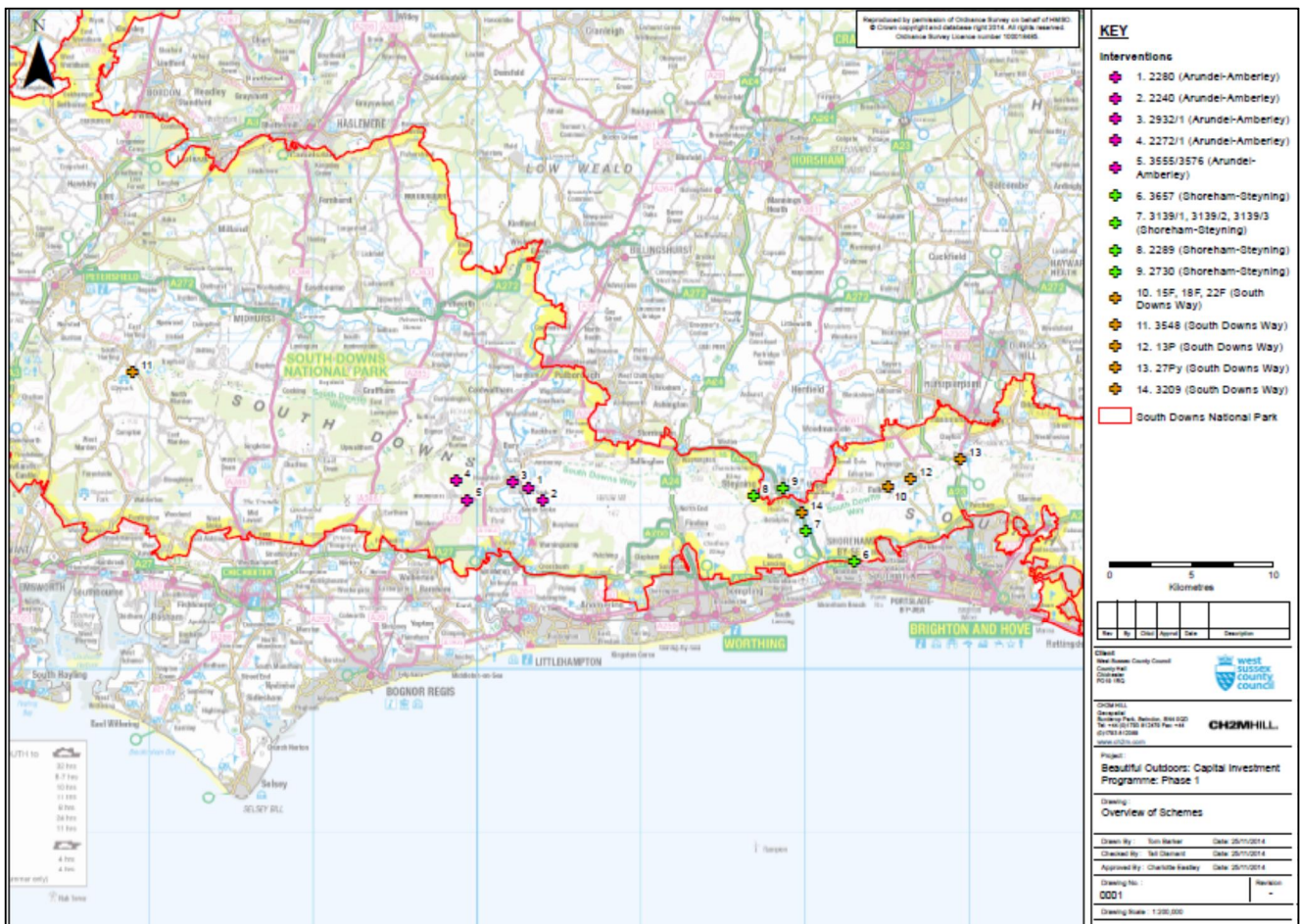
Beautiful Outdoors Capital Investment Programme phase one (Beautiful Outdoors)

The Beautiful Outdoors Package is a set of network enhancements aimed at augmenting the position of the South Downs and neighbouring areas as a short break and weekend destination for visitors, particularly from London and the South East.

The Beautiful Outdoors Package includes:

- A marketing campaign, to be delivered from Spring 2015, targeting visitors from London and the South East to include a walking and cycling offer linked to the South Downs National Park (SDNP).
- Business support to enterprises in the local tourism, accommodation, food service and agriculture sectors.
- A 3-year capital investment programme, of which phase one (enhancements to pathways, bridleways and cycle routes in the South Downs National Park during 2015/2016) funding is being sought.

