

Brighton & Hove City Council
Hove Town Hall
Norton Road
Hove
BN3 3BQ

11 September 2020

Dear Sir / Madam

Emergency Active Travel Fund – Tranche 2 bid

I write in relation to Brighton & Hove City Council's bid to the Department for the above funding, submitted 7 August 2020. In this letter the Value for Money (VfM) of the proposed schemes is set out. The Department for Transport's VfM guidance published in 2017 has been used to prepare this letter as well as the VfM guidance specific to the Emergency Active Travel Fund.

Summary of funding bid

We have submitted five schemes for consideration under Tranche 2 as follows:

Scheme name	Total funding sought
Scheme 1 – A270 Old Shoreham Road Active Travel Corridor	£280,000
Scheme 2 – A23 London Road Active Travel Corridor	£1,128,000
Scheme 3 – A259 Kingsway / Wellington Road Active Travel Corridor	£260,000
Scheme 4 – A259 Marine Parade Active Travel Corridor	£190,000
Scheme 5 – Western Road Active Travel Corridor	£822,000

Benefits Considered in Determining the VfM

Based on the scope and monetary value of each scheme (less than £2 million), only the established monetised benefits and non-monetised benefits (as set out on page 22 of the guidance) have been considered to determine a scheme's VfM. Nevertheless, the Active Mode Appraisal Toolkit (AMAT) has been used to assess the VfM of the schemes; it is only a requirement for schemes above £2 million according to the Emergency Active Travel Fund VfM guidance however we feel this enhances the reliability of the VfM we have determined for the schemes.



Established monetised benefits: Present Value of Costs and Benefits

As indicated above, AMAT has been used to monetise the costs and benefits of each of the schemes to calculate the benefit cost ratio (BCR) and determine the initial VfM. The Analysis of Monetised Costs and Benefits table is shown below for each scheme:

Item (in £'000s ¹)	A270 Old Shoreham Road	A23 London Road ²	A259 Kingsway / Wellington Road	A259 Marine Parade	Western Road
Congestion benefit	10.31	41.98	5.89	4.12	67.82
Infrastructure	0.06	0.25	0.03	0.02	0.40
Accident	1.83	7.45	1.05	0.73	12.03
Local air quality	0.28	1.16	0.16	0.11	1.87
Noise	0.12	0.50	0.07	0.05	0.80
Greenhouse gases	0.41	1.68	0.24	0.17	2.72
Reduced risk of premature death	208.29	907.06	119.03	83.32	2456.86
Absenteeism	26.70	127.78	15.26	10.68	526.89
Journey ambience	241.81	419.73	318.68	238.99	1987.83
Indirect taxation	-1.25	-5.10	-0.72	-0.50	-8.25
Government costs	225.58	898.70	209.35	155.06	652.75
Private contribution	0.00	0.00	0.00	0.00	0.00
Present Value of Benefits (PVB)	488.51	1502.22	459.65	337.67	5048.58
Present Value of Costs (PVC)	225.52	898.45	209.31	155.03	652.35
Net Present Value (NPV)	262.99	603.77	250.34	182.64	4396.23
Benefit Cost Ratio (BCR) (PVB/PVC)	2.17:1	1.67:1	2.20:1	2.18:1	7.74:1

Therefore, the initial VfM based on the core elements of the schemes according to Department for Transport guidance are:

Scheme	Initial VfM
A270 Old Shoreham Road	High
A23 London Road	Medium
A259 Kingsway / Wellington Road	High
A259 Marine Parade	High
Western Road	Very High

¹ Costs and benefits are in 2010 values

² This scheme is formed of two separate elements: improvements to A23 London Road and improvements to Stanford Avenue. An AMAT has therefore being produced for both element and the costs / benefits combined for the overall A23 London Road scheme.



Non-monetised impacts

There are a number of other benefits of these schemes that have not been possible to monetise and are therefore not included within the above BCR calculation but should be considered when determining the VfM category of the schemes.

Non-monetised benefits

Non-monetised benefits which are considered to be significant by scheme are:

A270 Old Shoreham Road

- The scheme is set to deliver segregated cycle lanes and upgrades to several junctions along the route, including provision for pedestrian signals and low-level cycle signals. Along with the implementation of modal filters, this will reduce the potential conflict between motor vehicles and pedestrians and cyclists and have permanent safety improvements. This is therefore likely to have a positive impact on reducing the number of accidents involving pedestrians and cyclists on A270 Old Shoreham Road.

