

SEMLEP Board

22nd November 2017

Item 36.7ci

Paper Title	Bedford Town Centre Regeneration/Southern Gateway Update
Purpose of Paper	To seek approval for the business case for the Bedford Town Centre Regeneration/Southern Gateway Local Growth Fund (LGF) project. The LGF amount is £15.5M over 3 years from 2018/19 to 2020/21.
Meeting Date	22 nd November 2017
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Recommendation:

1.1 Board approval is required due to the size of the scheme with a total value of £18.4M and the LGF contribution to the project. Approval is also required due to the variation from the original applications: there were originally two projects in LGF2 and 3 which have been merged to create this project. The Board should also note that the LGF2 Bedford Town Centre Regeneration project was originally a Department for Transport retained scheme but that as the total size of the scheme is less than £20M, DfT are now proposing to move the funds back to the governance of the LEP.

1.2 In line with the Assurance Framework for transport schemes over £5M, detailed WebTAG appraisal of the project business case has been undertaken and the appraisal or due diligence report is presented with this paper. This work has been undertaken by Fore Consulting working with Regeneris as independent appraisers with specialist expertise in transport schemes and the appraisal standards required by DfT. The Board are asked to consider the report and approve the project subject to the conditions overleaf. The project sponsors are Bedford Borough Council who are working with Systra to develop the business case.

2. Background

2.1 In the LGF2 programme, £11M was approved by Government for the Bedford Town Centre Regeneration scheme; the centre of which was an additional river crossing. These funds were retained by DfT due to the scale of the scheme. Subsequently the bridge has been deemed unaffordable and alternative ways of delivering the economic outcomes have been sought. In 2016, Bedford BC were successful in the LGF3 round at attracting £4.5M of funds for the Southern Gateway project which comprises technology and junction improvements along the Ampthill Road to the A421.

2.2 The Borough have now reviewed the totality of the funding and are developing a business case for a combined project worth £18.4M with three main objectives to:

- Enhance the permeability of the core town centre, creating better connections between the retail quarter, the cultural quarter, and the Great River Ouse
- Enhance the management of traffic movements into and across the town to improve journey time reliability
- Provide travellers with real-time information about traffic and travel conditions to allow them to make informed decisions about travel behaviour

2.3 The intention is to deliver a range of public realm, junction improvement and technology on key routes and junctions and within the town centre between spring 2018 and 2021. The remaining funds are from the Borough's own contribution.

3. SEMLEP due diligence

3.1 To be compliant with the Assurance Framework, the revised project and funds are subject to a due diligence process, similar to that which was undertaken for the 5 LGF3 projects earlier in 2017. There are more requirements of this project because it is a transport project of over £5M which means it has to have a specific WebTAG appraisal process as approved by DfT.

3.2 As stated above, although originally the LGF2 funds were retained by DfT, they have indicated that as the project has changed and reduced in overall size DfT would be happy to pass this project back to the LEP with the funds so that it can be managed locally.

3.3 The decision about this project and the approval of the due diligence lies wholly with the LEP and is therefore brought to Board. The Growth Fund Task Group on 10 November have reviewed the draft appraisal report and approved the conditions to this report.

4. Appraisal

4.1 The WebTAG appraisal of the business case has been undertaken by Fore Consulting working with Regeneris using the DfT and wider DCLG guidance in line with the Assurance Framework. The report is attached to this paper as **Annex 1**. Each category is scored 1-3 with 3 being ready to proceed, 2 ready to proceed pending some limited information and 1 meaning that there was insufficient information at this stage.

4.2 The majority of scores in the report are 3/3 but there is still some work that will need to be undertaken to support revisions to the business case ahead of a final approval to issue a funding agreement in 2018/19.

4.3 The five case business case is available on Bedford Borough Council's website [here](#). The Value for Money (VfM) statement is attached at **Annex 2**. This statement shows a BCR of 2.15 which is above the level required by DfT for a project of this nature.

5. Recommendations

The Growth Funds Task Group considered this project at its meeting on 10 November. The Task Group recommends that the Board:

- 1. Approves the Bedford Town Centre Regeneration Project for LGF funding of £15.5m, subject to the conditions set out on page 21 of the Fore Consulting Report attached as Annex 1.**
- 2. Agrees that the monitoring of these conditions should be delegated to the Growth Funds Task Group with progress reported to the February meeting of the Group.**