

Meeting Executive
Portfolio Area Regeneration
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TOWNS FUND BUSINESS CASES – CYCLING AND PEDESTRAIN CONNECTIVITY & ARTS AND HERITAGE TRAIL

KEY DECISION

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1 PURPOSE

- 1.1 Stevenage was successfully awarded £37.5m of funding through the Government's Towns Fund programme. Full business cases must be developed and approved by 24th March 2022 for each of the projects that comprise the Stevenage Towns Fund programme. The Council, as Accountable Body, must provide final sign-off for each of the business cases, in accordance with the Towns Fund Stage 2 Guidance. Full Council has delegated approval of each of the business cases to the Council's Executive committee.
- 1.2 This report relates to the Cycling and Pedestrian Connectivity (incl. arts and heritage trail) project, which has two core elements; the first is to deliver a heritage and arts trail creating a quality visitor attraction showcasing the incredible heritage assets and public art across the town, together with the installation of new art features to complete the trail. The second element is the delivery of enhanced modern pedestrian and cycling infrastructure linking

new developments in the town centre, other growth schemes and open spaces across the Town and Borough. Together these two elements will provide an exciting cycling and cultural offer by providing an enhanced experience of place, through art, heritage, and community activity. This will achieve a multitude of aims – increasing accessibility and connectivity between places so that mobility is not a barrier to opportunity; improving levels of health and wellbeing; and improving the perception and experience of places across the town centre. In turn these improvements will contribute towards the Council’s climate change goals and ultimately. This in turn will unlock direct and indirect local economic benefits.

2 RECOMMENDATIONS

That Executive:

- 2.1 Note the feedback from the Stevenage Development Board.
- 2.2 Approve the Cycling and Pedestrian Connectivity incl. Arts and Heritage Trail Business case and delegate authority to Strategic Director (TP) to submit the project summary to the Department for Levelling Up, Communities and Housing Towns Fund team on behalf of the Council (acting as Accountable Body).
- 2.3 Note the engagement to date with cycling user groups, and the approach for further consultation and engagement for the next stage of the project development.
- 2.4 Note this business case is in outline and that a further update with detailed cost plans and finalised project scope will be reported to Executive within the next 18 months.

3 BACKGROUND

- 3.1 In September 2019 the Government invited 101 towns to develop proposals and bid for funding for a Town Deal, as part of the £3.6 billion Towns Fund. Stevenage was identified as one of the 101 eligible towns. Background relating to this process, the development of the Stevenage Town Investment Plan (STIP), and the approval process for the business cases is contained within Appendix A. The breakdown of funding is identified below:

Project	Total (£)
Stevenage Enterprise Centre	4,000,000
Gunnels Wood Road Infrastructure Improvements	1,000,000
Station Gateway Enabling Works	6,500,000
Marshgate Biotech	1,750,000
Stevenage Innovation & Technology Centre	5,000,000
National New Towns Heritage Centre	2,000,000

Stevenage Sports & Leisure Hub	10,000,000
Cycling Connectivity and Arts & Heritage Trail	3,500,000
Town Centre Diversification & Garden Square	3,750,000
Total	37,500,000

3.2 All business cases relating to the Stevenage Town Investment Plan are required to be approved by the Accountable body before 24th March 2022, although this can be in full or as strategic outline cases. To recap, business cases must include:

- The evidence for the intervention using rigorous analysis of quality data and the application of best practice.
- An assessment of value for money, including showing how different types of projects will be compared and assessed.
- A clear economic rationale, justifying the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives.
- Clearly defined inputs, activities, outputs and anticipated outcomes.
- Appropriate consideration of deliverability and risk along with appropriate mitigating action.
- Robust value for money assessments, in order to follow best practice.
- The five cases set out in the HM Treasury Green Book.

Cycling and Pedestrian Connectivity including Arts and Heritage Trail Business Case summary (£3,500,000)

3.3 Full information on the Cycling and Pedestrian Connectivity including Arts and Heritage Trail project can be found in Appendices B & C. This project builds on the work that current transport and regeneration schemes have been delivering with the aim of deliver the next phase of cycling and pedestrian improvements alongside these.

