

## BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB

DATE: 17 March 2016

CONTACT OFFICER: Nick Carter, Chief Executive West Berkshire Council

### PART I

#### Financial Approval 2.22 Slough: Burnham Station Improvements

##### *Purpose of Report*

1. To consider giving financial approval to scheme 2.22 Slough Burnham Station Improvements.
2. The proposal is to improve station facilities at Burnham and enhance access to the station from the western part of the Borough, including Slough Trading Estate, and neighbouring areas of South Buckinghamshire. Activities will include new station buildings, lifts, enhancements to the station entrances and parking. Highway improvements and traffic management measures will be carried out to achieve better access for pedestrians, cyclists, buses and general traffic. The scheme is designed to increase the capacity of the station in conjunction with the anticipated increase in passenger throughput following the introduction of Crossrail services to the station, and to rearrange the land uses immediately around the station in preparation for future residential development. This future development concept is at the pre-feasibility stage of development.

##### *Recommendation*

3. You are recommended to give scheme 2.22 Slough Burnham Station Improvements full financial approval in the sum of £2,000,000 in 2016/17 on the terms of the funding agreement set out at paragraph 14 step 5 below.
4. The condition that will have to be met in order to gain full financial approval is that a permanent traffic is made for either the partial or full closure of the underbridge. Failing this the scheme will have to be further reviewed and revised before being represented at another meeting.

##### *Other Implications*

##### Financial

5. Scheme 2.22 Slough Burnham Station Improvements is a named scheme in the [Thames Valley Berkshire Local Growth Deal 2](#) announced in January 2015.
6. This report recommends that Slough Council be authorised to draw down the capital sum £2,000,000 from the Local Transport Body funding for this scheme.
7. The funding agreement set out at paragraph 14 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

8. The risk management arrangements already put in place by the Local Transport Body are as follows:
- The [Assurance Framework<sup>ii</sup>](#) 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 14, 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

9. 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**

10. The scheme will be carried out by Slough Borough Council and by rail industry contractors working on behalf of Rail for London/Crossrail.
11. In November 2015, WYG reviewed the first Business Case submission for the Burnham Station and Access Improvements scheme. The November review found and reported upon a number of shortcomings in the documents that were submitted at that time. In March 2016 WYG reviewed an updated Business Case and newly submitted documents which took into account of the previous reviews.
12. At Appendix 1 is the final report from WYG the Independent Assessors recommending full approval for this scheme.
13. The full details of the scheme are available from the [Slough BC website<sup>iii</sup>](#). A summary of the key points is given below:

Task	Timescale
Detailed design update	Autumn 2015
Procurement	January 2016
Contractor appointed	March 2016
Construction	May 2016
Open to public	March 2017

Activity	Funder	Cost (approx)
Scheme development	Slough Borough Council	
Major scheme funding	Berkshire Local Transport Body	£2.00m
Council contribution	Slough BC capital programme	£0.10m
Private sector funding	s.106 and other sources	£4.15m
<b>Total</b>		<b>£6.25m</b>

14. The table below sets out the details of this scheme's compliance with steps 1-5 of paragraph 14 of [the full Assurance Framework<sup>iv</sup>](#).

Assurance Framework Check list	2.22 Slough Burnham Station Improvements				
	The scheme was originally developed by Slough Council in response to the planned introduction of Crossrail trains to Burnham Station in 2019.				
	The scheme was submitted for inclusion in Growth Deal 2. The SEP assessment process was used and the scheme was given 14 points and ranked equal 37th of 41 schemes submitted in GD 1 and 2 combined.				
		<b>Factor</b>	<b>Raw score</b>	<b>Weighting</b>	<b>Weighted score</b>
		Strategy	1	1.5	1.5
		Deliverability	1	2	2
		Economic Impact	2	4	8
		TVB area coverage	1	1.5	1.5
		Environment	1	0.5	0.5
		Social	1	0.5	0.5
			<b>Total</b>	<b>14</b>	
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 paragraphs 15 and 16)	<p>Programme Entry status was given by the BLTB on <a href="#">19 March 2015<sup>v</sup></a> (minute 28a refers). The progress of the scheme was reported to the BLTB meeting held on <a href="#">16 July 2015<sup>vi</sup></a> and <a href="#">19 November 2015<sup>vii</sup></a>.</p> <p>The <a href="#">Slough BC website<sup>viii</sup></a> holds the latest details of the full business case, including the VfM statement certified by the senior responsible officer.</p> <p>Any comments or observations on the scheme received by either TVB LEP or Slough Borough Council 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"> <li>• Completeness – has the promoter prepared a complete Full Business Case submission, when judged against the prevailing advice from the DfT</li> <li>• Accuracy – has the promoter performed the relevant calculations and assessments accurately and without error</li> <li>• 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</li> </ul>				

