

**PROPOSED PROVISIONAL ALLOCATION OF FUNDS FOR THE EPSOM-BANSTEAD SUSTAINABLE TRANSPORT PACKAGE**

<u>Report of the:</u>	Head of Place Development
<u>Contact:</u>	Mark Berry
<u>Urgent Decision?</u>	No
<u>If yes, reason urgent decision required:</u>	N/A
<u>Annexes/Appendices:</u>	None
<u>Other available papers (not attached):</u>	None stated

**REPORT SUMMARY**

This report considers a proposed capital transport scheme being sponsored by Surrey County Council, known as the Epsom – Banstead Sustainable Transport Package, and proposes that the Borough Council should indicate that it is willing, in principle, to contribute towards the delivery of that scheme.

**RECOMMENDATION (S)**

That the Committee:

- (1) Gives commitment, in principle, to contribute towards the delivery of the Epsom-Banstead Sustainable Transport Package.
- (2) Notes that the precise amount of any contribution will be dependent upon the scheme being successful in obtaining external funding, the precise scope of the scheme, and the final balance of anticipated expenditure between the two constituent Boroughs; and
- (3) Notes that actual commitment will be dependent upon future approval.

*Notes*

**1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy**

- 1.1 The proposed Sustainable Transport Package (STP) will comprise elements which are compatible with and supportive of the Council's key priorities and elements of the residual service plan and the Council's Sustainable Community Strategy.

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### **2 Background**

- 2.1 There is a Surrey County Council (SCC) Cabinet meeting on 16 December and we have been asked to provide some comfort around the potential availability of “match-funding” as a local contribution towards this project. This will then be used as an input to a bid that SCC will prepare for submission to the Local Enterprise Partnership (LEP)
- 2.2 The Borough Council has been approached by SCC in regard to a proposed capital bid which they are considering for submission to the LEP. The status of the potential bid has been elevated following a proposal by SCC to prioritise it above other projects and to bring it forward in an earlier time-frame than previously anticipated. This means that the Borough Council has had very little warning of the need to identify potential sources of local funding. We have been given a very short timescale in which to respond (hence the need for a late report to this Committee).

### **3 Proposals**

- 3.1 SCC propose to bid for LEP funding towards a scheme costing around £4.8 million, involving a range of measures between Banstead and Epsom town centre. The potential beneficiary projects are broadly defined at this stage. Whilst we cannot state with any certainty the benefits to Epsom and Ewell at this stage, it is expected that they will be significant. Precise details of the package will be provided at a later stage. The process has not yet progressed beyond an expression of interest to the LEP. The bid would be for a package of components and the beneficiary schemes within it have yet to be agreed. It is thought likely that Epsom town centre could benefit significantly from the potential for sustainable transport improvements to the Borough’s infrastructure. This would further implement the strategy agreed in Plan E and deliver improvements over-and-above the currently funded Plan E highways scheme and the Quadrant improvements.

### **4 Financial and Manpower Implications**

- 4.1 If the LEP do give funding, this will likely be limited to 75% of the scheme costs; the LEP will expect a 25% local contribution. This will potentially include contributions from SCC, Reigate and Banstead Borough Council (RBBC) and Epsom and Ewell Borough Council (EEBC). On the basis of a £4.8million scheme, the total local contribution would therefore be around £1.2 million. It is expected that, a 60:40 split between County and Boroughs will be proposed, as with other schemes, which would require a borough council contribution of around £500k. Assuming EEBC benefits from half of the investment, EEBC could be asked to meet half of the Borough contribution (i.e. around £250,000).
- 4.2 The ratio of any EEBC contribution would be governed by the division of the project expenditure between the two constituent beneficiary Boroughs, and could be higher or lower on that basis.

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- 4.3 Any potential contribution would need to be funded from the Community Infrastructure Levy (CIL). There are no residual Section 106 funds that could be allocated for this purpose, neither is there any scope to allocate funds from reserves. CIL income is currently committed to two major schemes: the town centre highway, transportation and public realm improvements known by SCC as “Plan E” and the Kiln Lane Link. Nonetheless, given the likely phasing of these, there would be scope to provisionally allocate up to £250k to this project.
- 4.4 A consequence of allocating CIL funds to this project is that EEBC’s CIL income will effectively be tied-up exclusively on highways and transportation schemes for several years and it may not be possible to fund other infrastructure priorities such as education. Nevertheless, the “big ticket” item is the Kiln Lane Link and the prospects of implementation of that project would now be later than previously assumed – late 2017 at the very earliest.
- 4.5 The normal process for allocating CIL monies has previously been agreed by this Committee. This report does not seek to subvert that process but seeks a provisional expression of support that will assist SCC in their deliberations and subsequent bid. The decision to provisionally earmark funds can then be ratified, or otherwise, by the established Joint Infrastructure Panel and through our own capital programme setting process.

## **5 Legal Implications (including implications for matters relating to equality)**

- 5.1 A governance regime for the allocation of CIL funds was agreed at the last Strategy and Resources Committee meeting. When that report was prepared, the imminent prospect of the STP bid was not foreseen. EEBC Officers will need to work with SCC to work through the implications for other infrastructure requirements that may require CIL funding before the inception of the new Joint Infrastructure Panel next year.

## **6 Sustainability Policy and Community Safety Implications**

- 6.1 None for the purposes of this report.

## **7 Partnerships**

- 7.1 This is an opportunity to work with SCC to deliver benefits to the Borough that have already been mutually agreed and approved through Plan E and other adopted strategies.
- 7.2 It will enable us to lever-in substantial external funding that would not otherwise be available, and would facilitate investment that would not otherwise be funded.

## **8 Risk Assessment**

- 8.1 The main risk is that the deployment of CIL for use in connection with this project will negate its potential use for other infrastructure investment. The scope of the scheme and, consequently, the level of contribution requested from EEBC is a significant factor.

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- 8.2 To manage this risk, it recommended that the allocation of funds should be provisional upon two things: the precise division of the project between the two Boroughs and ratification by the new Joint Infrastructure Panel and the Council's own Capital Programme setting process in 2016/17.

**9 Conclusion and Recommendations**

- 9.1 On balance it is considered that EEBC should express support for the Epsom – Banstead STP scheme, and that this Council should be prepared to agree in principle to do this by way of a local contribution. This will enable significant investment to take place by leveraging-in LEP funding for sustainable transport projects.
- 9.2 A provisional offer of funding can be made, based upon use of CIL funds, subject to the EEBC/SCC Joint Infrastructure Panel being satisfied. No other potential funding sources can be identified. The Council will have the opportunity to revisit the offer of funding at a future date as the scheme progresses and the scope and funding requirements become more certain.

**WARD(S) AFFECTED: (potentially) Town, College and Ewell**