

BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB

DATE: 20 November 2014

CONTACT OFFICER: Ruth Bagley, Chief Executive Slough Borough Council,
lead Chief Executive to the BLTB

PART I

Financial Approval 2.02 Bracknell: Warfield Link Road

Purpose of Report

1. To consider giving financial approval to scheme 2.02 Bracknell: Warfield Link Road.
2. The Warfield Link Road is a new road linking Quelm Lane Roundabout on Harvest Ride to the B3034 Forest Road adjacent to its junction with the A3095 at Three Legged Cross. The road is less than a mile long, and includes two roundabout junctions on its length. The road will facilitate the housing development of up 2,200 houses on this and adjoining sites.
3. The new link road is a requirement of the planning consent given for the development of this major housing site. The specification is for a 6m wide vehicle carriage way, with a 2m footpath on one side and a 3m combined footpath and cycleway on the other side. There is also provision for bus stops and traffic calming measures adjacent to the proposed new school. The road, along with the whole development is subject to landscaping and planting conditions.

Recommendation

4. You are recommended to give scheme 2.02 Bracknell: Warfield Link Road full financial approval in the sum of £3,500,000 in 2015/16 on the terms of the funding agreement set out at paragraph 12 step 5 below, subject to
5. Written confirmation from WYG, the Independent Assessor, that all aspects of the DfT's current requirements for a full business case for a scheme of this size have been met.

Other Implications

Financial

6. Scheme 2.02 Bracknell: Warfield Link Road is one of the named schemes that received approval for spending in 2015/16 in the [Thames Valley Berkshire Local Growth Deal](#) announced on 7 July 2014.
7. This report recommends that Bracknell Forest Council be authorised to draw down the capital sum £3,500,000 allocated by the government for this scheme.

8. The funding agreement set out at paragraph 12 step 5 sets out the roles and responsibilities, reporting and auditing arrangements, timing and triggers for payments, contributions from other funders, consequences of delay, consequences of failure, claw back, and evaluation requirements at one and five years on.

Risk Management

9. The risk management arrangements already put in place by the Local Transport Body are as follows:
- The [Assurance Frameworkⁱⁱ](#) has been drafted following DfT guidance and has been approved by the DfT for use in allocating capital funds for transport schemes
 - White Young Green (WYG) have been appointed as Independent Assessors and have provided a full written report (see Appendix 1) on the full business case for the scheme
 - The funding agreement set out at paragraph 12, step 5 makes clear that the financial risk associated with implementation of the scheme rests with the scheme promoter.

Human Rights Act and Other Legal Implications

10. The scheme promoter is a local authority and they have to act within the law. Slough Borough Council will provide legal support for the BLTB, should any questions arise.

Supporting Information

11. The risks associated with delivering the project are considered to be amenable to well-understood management practices. The scheme will be carried out in partnership with Berkeley Homes, the lead developer of the site, and will be subject to Highway Adoption procedures prior to handover.
12. The full details of the scheme are available from the [Bracknell Forest websiteⁱⁱⁱ](#). A summary of the key points is given below:

Detailed design completion	March 2015
Procurement	Via developer and a s.278 agreement
Construction Start	April 2015
Construction Finish	March 2017

Source of funding or type of contribution	Cost
Provisional profiling of BLTB drawdown	2015-16: £3,500,000
Local contributions from.....	
- Section 106 agreements	2016-17: £1,700,000

Total Scheme Cost	£5.2million
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13. The table below sets out the details of this scheme's compliance with steps 1-5 of paragraph 14 of [the full Assurance Framework^{iv}](#).