The project will involve the improvement of key connecting schemes across the town, to ensure increased permeability between key spaces from employment, residential and town centre spaces. There will be the creation of a new Heritage and Arts Trail that draws visitors and residents through historical, cultural and leisure assets across the town centre – utilising a combination of heritage education and interactive digital technology. Additionally the Trail will provide a healthy active attraction for the town. This intervention epitomises Stevenage’s strategic aspiration to regain its status as a place for leisure, culture and heritage as well as innovation and opportunity, highlighting the strong presence of world leading STEM industries within the town. This forms one key component of the broader cultural strategy for the town, alongside the development of a new theatre and leisure developments (Stevenage Re-Imagined (Cultural Strategy)).

The Cycling and Pedestrian Connectivity including Arts and Heritage Trail Business Case will:

- Embrace and celebrate heritage
- Create a true visitor attraction, not only of the cycleways but Stevenage's cultural offer
- Encourage health and well-being by providing attractive active travel options
- Directly support modal shift to sustainable transport options, by improving links from new developments to employment spaces, residential areas and the town centre.

3.4 The Cycling and Pedestrian Connectivity including Arts and Heritage Trail Business Case will include improvements to the cycle storage at the transport hub (new Multi Storey Car Park), providing secure modern cycling facilities to complement the existing storage which is at capacity at the train station. Furthermore, as listed in the Local Walking and Cycling Infrastructure Plan and the Sustainable Travel Towns action plan, there will be a number of interventions that could be implemented to improve the perception of the network, including but not limited to: lighting, CCTV, landscaping, underpass improvement, linking with leisure department initiatives and other Hertfordshire County Council improvement works.

Engagement- Cycling User Group- workshop

3.5 The proposed project has benefitted from a number of consultations over the past few years in relation to the creation of the LCWIP, Future Town Future Transport, and the Local Plan. More recently, focussed engagement has taken place with Cycling User group which a focus on town centre developments and their impact on the cycle and pedestrian links across the town centre.

3.6 Initial feedback was provided from the group to Planning and Regeneration departments regarding the improvements to the central core (town centre area) particularly highlighting accessibility and connectivity in relation to the permeability of the ring road and how this was essential for the future of cycling in the town.

Following this feedback, a summary of required interventions within the town centre core has been produced with public realm architects highlighting where future developments will deliver aspects of improvements, and where there will need to be interventions to create a cohesive journey between spaces across the town. It is intended that this cycling masterplan (which aligns with the LWCIP and Sustainable Travel Town action plan) will be embedded with the emerging Public Realm Design guide.

For future engagement, there will be a number of opportunities for residents, community groups, partners and businesses to input in to the interventions and for both the arts and cultural trail and the infrastructure improvements. It is intended that these consultations will be coupled with Sustainable Travel Town consultation and engagement plans within the next 12- 18months.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 This report recommends approval of this Stevenage Towns Fund business case, which sets out a case for:

- Cycling and Pedestrian Connectivity (incl. Arts and Heritage Trail) (£3,500,000)

4.2 Both the summary version and full version of the business case have been included as appendices to this paper. The business case provides an assessment of the strategic, economic, financial, and commercial and management elements of the business case, with detailed consideration of the benefits, risks, outputs and outcomes of the project. As this business case it as at an earlier stage, it is envisaged that detailed costs and final project scope will be submitted in the next 12- 18 months, although this should not slow down elements that can be delivered as a package of early interventions/quick wins.

4.3 The business case under consideration has been reviewed by the officer group and Assurance Panel, which includes the Chair of the Stevenage Development Board.

4.4 To date, the Assurance Panel, which is made up of representatives from the Board and supported by Stevenage Borough Council Officers, have provided support for the business case. Key comments from the assurance panel are summarised below:

- Ensure that in the messaging and consultation surrounding the project clearly compasses both walking and cycling.
- Ensure that safety infrastructure is included where possible aid in changing the poor perception of the network
- Explore the opportunity for interactive art installations trail which combine art and play, as key characteristic of Stevenage and it's history.
- Ensure that the project returns to Development board and the Accountable body post consultation and engagement with a detailed cost plan and final scope within the next 12- 18 months.
- Ensure that this project sets the new standard on what the network should be, and that this aspiration is continued in future phases of improvements.
- Future branding exercise required in conjunction with public and stakeholders to co-produce the trails branding and marketing
- Need to recognise the work carried out to date to look at other examples as precedent projects, but also recognise that there is still much more to

learn from existing facilities, especially those that have been delivered more recently.