A23 London Road

- Junction upgrades and safety improvements for pedestrians and cyclists are proposed at four key junctions along the route. This will reduce the potential conflict between motor vehicles and pedestrians and is therefore likely to have a positive impact on reducing the number of accidents involving pedestrians and cyclists on A23 London Road.
- School Streets initiatives are confirmed for 5 schools in the scheme area. This is likely to have several significant benefits including reducing the risk of collisions between pedestrians and cyclists and therefore preventing accidents. In addition, the initiative is likely to increase the number of children walking and cycling and the associated physical health benefits of this. The health benefits to children as a result of active travel schemes are not currently calculated in AMAT. Generally, a significant proportion of a scheme's overall benefits are health benefits meaning the potential health benefits of this scheme are likely to be severely underestimated in AMAT.
- Any congestion dis-benefits of the scheme are likely to be negligible. There is already significant (non-segregated) cycle infrastructure in place along A23 London Road meaning the reallocation of roadspace will be minimal.

Congestion dis-benefits to motorists

In line with the Emergency Active Travel Fund guidance which outlines that this is only a requirement for permanent schemes costing £2 million or more, congestion dis-benefits to motorists from reallocating roadspace has not been considered for any of the schemes. In addition, the guidance states that if this potential dis-benefit has been excluded, the expectation is that schemes deliver a BCR of at least 2:1, this is the case for all the schemes except A23 London Road which is discussed in detail above.



Social and Environmental benefits

Further social and environmental benefits have been derived from qualitative assessment. Whilst these will not provide a monetised benefit, the impacts are considered when deriving the final VfM presented by each scheme. The benefits are summarised for each scheme in the below table.

	A270 Old Shoreham Road	A23 London Road	A259 Kingsway / Wellington Road	A259 Marine Parade	Western Road
Accidents	Moderate beneficial	Moderate beneficial	Slight beneficial	Slight beneficial	Neutral
Journey quality	Slight beneficial	Slight beneficial	Slight beneficial	Slight beneficial	Slight beneficial
Security	Neutral	Neutral	Neutral	Neutral	Neutral
Severance	Slight beneficial	Slight beneficial	Neutral	Neutral	Neutral
Noise	Neutral	Neutral	Neutral	Neutral	Neutral
Air quality	Neutral	Neutral	Neutral	Neutral	Neutral
Accessibility	Neutral	Neutral	Neutral	Neutral	Neutral

Impact of the non-monetised impacts on the VfM

Based on the above assessment of non-monetised impacts, we feel the VfM for each scheme when considering the established benefits and non-monetised impacts are:

Scheme	VfM
A270 Old Shoreham Road	High
A23 London Road	High
A259 Kingsway / Wellington Road	High
A259 Marine Parade	High
Western Road	Very High

Risks and Uncertainty

Sensitivity testing

A number of assumptions were used in the preparation of the economic appraisal for the schemes. To demonstrate robustness of the appraisal to variations in these assumptions, a number of sensitivity tests have been undertaken.

Baseline count data

For the A259 Kingsway/Wellington Road and Western Road schemes, alternative cycle/pedestrian counts were available which showed a considerably higher base demand (A259 Kingsway / Wellington Road – 2,339 cyclists at one count location on the route compared to 348 cyclists for the count used in the final AMAT assessment; Western Road – 54,384 pedestrians (from a local highway maintenance count) compared to 16,832 pedestrians (for the conservative estimate from Datashine data for movement between two census zones) used in the final AMAT. Through our internal sense checking and reviews there was concern over some of the baseline count data at these locations being particularly high, therefore more conservative baseline flow information has been used, which has shown that despite the use of the considerably lower base demands in the appraisal (which highlights a conservative scenario) this still shows the schemes to provide High VfM.



Cycle demand uplift

A sensitivity test has also been undertaken comparing the forecast increase in cycle demand of the Department for Transport's 'uplifts' tool and Sustrans' Active Travel Infrastructure Impact Tool.

	OSR	A23 London Road	A259 Kingsway / Wellington Road	A259 Marine Parade
DfT uplifts	15%	18%	6%	4%
Sustrans uplifts	15%	15%	15%	15%

The uplifts forecast are similar, enhancing the robustness of the appraisal and confidence in the determined VfMs.