Assurance Framework Check list	2.02 Bracknell: Warfield Link Road				
Step 1: Development of Scheme proposal; initial sifting, scoring and prioritisation leading to award of Programme Entry Status. (See paragraphs 11-13)	The scheme was originally developed by Bracknell Forest Council in response to its adopted Core Strategy Development Plan Document (Feb 08) which identifies the vision for growth to 2026 which includes a new Strategic Development Location for up to 2,200 homes in North Warfield				
	In 2013, the outline scheme was not submitted for assessment as part of the Berkshire Local Transport Body procedures in accordance with paragraphs 11 and 12 of the Assurance Framework.				
		Factor	Raw score	Weighting	Weighted score
		Maximum strategic Impact		2	
		Economic Impact		2	
		VFM		1.5	
		Ease of Deliverability		1.5	
		Matched Funding		1	
		Environmental		1	
		Social		1	
		Total			
	Step 2: Programme Entry: evolution of the scheme from outline proposal to full business case, external view on the business case, and independent assessment (See	The scheme was subsequently considered for inclusion in the Strategic Economic Plan. A similar assessment process was used and the scheme was given 27.5 points and ranked equal 6 th of 37 schemes originally submitted and equal 5 th of the schemes that were included in the SEP.			
		Factor	Raw score	Weighting	Weighted score
		Strategy	3	1.5	4.5
		Deliverability	3	2	6
		Economic Impact	3	4	12
		TVB area coverage	2	1.5	3
		Environment	2	0.5	1
		Social	2	0.5	1
		Total			27.5
		Following the announcement of the Local Growth Deal in summer 2014, the scheme was given Programme Entry Status by the BLTB meetings held on 24 July 2014^v .			
		A scheme outline has been available in the SEP Implementation Plan Annexe^{vi} (scheme 2.07 page 48) in draft since December 2013 and in the final version since March 2014.			
		The Bracknell Forest website^{vii} holds the latest details of the full business case, including the VFM statement certified by the senior			

Assurance Framework Check list	2.02 Bracknell: Warfield Link Road
paragraphs 15 and 16)	<p>responsible officer.</p> <p>Any comments or observations on the scheme received by either TVB LEP or BFC have been fully considered during the development of the scheme.</p> <p>The report of the Independent Assessor is attached at Appendix 1. The Independent Assessor was asked to report as follows:</p> <ul style="list-style-type: none"> • Completeness – has the promoter prepared a complete Full Business Case submission, when judged against the prevailing advice from the DfT • Accuracy – has the promoter performed the relevant calculations and assessments accurately and without error • Relevance – has the Full Business Case considered all relevant matters, including use of appropriate forecasting models and planning assumptions, and has it included any irrelevant considerations such as unduly-optimistic assumptions or out of date modelling data • Value for Money – does the scheme promoter’s Value for Money assessment comply with the prevailing DfT guidance • Evaluation arrangements – has the scheme promoter made provision for appropriate post-implementation evaluation of the scheme. • Remedies – where the independent assessment reveals a gap between the FBC supplied and the standard anticipated by the DfT guidance, then the advice for the LTB should include recommendations for remedial actions required – e.g., collection of further data, sensitivity tests on particular assumptions etc.
Step 3: Conditional Approval	<p>The Independent Assessor has recommended that in this case a Conditional Approval is appropriate. There are a number of technical issues that are not yet resolved between the scheme promoter and the independent assessor about the presentation of the business case. These unresolved issues mean that the proposal is not yet fully compliant with the DfT requirements. However, the Independent Assessor has indicated that these technical shortcomings are not sufficiently serious to undermine the overall conclusion that this scheme represents good value for money.</p>
Step 4: Recommendation of Financial Approval - High Value for Money - Support of the Independent assessor	<p>The scheme has a Benefit - Cost Ratio (BCR) of 7.668.</p> <p>DfT has set thresholds of 2.00 (High VfM) and 4.00 (Very High VfM) and schemes with BCRs above these thresholds can be described as having High or Very High Value for Money.</p> <p>As noted above the scheme has the conditional support of the Independent Assessor.</p> <p>The recommendation is that you give the scheme Conditional Approval.</p>
Step 5: Formal Agreement - roles	<p>Roles: The BLTB is a part funder of the scheme. Bracknell Forest Council is the scheme promoter, and is the relevant highway and planning authority.</p>