- 4.5 The business case was presented to the Stevenage Development Board on 24th February 2022, incorporating feedback from the Assurance Panel. Verbal feedback from the Board meeting will be provided at Executive.
- 4.6 There is an exciting opportunity to capitalise on the growing national and international recognition of the importance of sustainable transport and cycling and walking in particular, with health, wellbeing, environmental and transport benefits. This also provides an opportunity to integrate heritage and culture as part of the transport network at key junctures, enhancing the recognition and celebration of existing heritage assets, as well as enabling new ones to be incorporated.
- 4.7 When the Heads of Terms were agreed with Government in 2021, this project did include a set of conditions attached to it; these stated that the business case and project must:
- Provide further detail on the impact of this of this project through the inclusion of a broader range of outcomes.
- 4.8 The business case has addressed this as far as possible at this stage, by increasing the number of outputs delivered by the investment, and capturing a broader range of non-economic benefits in the outcomes. This will be developed further by carrying out an Active Mode Appraisal Toolkit for individual interventions during the next stage of the project development.
- 4.9 The alternative options available to the Council are:
- Not to approve the business case, or
 - Defer approval of the business case until any issues are resolved or further information is provided.
- 4.10 Based on the information presented, Officers are satisfied that the business case can be suitably controlled through conditions relating to the drawdown of funding, and no further amendments are required. It is acknowledged that the business case is a living document, which will be updated as developments progress. The other options available would have a significant detrimental impact on the success of the Towns Fund and Transforming Your Town programme, with no tangible benefits.
- 4.11 The work completed so far, provides a strong foundation to move the project forward. If the business case is approved, Officers will develop a detailed delivery programme for the project, embed the governance proposals, and develop an enhanced engagement programme to ensure that the facility capitalises on opportunities for co-production, building on the interest expressed to date.

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 In relation to the Cycling and Pedestrian Connectivity and Arts and Heritage Trail business case, the original submission to government sought £4.5m of grant funding. Following the award of funding in principle (offer letter), the total grant funding from government reduced for some projects compared to the original submission. This project was reduced from £4.5m to £3.5m.

Initial costing work has been carried out to estimate the delivery of packages of work from the Local Walking Cycling Infrastructure Plan (and the Strategic Travel Towns Action Plan). At this outline stage, the breakdown of funding is estimated to be as follows:

Source	22/23	23/24	24/25	25/26	Total
Town's Fund	£400,000	£1,000,000	£1,200,000	£900,000	£3,500,000
SBC	£0	£0	£0	£500,000	£500,000
Other Public Sector	£120,000	£755,000	£900,000	£1,225,000	£3,000,000
Total	£520,000	£1,755,000	£2,100,000	£2,625,000	£7,000,000

HERITAGE TRAIL CYCLING AND WALKING	22/23	23/24	24/25	25/26	Total
<u>Development Costs</u>					
Design	£520,000				£520,000
Enabling Works		£1,755,000			£1,755,000
Construction			£2,100,000	£2,125,000	£4,225,000
Heritage Items and Urban Art				£500,000	£500,000
Grand Total	£520,000	£1,755,000	£2,100,000	£2,625,000	£7,000,000

5.1.2 It is envisaged that as the project's scope is refined and more detail cost plans reviewed, that this business case will return to the Development Board and the Accountable body for approval and this is reflected in recommendation 2.4

- 5.1.3 The match funding as listed in the business case anticipates contributions from CIL/ S106 and grant monies, categorised in the profile above as ‘Other Public Sector’ that may arise through the volume of developments occurring in the town. However, the authority responsible for Transport will need to work closely with SBC to deliver the project and be accountable for costs as outlined in the Sustainable Travel Town action list.
- 5.1.4 The full business plan will identify if there are any on-going revenue implications which need to be funded and a plan to fund them.
- 5.1.5 In considering the overall financial risks of match-funding cumulatively to those already approved. Across tranche 1, 2, and 3, the Council is exposed to circa. £1.25m of capital that could revert to revenue if a capital scheme is not delivered across the Gunnels Wood Road and Station Gateway projects, and circa. £3m of direct match-funding to deliver the Station Gateway project; there is no additional risk as a result of this business case. Across Tranche 3, approximately £35m has been identified for investment in the leisure and heritage centre projects. This is being addressed through the capital strategy, with work underway to develop a detailed funding strategy.

