

BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB

DATE: 18 July 2019

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lead officer to the BLTB

Item 7: Allocation of the remaining Local Growth Funds

Purpose of Report

1. To present the case for allocating the remaining £1.9m of Local Growth Funds (LGF) to an innovation project and two transport projects. The latter propose an increase to the LGF already allocated to scheme 2.37 Bracknell: A322/A329 Corridor Improvements and to scheme 2.06 Reading Green Park Railway Station.

Recommendation

2. You are asked to support the recommendation that the remaining LGF is allocated to three different projects that will contribute to the implementation of the Strategic Economic Plan (SEP), including one non-transport project.
3. You are asked to support the recommendation that, of these three projects, 2.37 Bracknell: A322/A329 Corridor Improvements receives a further allocation of £800k LGF, to take the total allocated for this scheme to £2.00m and that 2.06 Reading Green Park Railway Station receives a further allocation of £550k LGF, to take the total allocated for this scheme to £9.700m.

Other Implications

Financial

4. Thames Valley Berkshire LEP has secured £142m LGF through three Growth Deals with central government. £24m of this is allocated to a 'DfT retained scheme'.
5. Of the remaining £118m, 74% is spent or invested in projects on site/that have Full Business Case (FBC) approval. This includes £4m earmarked in the Growth Deals for skills capital projects.
6. 24% - £28m LGF - has been allocated to projects with Programme Entry status.
7. <2% - £1.9m LGF - has yet to be allocated. 2019/20 is the fifth year in the six-year LGF programme, so funds need to be allocated now.

Risk Management

8. The risk management arrangements already put in place by the Local Transport Body are as follows:
 - The [Assurance Framework](#)ⁱ has been drafted following DfT guidance and has been approved by the DfT for use in allocating capital funds for transport schemes
 - Hatch Regeneris have been appointed to act as Independent Assessors for all LGF-funded schemes

9. The principle of allocating LGF to *non-transport* schemes will be considered by the LEP Board on 9 July, revisited by the BLTB (a LEP Programme Group) on 18 July and a decision ratified by the LEP Forum on 23 July.
10. An independent assessment of the non-transport schemes will also be conducted in accordance with the LEP's Assurance Framework, AF 4.0 (in this case by the European Regional Development Funds (ERDF) Managing Authority, MHCLG).

Human Rights Act and Other Legal Implications

11. Slough Borough Council will provide legal support for the BLTB should any questions arise.

Supporting Information

12. £1.926m LGF has yet to be allocated. 2019/20 is the fifth in the six-year LGF programme, so funds need to be allocated now. The LEP is proposing investment in transport and non-transport projects.
13. The first investment proposed is for an innovation project based on research commissioned by the LEP, i.e. to support the creation of "*spaces which provide entrepreneurs and businesses with accommodation on flexible terms and access to supporting administrative, business and innovation support services and networks*". The LEP's proposed contribution of £500k would act as part-match for an ERDF Call for Thames Valley Berkshire applicants, worth £1.65m.
14. The oversight of the non-transport schemes does not fall within the remit of the BLTB or indeed the BSTF. However, as the unallocated funds are earmarked in the Growth Deals *for transport schemes*, the support of the BLTB is sought, in its capacity as a LEP Programme Group.
15. The addition of £36m Business Rates Retention Pilot (BRRP) monies means that the LEP has more than met the transport commitments set out in the Growth Deals and the proposal is therefore to use the remaining LGF to support a project that delivers other aspects of the SEP and in future, the BLIS.

Transport Project

16. One of the transport projects is the Bracknell: A322/A329 Corridor Improvements. This will deliver significant improvements to one of the key highway corridors in Thames Valley Berkshire, between the M4 (J8/9/10) and M3 (J4), i.e. from Maidenhead, Reading, Wokingham, Bracknell to Camberley, the Blackwater Valley and beyond. These junction improvements along the A322/A329 corridor are required to facilitate the Council's future growth plans for around 6,400 dwellings.
17. It received Programme Entry status in January 2019, having been allocated £1.2m LGF. Enabling works are ongoing now.
18. The strategic model used to develop the original concept design has since been updated to include major schemes to be implemented in Bracknell over the coming years. Further testing of the detailed design has demonstrated that the additional corridor capacity created cannot be fully utilised without further modification.
19. An enhanced scheme could provide additional capacity improvements of up to 40% in the peak hours over and above the original, proposed improvements. This will release more traffic and ease movement for vehicles travelling to and from the A329 and J10 M4, which is the predominant flow.

20. The second transport project is 2.06 Green Park Railway Station. This scheme is located within the boroughs of Reading, West Berkshire and Wokingham; on the Reading to Basingstoke railway line. The station and multi-modal interchange will significantly improve accessibility to - and connectivity of - the Green Park business park, Green Park Village and Royal Elm Park mixed use development, and the wider A33 growth corridor.
21. The scheme received Programme Entry status in November 2014, having been allocated £9.15m LGF (£6.4m in 2014 and £2.75m in 2016). In addition, £2.3m has been secured from the Department for Transport's (DfT) New Stations Fund 2 and £5.6m is being provided by Reading Borough Council from S106 contributions.
22. Enabling works for the interchange are ongoing and the detailed designs for the station are nearing completion, in partnership with Network Rail (NR) and Great Western Railway (GWR). As the station designs have evolved, additional railway industry requirements have been imposed, which have resulted in increased costs due to changes in scope and associated delays. The final designs will need to be approved by NR.
23. Although the additional requirements are being challenged, there have nevertheless been other essential changes that have been incorporated within the designs, including both health and safety requirements and future proofing of the facilities at the station, as forecasts for passenger numbers have increased. These have contributed to the expected increased cost of the scheme.
24. Further funding is currently being sought from the DfT, NR and GWR. The proposal to contribute another £550k LGF is conditional on sufficient funds *not* being sourced from these partners. An initial assessment of the business case indicates that the scheme would remain in the 'very high value for money'.

Conclusion

25. The combined investment of LGF and BRRP will deliver over 50 capital projects by the end of 2020/2021, across a portfolio of transport, digital, skills and flood schemes. The investment of the remaining £1.9m LGF can add to this by supporting transport and innovation projects that will contribute to the implementation of the SEP and BLIS.

Background Papers

26. Background papers on the A322/A329 Corridor are available from stuart.jefferies@bracknell-forest.gov.uk and on Reading Green Park Railway Station from chris.maddocks@reading.gov.uk.

ⁱ <http://www.thamesvalleyberkshire.co.uk/berkshire-strategic-transport-forum>