Assurance Framework Check list	2.02 Bracknell: Warfield Link Road
<ul style="list-style-type: none"> - responsibilities - reporting - auditing - timing and triggers for payments, - contributions from other funders, - consequences of delay, - consequences of failure, - claw back, - evaluation one and five years on 	<p>Responsibilities: The BLTB is responsible for allocating the capital finance in accordance with the Assurance Framework. Bracknell Forest Council is responsible for all aspects of the design, procurement, construction and implementation of the scheme, including its responsibilities as highway and planning authority, and any other statutory duties.</p> <p>Reporting: In addition to any reporting requirements within Bracknell Forest Council, the scheme promoter will also make summary reports on progress to each meeting of the BLTB until the scheme reaches practical completion. In particular, Bracknell Forest Council will report on any change in the size, scope or specification of the scheme; and on any substantial savings against the scheme budget whether achieved by such changes to the size, scope or specification of the scheme, or through procurement, or through the efficient implementation of the scheme.</p> <p>Auditing: If and when the DfT or Slough Borough Council (acting as accountable body for the BLTB) requests access to financial or other records for the purposes of an audit of the accounts, Bracknell Forest Council will cooperate fully.</p> <p>Timing and Triggers for payments: Bracknell Forest Council will submit an annual invoice for each financial year together with a certificate of work completed. Slough Borough Council (acting as accountable body for the BLTB) will satisfy itself of the correctness of the certificate before paying the invoice.</p> <p>Contributions from Other Funders: Bracknell Forest has secured £1,700,000 of s.106 contributions secured by Bracknell Forest Council in 2016/17</p> <p>Consequences of Delay: In the event that the scheme experiences minor delays to its programme (no more than 10 weeks), Bracknell Forest Council will report these delays and the reasons for them, and the proposed remedial action to the next available meeting of the BLTB. In the event that the scheme experiences major delays to its programme (11 weeks or longer) Bracknell Forest Council will be required to seek permission from BLTB to reschedule any payments that are due, or may be delayed in falling due because of the delay to the programme.</p> <p>Consequences of Failure: As soon as it becomes apparent to Bracknell Forest Council that it will not be possible to deliver the scheme at all, written notice shall be given to Slough Borough Council (acting as accountable body for the BLTB). No further monies will be paid to Bracknell Forest Council after this point. In addition, consideration will be given to recovering any monies paid to Bracknell Forest Council in respect of this scheme.</p> <p>Claw back: If the overall scheme achieves savings against budget,</p>

Assurance Framework Check list	2.02 Bracknell: Warfield Link Road
	<p>these savings will be shared by the BLTB and the other funders noted above in proportion to the amounts committed to the original budget. Slough Borough Council (acting as accountable body for the BLTB) reserves the right to claw back any such savings amounts, and any repayments due as a consequence of scheme failure.</p> <p>Evaluation One and Five years on: Bracknell Forest Council will work with WYG to produce scheme evaluations One and Five years after practical completion.</p>

Conclusion

14. This is a well-planned scheme that will directly contribute to the development of the North Warfield Strategic Development Location.

Background Papers

15. The LTB and SEP scoring exercise papers are available on request

ⁱhttps://www.gov.uk/government/uploads/system/uploads/attachment_data/file/327587/35_Thames_Valley_Berkshire_Growth_Deal.pdf

ⁱⁱ<http://thamesvalleyberkshire.co.uk/Portals/0/FileStore/StrategicInfrastructure/StrategicInfrastructure/BLTB/Assurance%20Framework%20for%20Berkshire%20Local%20Transport%20Body%2014%20November%202013.pdf>

ⁱⁱⁱ<http://www.bracknell-forest.gov.uk/strategieconomicplan>

^{iv}<http://thamesvalleyberkshire.co.uk/Portals/0/FileStore/StrategicInfrastructure/StrategicInfrastructure/BLTB/Assurance%20Framework%20for%20Berkshire%20Local%20Transport%20Body%2014%20November%202013.pdf>

^v<http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?Cid=601&Mid=5148&Ver=4>

^{vi}<http://thamesvalleyberkshire.co.uk/Portals/0/FileStore/StrategicEconomicPlan/TVB%20SEP%20-%20Annexes%20to%20Implementation%20Plan.pdf>

^{vii}<http://www.bracknell-forest.gov.uk/strategieconomicplan>