Legal Implications

- 5.2 In relation to the Cycling and Pedestrian Connectivity including Arts and Heritage Trail business case, the approval process previously set out at Executive and Council (“Transforming our Town Centre progress update and Towns Fund decision making”) has been followed, and the documents have been prepared in accordance with the Towns Fund Stage 2 Guidance referenced in the decision-making report. There will be further decision-making gateways required, including separate consideration of any planning applications, and an update to the full business case when all interventions to be delivered have been identified.

Risk Implications


- 5.3 Full details of risks relating to each of the business cases can be found within the full business case.
- 5.4 The Towns Fund programme provides a significant opportunity to draw in substantial levels of funding to support the regeneration of the town. Across a range of projects, there are elements of risk, as some projects will require match funding (as set out in the business case), or require capital investment and to proceed into delivery to avoid project costs generating revenue impacts.
- 5.5 The key risks and mitigation at a programme level can be summarised as follows:

Key Risks	Mitigation
Business cases and summary sheets are not signed-off / submitted in time	Programme and resources have been established with a dedicated programme

and funding is lost	manager and oversight from Assistant Director (Regeneration) and Strategic Director (TP) to ensure products are commissioned and programme is on track
Business cases are rejected by Accountable Body/Development Board	Early engagement with both organisations to ensure they are involved and have oversight of business case development, to ensure they are supportive of the direction of travel
Sign-off process and/or decision routes are challenged	Developed sign-off process and governance as set out in this paper in accordance with guidance and best practice
The cumulative risk of Towns Fund projects has a material impact on the Council's Medium-Term Financial Strategy	Each project will highlight the potential areas of risk (in this case, related to the approach to avoid any risks of capital claw back), and previous Towns Fund project. At this point in time the previous Towns Fund project (Gyratory) also highlighted risks of capital clawback, which also has mitigations in place
Money spent at risk not recovered and resulting in a General Fund pressure if projects don't proceed	Careful diligence of spending in early stages of the projects; not progressing to business case stage unless we are confident the project is deliverable; review of risk in entirety across the programme
Funding not sufficiently secured by accountable body, including match-funding	Towns Fund spend profile to be reflected in the Council's capital strategy, with individual projects returning to Council for future sign-off when at a suitably advanced stage to give Members the full information necessary for final budgetary sign-off
Third-parties do not deliver to timeframe or budget, and/or don't follow relevant procurement guidelines	All projects being delivered by a third-party to have a funding agreement in place with the Accountable Body
Business cases called-in and potentially challenged by BEIS/DLUHC	Utilising business case template provided through the Town's Fund resource; representative from BEIS to attend Development Board meetings and have sight of business cases at an early stage.
Increased revenue costs as a result of the interventions delivered	Revenue implications to be considered and assessed individually and cumulatively as part of the full business case

Stevenage Pedestrian & Cycling Connectivity and Heritage Trail: Project Risk Register

Risk Register L: Likelihood; I: Impact; T: Total

Ref.	Risk	Triggers	Consequences	Controls	Risk Score			Contingency	Responsible Person	Date: Added/ Updated
					L	I	T			
001	Covid-19 Outbreak and possible introduction of lockdown measures	Negative changes to working practices through social distancing. Uneconomical for construction supply train to operate. Added delays due to drop in output levels through covid	Shortfalls in manufacturing capacity causing price inflation. Project delay by significant social distancing measures. Negative Change in payment practices.	The need to implement practices to ensure safety. Client, consultants, and contractors work together to agree common solutions. Innovative approaches to procurement are in place. Allow for time extension in contracts. Monitor financial resilience of supply chains.	3	4	12 	Scenario planning to assess the impact of the closedown and reduced output levels and advise clients accordingly to ensure timely completion. Bring in additional temporary labour. Review planning conditions and seek changes where possible to enable sites to operate in shifts over longer working hours. Manage cashflow.		