Secure cycle parking facilities

While all schemes will include provision of secure cycle parking, measures to be adopted as part of the A23 London Road and A259 Kingsway / Wellington Road schemes include the provision of additional secure cycle parking as part of the Park Active proposals along these routes. Provision of secure cycle parking is a benefit that can be accounted for in AMAT. A sensitivity test has been undertaken including the secure cycle parking benefit which results in both schemes having a Very High VfM. To ensure the appraisal is conservative, this benefit has not been applied to the A259 Kingsway / Wellington Road scheme and has only been included in one element of the A23 London Road scheme – Stanford Avenue (see footnote 1 for more detail). It was decided through our internal review that the inclusion of secure cycle parking, which would provide parking provision for a proportion of the cyclists currently using the route, would not provide an accurate assessment, therefore by removing this aspect our VfM assessment is deemed to be conservative, as this additional benefit has not been included.

Confidence in scheme costs and delivery

Brighton & Hove City Council have a proven track record of successfully delivering active travel schemes of this nature, including Local Sustainable Transport Fund, Cycling Demonstration Town, Access Fund for Sustainable Travel and Community Infrastructure Fund programmes, and large programmes of a similar nature through our Local Transport Plan (LTP) annual delivery programme. More recently we have successfully managed the substantial completion of the schemes committed to under the Tranche 1 funding of this programme, with a full spend anticipated within the required timescales. We therefore have good confidence in the deliverability and costings of schemes proposed as part of this funding application.

Evidence from past cycling and walking measures

The Emergency Active Travel Fund guidance also refers to determining the VfM of schemes below £2 million using estimates for BCRs for past cycling and walking measures. The *Investing in Cycling and Walking: The Economic Case for Action* paper (2015) has therefore been used as further evidence in determining the VfM. The table below summarises the outcomes of the paper in terms of what BCRs can be achieved for walking and cycling schemes.



Source	BCR	Comment
Sustainable Travel Towns	4.5:1	Decongestion benefits only
Cycle Demonstration Towns	2.59:1	Adult health benefits only
Local Sustainable Transport Fund (ex ante appraisal)	5.1:1	Based on 12 large scheme business cases
Cycle Ambition Grants (ex ante appraisal)	5.5:1	Based on business cases for 12 funded schemes
Linking Communities Fund	10:1	Based on eight representative schemes
Literature Review	5.6:1	Average BCR for UK case studies
Transport for London Cycling Vision (ex ante appraisal)	2.9:1	Very large programme – conservative BCR
Living Streets	0.1-37:1	Only subset of benefits monetised

Based on the evidence above, this confirms that cycling and walking schemes frequently offer High to Very High BCRs.

Overall summary

Taking the above into account we feel that the schemes represent Value for Money as summarised below.

Scheme	Final VfM	Reasoning
A270 Old Shoreham Road	High	The initial BCR based on the calculation of only the established benefits has resulted in a BCR above 2. The scheme will also have a significant impact on preventing accidents involving pedestrians and cyclists, a benefit which cannot be monetised in AMAT.
A23 London Road	High	The initial BCR based on the calculation of the established benefits has resulted in a BCR between 1.5 and 2. However, there are several non-monetised benefits which are felt to be significant including the prevention of accidents involving pedestrians and cyclists and the health benefits to children resulting from the School Streets initiative. In addition, the scheme will deliver additional secure cycle parking facilities, a benefit which when applied to the overall scheme resulted in the VfM being Very High. We therefore have confidence that the scheme will achieve a High VfM.



A259 Kingsway / Wellington Road	High	The initial BCR based on the calculation of established benefits resulted in a BCR above 2. The omission of the secure cycle parking facilities benefit which resulted in the scheme having a Very High VfM enhances our confidence in the scheme at least having a High VfM, along with the use of a more conservative base demand for the scheme which also enhances the robustness of this assessment.
A259 Marine Parade	High	The initial BCR based on the calculation of only the established benefits results in a BCR above 2.
Western Road	Very High	The initial BCR based on the calculation of established benefits resulted in a BCR above 4. The use of a more conservative base demand for the scheme also enhances the robustness of this assessment.

Certification of Section 151 Officer

I hereby certify that the Value for Money statement provided within this letter is a true reflection of the work undertaken in preparing the Tranche 2 bid for the Emergency Active Travel Fund schemes.

Yours faithfully



James Hengeveld
Head of Finance (Deputy Section 151 officer)
 Brighton & Hove City Council