Phase one of the capital investment programme encompasses fifteen enhancements to footpaths, cycle routes, bridleways and signage within three areas of the South Downs National Park, namely Arundel-Amberley, Shoreham-Steyning and the South Downs Way. The individual schemes elements consist of improvements such as improved signage, surfacing and steps.



Scheme Objectives

NCN2

- Encourage sustainable travel by improving access for cyclists and pedestrians
- Improve safety by providing a safer, segregated route for pedestrians and cyclists
- Support economic growth by improving connectivity to local employment and facilities.

Beautiful Outdoors

- Improving accessibility to and within the South Downs National Park
- Improving safety for pedestrians and cyclists
- Supporting the local economy by promoting the area as a tourist destination

FINANCIAL SUMMARY

Main Expenditure Items (£m)	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Construction Cost	£817k	£200k				£1,017k
Revenue Expenditure	£250k					£250k
Risk and Optimism Bias *	£263k	£70k				£333k
TOTAL SCHEME COST	£1,330k	£270k				£1,600k

* optimism bias included 37.5% for NCN2 and 28% for Beautiful Outdoors;

A more detailed cost estimate has not been provided. The scheme costs above represent the combined package including both the NCN2 and Beautiful Outdoors schemes. The individual costs are:

- NCN2 scheme – £900k
- Beautiful Outdoors – £700k, made up of £450k capital and £250k revenue investment from WSCC.

Scheme Funding

Funding Source	Funding Amount (capital only)	Funding Amount (capital & revenue)
Local Growth Fund	£1,235,000 (91%)	£1,235,000 (73%)
Local Contribution	£115,000 (9%)	£365,000 (27%)
TOTAL	£1,350,000	£1,600,000

VALUE FOR MONEY STATEMENT

	Assessment	Detail
BCR	2.1	60 year BCR BCR for NCN2 scheme only – no BCR calculated for Beautiful Outdoors scheme Benefits accrued from accident reduction, decongestion, carbon reduction and journey ambience.
Non-Monetised Impacts	Slight beneficial	Health benefits are estimated in the business case documents, but there is not considered to be sufficient evidence for inclusion in BCR. Additional non-monetised benefits likely from wider economic benefits (increased visitor footfall, job creation, increased GVA) and physical activity. Environmental impacts possible due to potential presence of protected species.
Key Risks, Sensitivities and Uncertainties	High risk to overall value-for-money category	Benefit calculations are estimated based on available data. No monetised benefits provided for Beautiful Outdoors scheme. Assumption that cycle trips on NCN2 will increase by 30% following scheme.
Value for Money Category		MEDIUM

DELIVERABILITY

Key Risks to Delivery

Both scheme elements are at a very early stage and no preliminary designs have been undertaken. There is a key risk that the delivery of the scheme in 15/16 will not be achievable.

The key risks to the individual projects are considered to be:

- There is potential for protected species (reptiles, bats and birds) – environmental surveys have not yet been carried out; this could delay the delivery programme
- No preliminary scheme designs have yet been produced
- For NCN2, The calculation on likely cycle use is based on annualisation of a daily count and the assumption that there will be a 30% increase in cycle use with the scheme; there is potential for cycle use, and hence scheme benefits, to be overestimated

Environmental Impact

The environmental assessment concludes:

- Possible ecological impact on protected species due to loss of habitat; environmental surveys yet to be carried out
- Slight beneficial impact on carbon emissions and air quality due to mode switch
- Neutral impact on water quality or flood risk
- Neutral impact on landscape
- Neutral impact on noise
- Unlikely to be impact on archaeology and cultural heritage
- Likely to be some adverse impact due to noise and vibration during construction phase

This review considers that the above assessments are reasonable.