002	Construction labour shortages create delays	Conclusion of contracts with building contractors for public realm and site redevelopment EU restrictions (Brexit) on contractors and independent consultants	Delays to completion of both due to recruitment difficulties for contractors and consultants, Cost overruns	Appropriate and timely contractual arrangements	4	5	20 R	In development agreement ensure there is commitment to bring in additional temporary labour to ensure projects are completed on time.		
003	Labour shortages in freight transport and supply industries delay construction progress	Construction progress reports noting failure to progress on schedule. National shortfall in haulage capacity	Delays to completion of project due to shortages of materials and components . Cost overruns	Contractual arrangements	5	5	25 R	In development agreement incorporate commitment to build up advanced stocks of materials. Build in sufficient contingency time in delivery programme to address possible delays.		
004	Climate changes and weather conditions	Unusually harsh weather conditions. Impact of unusually harsh weather conditions on aspects of project	Bad weather retards progress of the construction programme or parts of the construction programme	Regular progress reviews. Timely communication	3	4	12 O	Build in sufficient slack in the programme to cover for unforeseen eventualities such as weather		

005	The construction cost exceeds the limit for the project or other issues arising during the design & development phase	Capital & revenue overspends. Inadequate project management. Failure to resolve conflicting priorities. Robust financial systems are not established.	Impact on capital programme. Revenue overspends. Requirements to make compensatory savings to balance budget. Increased legal fees. Reputational damage.	Client management relationship. Rigorous and well-informed project monitoring reports. Effective communication. Appointment of key personnel.	3	4	12 O	Appointment of a B&D contractor in a two-stage process with a caveat to end the contract after the first stage should the Council wish to make that decision (PCSA - Pre-Construction Service Agreement). A cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.		
006	Failure to provide adequate cycle parking provision in the town centre and along the route of the active travel corridor.	Identified shortage of cycle parking add storage	Significant increase in walking and cycling trips within the town not realised leading to limited reductions in car usage and improved health levels	Enforcement measures to assure compliance with cycle parking standards	2	5	10 Y	Close cooperation with Planning.		
007	Failure of programmes for increasing receptiveness to consider new ways of travelling such as cycling	Active travel targets not being achieved	Inadequate levels of behaviour change necessary to change modal change in favour of active travel	Project planning to ensure that all elements for success are completed within the programme	2	5	10 Y	Establish a fully comprehensive marketing and communications programme to make people aware of the new active travel opportunities well in advance of completion of the project		

Policy Implications

- 5.6 The development will contribute to the delivery of regeneration within the town centre and will help to deliver key objectives of the Council's Sustainable Transport strategy, "Future Town, Future Transport" (adopted 2019) and will also help to deliver on the Council's commitment to reducing carbon emissions as stated in the Climate Change Strategy (adopted 2020) through low-carbon developments. The project will also fulfil many of the Cultural Strategy ambitions.

Planning Implications

- 5.7 Planning permission may be required dependant on detailed designs. Officers will work with the planning department to review this.

Environmental Implications

- 5.8 A core value of embedded within the framework for appraising these projects is focussed on ensuring due consideration to Environment, and where possible support the reduction of impact of Regeneration on the Environment.
- 5.9 There is a significant focus on utilising brownfield sites and spaces to their maximum potential through the Stevenage Town Investment Plan, and a clear drive to focus on sustainable travel options, through both public and active transport initiatives.
- 5.10 Better land use planning is a key concept for mitigating emissions and allowing people to make the behavioural changes required to reduce their carbon footprints in the long run. New buildings will improve the environment, not detract from it.

Climate Change Implications

- 5.11 The project presents an opportunity to make a positive contribution to the Town's climate emergency and net zero ambitions, but utilising space in a multi-purpose building which is designed to limit the use of new resources through both the construction and operation phases. Stevenage has a recognised legacy as a green and diverse environment, and the project has an opportunity to promote this.

Equalities and Diversity Implications

- 5.12 No specific equalities and diversity implications for this tranche of business cases.

APPENDICES

- A Background to the Town Investment Plan development and business case requirements
- B Cycling and Pedestrian Connectivity (incl. Arts and Heritage Trail) business case summary
- C Cycling and Pedestrian Connectivity Full Business Case

BACKGROUND DOCUMENTS

Stevenage Re-Imagined- A Ten Year Arts and Heritage (Cultural) Strategy

Stevenage Local Cycling and Walking Infrastructure plan