

BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB

DATE: 17 November 2016

CONTACT OFFICER: Roger Parkin, Interim Chief Executive Slough Borough Council, lead Chief Executive to the BLTB

PART I

Item 3: Financial Approval 2.15 Bracknell Martins Heron

Purpose of Report

1. To consider giving financial approval to scheme 2.15 Bracknell Martins Heron.
2. This scheme is part of a wider programme to improve access between the M3 and M4 via the A322, A329 and A329(M). This route runs through the middle of Bracknell and forms part of the original inner ring road. The main capacity constraint is the junctions where radial and orbital routes intersect. This scheme focuses on the Martins Heron roundabout on the east of Bracknell and includes associated junction improvements and minor alteration to the London Road corridor to improve congestion and journey times.

Recommendation

3. You are recommended to give scheme 2.15 Bracknell Martins Heron conditional financial approval in the sum of £2,000,000 in 2017/18 and £900,000 in 2018/19 on the terms of the funding agreement set out at paragraph 13 step 5 below.
4. The condition that will have to be met in order to gain full financial approval is that the independent assessor is satisfied that the following elements of a fully compliant Full Business Case have EITHER been supplied OR a properly documented reason for their absence has been supplied:
 - a) Options Assessment Report;
 - b) Detailed cost breakdown;
 - c) The BMMTM local model and demand model validation reports;
 - d) Network plots of the area showing the rerouting of traffic;
 - e) Justification for the choice of forecast years;
 - f) Low and High Growth scenarios for BCR;
 - g) A 30-year assessment of BCR;
 - h) Environmental assessments;
 - i) Public Accounts (PA), Transport Economic Efficiency (TEE) and Analysis of Monetised Costs and Benefits (AMCB) tables;
 - j) Cobalt accident analysis

Other Implications

Financial

5. Scheme 2.15 Bracknell Martins Heron is a named scheme in the [Thames Valley Berkshire Local Growth Deal](#)ⁱ announced on 7 July 2014. At the BLTB meeting held on [16 July 2016 additional funding was agreed to allow a revised and enlarged scheme to proceed](#).ⁱⁱ
6. This report recommends that Bracknell Forest Council be authorised to draw down the capital sum £2,900,000 from the Local Transport Body funding for this scheme, subject to meeting the conditions specified.
7. The funding agreement set out at paragraph 13 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](#)ⁱⁱⁱ 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 for Bracknell Forest Council.
11. Following the successful remodelling of several strategic junctions in Bracknell Forest (Jennett's Park, Twin Bridges, Coral Reef) there is confidence that the team have reliable data and techniques for analysing junction improvements. Thorough analysis was used to justify the need for enhancements to the original scheme, and the "very high value for money" calculated in the business case shows that this confidence was justified. In addition, the improved scheme will

safeguard this section of the strategic A329 corridor against further change prompted by additional future growth.

12. The full details of the scheme are available from the [Bracknell Forest website](#)^{iv}. A summary of the key points is given below:

Task	Timescale
Detailed design update	October 2016
Procurement	Via the Council's Term Contractor
Contractor appointed	As above
Construction	Start on site due June 2017
Open to public	November 2018

Activity	Funder	Cost (approx)
Scheme development	Bracknell Forest Council	
Major scheme funding	Berkshire Local Transport Body	£2.900m
Section 106 agreements	Developers etc	£0.450m
Bracknell Forest funding	Capital programme	£0.450m
Total		£3.800m

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](#)^y.

Assurance Framework Check list	2.15 Bracknell Martins Heron			
	<p>The scheme was originally developed by Bracknell Forest Council as part of a study of congested junctions on the major routes through the Borough. In the original 2013 BLTB assessment a smaller scheme for the junction was rejected as being too small (less than £2m contribution).</p> <p>A more ambitious scheme was submitted for inclusion in Growth Deal 1. The SEP assessment process was used and the scheme was given 25.5 points and ranked equal 13th of 41 schemes submitted in GD 1 and 2 combined.</p>			
	Factor	Raw score	Weighting	Weighted score
	Strategy	3	1.5	4.5
	Deliverability	2	2	4
	Economic Impact	3	4	12
	TVB area coverage	2	1.5	3
	Environment	2	0.5	1
	Social	2	0.5	1
			Total	25.5
Step 2: Programme Entry: evolution of the scheme from	<p>Programme Entry status was given by the BLTB on 24 July 2014^{vi} (minute 6b refers). The progress of the scheme was reported to the BLTB meeting held on 16 July 2015^{vii}, 19 November 2015^{viii}, 17 March 2016^{ix} and 21 July 2016^x.</p>			

Assurance Framework Check list	2.15 Bracknell Martins Heron
outline proposal to full business case, external view on the business case, and independent assessment (See paragraphs 15 and 16)	<p>The Bracknell Forest BC website^{xi} 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 Bracknell Forest 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"> • 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	The Independent Assessor has recommended that in this case a Conditional Approval is appropriate.
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 4.627. 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 Approval subject to the independent assessor being satisfied that the following elements of a fully compliant FBC have EITHER been supplied OR a properly documented reason for their absence has been supplied</p> <ol style="list-style-type: none"> a) Options Assessment Report; b) Detailed cost breakdown; c) The BMMTM local model and demand model validation reports; d) Network plots of the area showing the rerouting of traffic; e) Justification for the choice of forecast years;

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	<ul style="list-style-type: none"> f) Low and High Growth scenarios for BCR; g) A 30-year assessment of BCR; h) Environmental assessments; i) Public Accounts (PA), Transport Economic Efficiency (TEE) and Analysis of Monetised Costs and Benefits (AMCB) tables; j) Cobalt accident analysis
<p>Step 5: Formal Agreement</p> <ul style="list-style-type: none"> - roles - 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>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> <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: there will be £450,000 of capital programme contribution from Bracknell Forest Council in 2018/19 and £450,000 of s106 contributions from developers in 2018/19.</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>

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	<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, 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 “Growth Deal Identity Guidelines”^{xii} issued by government. It will also give due regard to the Public Services (Social Value) Act^{xiii}, particularly through the employment of apprentices across the scheme supply chain.</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 contribute to the better flow of traffic on through routes in Bracknell

Background Papers

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

ⁱ <https://www.gov.uk/government/publications/thames-valley-berkshire-growth-deal>

ⁱⁱ <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5602&Ver=4>

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

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

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

^{vi} <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5148&Ver=4>

^{vii} <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5459&Ver=4>

^{viii} <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5460&Ver=4>

^{ix} <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5461&Ver=4>

^x <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5602&Ver=4>

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

^{xii} <https://www.gov.uk/government/publications/regional-growth-fund-identity-guidelines>

^{xiii} <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>