SCORING

Criteria	Application Score	Recommended Score*
<p>Expected economic benefits [transport and scheme related]:</p> <ul style="list-style-type: none"> - Value for money, including BCR (if known) or similar measure. - Expected impact on journey times, reliability and resilience - Encouraging sustainable travel - Expected impact on road safety casualties - Valuing public realm, Other transport benefits 	<p>5 (NCN2) 2 (Beautiful Outdoors)</p>	<p>Combined score = 3</p> <p>The BCR for NCN2 scheme is 2.1; no BCR has been calculated for the Beautiful Outdoors scheme. Based on this, a combined score of 3 is considered appropriate.</p>
<p>Expected economic benefits [economic growth]:</p> <ul style="list-style-type: none"> - Retention of existing jobs or creation of new jobs - Unlocking or improving access to new dwellings - Encouragement of new businesses, or protection of existing businesses. - Other economic benefits 	<p>2 (NCN2) 3.5 (Beautiful Outdoors)</p>	<p>Combined score = 3</p> <p>The Beautiful Outdoors scheme would support existing jobs in the tourism sector and increased tourism could lead to job creation. The NCN2 scheme does not directly support job creation, but does provide enhanced accessibility to employment locations. Based on this, a combined score of 3 is appropriate.</p>
<p>Social Distributional Impact:</p> <ul style="list-style-type: none"> - Expected regeneration & deprivation impact - Expected impact on severance, physical activity, accessibility 	<p>4 (NCN2) 4 (Beautiful Outdoors)</p>	<p>Combined score = 4</p> <p>The scheme would encourage physical activity and improve accessibility. The score of 4 is therefore considered appropriate.</p>
<p>Environmental impact:</p> <ul style="list-style-type: none"> - Expected impact on carbon emissions - Expected impact on air quality - Expected impact on noise/natural and urban environment 	<p>4.5 (NCN2) 3 (Beautiful Outdoors)</p>	<p>Combined score = 3</p> <p>There is the potential for both schemes to impact on protected species; further environmental survey work is required to identify the impact and appropriate mitigation. Other environment impacts are not significant. Assuming the ecological impact can be mitigated, a score of 3 is appropriate.</p>
<p>Contribution to the Strategic Economic Plan</p> <ul style="list-style-type: none"> - How does the scheme contribute to the objectives and priorities of the SEP. - The five transport objectives - Contribution to other objectives 	<p>4.5 (NCN2) 4 (Beautiful Outdoors)</p>	<p>Combined score = 4</p> <p>The NCN2 scheme improves sustainable accessibility to employment and facilities and encourages sustainable travel, linking to SEP objectives of sustainability and supporting economic growth. The Beautiful Outdoors scheme focuses on recreation and encouraging tourism to the area, and aligns more closely with the LEP objectives of supporting rural tourism. A score of 4 is considered appropriate.</p>

<p>Local Indicators: Local indicators and circumstances that help to explain the need for the scheme.</p>		<p>The local indicators are considered appropriate.</p>
<p><i>* Score recommended by independent business case assessor based on evidence provided in business case and in response to queries during the review process.</i></p>		
<p>Commentary on Scoring</p>		
<p>Scores in bid document are based on the combined scheme.</p> <p>Following the review, a revised score of 17 is considered appropriate.</p>		

RECOMMENDATION

Independent Business Case Assessor Recommendations

Value for Money

The combined schemes are considered to represent **medium value-for-money**, although there is considered to be a high level of uncertainty in this assessment based on the evidence provided. The combined scheme scoring assessment has concluded a score of 17.

The NCN2 scheme would provide clear benefits and would support LEP objectives by improving sustainable links to housing, employment and services, although there are risks to the delivery programme. The Beautiful Outdoors scheme focuses on recreation and encouraging tourism to the area, and aligns more closely with the LEP objectives of supporting rural tourism.

Deliverability

The Independent Review considers that the scheme is at a very early stage of development, and **there is a risk that the scheme would not be deliverable in the 15/16 programme** due to the work that is required, particularly further environmental work. Both scheme elements are at a very early stage and no preliminary designs have been undertaken.

Recommendation

It is not clear why the schemes are presented as a single scheme package; the schemes are separate schemes with different objectives in separate geographical locations.

It is therefore recommended that the schemes are considered separately by C2CLEP. In this light, it is recommended that both schemes be approved for funding as follows subject to agreement by the LEP of the following:

- **NCN2 – no local contribution, and subject to ranking of schemes**
- **Beautiful Outdoors – subject to ranking of schemes**

It is further recommended that as part of further scheme development updated information on delivery risks and projected value for money be provided to C2CLEP.

Scoring criteria

Scores	Expected Economic benefits (transport and scheme related)	Expected Economic benefits (economic growth)	Socio-distributional Impact	Environmental Impact	Strategic Economic Plan
Score: 5 [Green]	Expected BCR of 2+ (if known) Significant beneficial impact on transport indicators.	Support for delivery of new jobs, housing & employment floor space in area clearly expected.	Significant positive benefits expected, such as supporting regeneration, improving accessibility, reducing severance and/or promoting physical activity.	Likely to lead to a reduction in carbon emissions and have limited impact on the natural environment and/or air quality and noise standards.	Clear linkage to one or more SEP policies and priorities
Score:3 [Amber]	Expected BCR of 1.5 to 2 (if known) Some, but limited beneficial impact on transport indicators.	Expected to support retention of existing jobs & help deliver some housing.	Some socio-distributional and well-being impacts expected.	Limited or neutral impact on carbon emissions, natural environment and/or air quality shown.	Some linkage to SEP policies and priorities.
Score 1: [Red]	Expected BCR of under 1.5 (if known) Very limited or negative impact on transport indicators.	Very limited linkage with delivery of employment and/or housing expected.	Very limited or negative impact on distributional and well-being impacts expected.	Likely to have a negative impact on carbon emissions, local air quality and/or the natural environment.	Weak link to the SEP.