Assurance Framework Check list	2.22 Slough Burnham Station Improvements
	<p>considerations such unduly-optimistic assumptions or out of date modelling data</p> <ul style="list-style-type: none"> <li>• Value for Money – does the scheme promoter’s Value for Money assessment comply with the prevailing DfT guidance</li> <li>• Evaluation arrangements – has the scheme promoter made provision for appropriate post-implementation evaluation of the scheme.</li> <li>• 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.</li> </ul>
Step 3: Conditional Approval	The Independent Assessor has recommended that in this case a Full Approval is appropriate.
<p>Step 4: Recommendation of Financial Approval</p> <ul style="list-style-type: none"> <li>- High Value for Money</li> <li>- Support of the Independent assessor</li> </ul>	<p>The analysis contained within the Full Business Case suggests that the scheme will generate a Net Present Value of £1.878 million. It goes on to say,</p> <p>“This NPV divided by the investment cost of £5.648 million PV will generate a NPV/k of 0.33. This represents a positive return on investment for the funding bodies. [...]</p> <p>“The combination of the positive return on investment and the qualitative non-monetised impacts would suggest that the Core Scenario scheme would achieve an overall Medium/High Value for Money.”</p> <p>As noted above the scheme has the full support of the Independent Assessor.</p> <p>The recommendation is that you give the scheme Full Approval.</p>
<p>Step 5: Formal Agreement</p> <ul style="list-style-type: none"> <li>- roles</li> <li>- responsibilities</li> <li>- reporting</li> <li>- auditing</li> <li>- timing and triggers for payments,</li> <li>- contributions from other funders,</li> <li>- consequences of delay,</li> <li>- consequences of failure,</li> <li>- claw back,</li> <li>- evaluation one and five years on</li> </ul>	<p>Roles: The BLTB is a part funder of the scheme. Slough Council is the scheme promoter, and is the relevant highway and planning authority.</p> <p>Responsibilities: The BLTB is responsible for allocating the capital finance in accordance with the Assurance Framework. Slough 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 Slough 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, Slough 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, Slough Council</p>

Assurance Framework Check list	2.22 Slough Burnham Station Improvements
	<p>will cooperate fully.</p> <p>Timing and Triggers for payments: Slough 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: there will be £4,150,000 of other contributions secured by Slough Council in 2016/17 and a further £100,000 contributed by the Slough capital programme also 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), Slough 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) Slough 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 Slough 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 Slough Council after this point. In addition, consideration will be given to recovering any monies paid to Slough Council in respect of this scheme.</p> <p>Claw back: If the overall scheme achieves savings against budget, 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>Other Conditions of Local Growth Funds: Slough Borough Council will acknowledge the financial contribution made to this scheme through Local Growth Funds and follow the "<a href="#">Growth Deal Identity Guidelines</a>"<sup>ix</sup> issued by government. It will also give due regard to the <a href="#">Public Services (Social Value) Act</a><sup>x</sup>, particularly through the employment of apprentices across the scheme supply chain.</p> <p>Evaluation One and Five years on: Slough Council will work with WYG to produce scheme evaluations One and Five years after practical completion.</p>

### **Conclusion**

15. This is a well-planned scheme that will provide support the major investment being made in the Crossrail scheme.

## **Background Papers**

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

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<sup>i</sup> <http://thamesvalleyberkshire.co.uk/NewsDetails/163102m-expansion-of-growth-deal-boosts-local-plan-for-thames-valley-berkshire-economy-19917>

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

<sup>iii</sup> <http://www.slough.gov.uk/parking-travel-and-roads/plans-for-the-future.aspx>

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

<sup>v</sup> <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5473&Ver=4>

<sup>vi</sup> <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5459&Ver=4>

<sup>vii</sup> <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5460&Ver=4>

<sup>viii</sup> <http://www.slough.gov.uk/parking-travel-and-roads/plans-for-the-future.aspx>

<sup>ix</sup> <https://www.gov.uk/government/publications/regional-growth-fund-identity-guidelines>

<sup>x</sup> <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>