

BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB

DATE: 4 June 2020

CONTACT OFFICER: Josie Wragg, Chief Executive, Slough Borough Council,
Lead Officer to the BLTB

PART I

Item 8: Financial Approval for 2.29 Wokingham: Winnersh Triangle Park & Ride

Addendums 1 Car Park enhancements

Purpose of Report

1. To consider giving financial approval to an enhancement to scheme 2.29 Wokingham: Winnersh Triangle Park and Ride.
2. The original scheme sought to redevelop the transport links at Winnersh Triangle. The redevelopment will include double-decking the new park and ride site to add at least 250 additional car parking spaces, improvement of the station building including the surrounding area, reorganising the highways layout. These arrangements would complement growth plans of Frasers Property who are intensifying the use of Winnersh Triangle Business Park.
3. Since the original scheme was approved by the BLTB in [March 2019](#), the following car park enhancements have been proposed:
 - 3.1. A requirement to replace the existing Sustainable Drainage System (SuDs) of the car park;
 - 3.2. a new planning requirement to provide electric vehicle charging points;
 - 3.3. a requirement to provide fully accessible access to the top-deck of the proposed car park deck; and
 - 3.4. a requirement for additional unforeseen statutory undertaker's works to move existing utilities.

Recommendation

4. You are recommended to give the car park scheme enhancement for scheme 2.29 Wokingham: Winnersh Triangle Park and Ride conditional financial approval in the sum in 2020/21:
 - 4.1. Car Park enhancements: of £715,444. It should be noted that programme entry status was awarded for £675,000

on the terms of the funding agreement set out at paragraph 11 step 5 below, subject to meeting the following conditions:

- 4.2. Car Park enhancement conditions:

- 1) Formal financial approval by Wokingham Borough Council for the allocated S106 scheme funding;
- 2) Formal financial approval by Wokingham Borough Council for any cost overruns, should they arise; and
- 3) Formal financial approval by Wokingham Borough Council for any loss of revenue resulting from interim closure of the park and ride site during construction, should they arise.

These conditions should be met no later than 31st July 2020.

Other Implications

Financial

5. A call for bids process was undertaken in January 2020 and a list of prioritised projects were agreed at the BLTB meeting March 2020. Scheme 2.29 Wokingham: Winnersh Triangle Park & Ride Addendums 1 Car Park enhancements was a named scheme.
6. This report recommends that the Wokingham Borough Council be authorised to draw down the capital sum £715,444 from the Local Transport Body funding for this scheme, subject to meeting the conditions set out in the recommendation.
7. The funding agreement set out at paragraph 11 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](#)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 as Independent Assessors and have provided a full written report (see Appendix 1) on the full business cases for the scheme
 - The funding agreement set out at paragraph 11, 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. Slough Borough Council will provide legal support for the BLTB should any questions arise.

Supporting Information

10. The scheme will be carried out by Wokingham Borough Council.
11. The full details of the scheme are available from [the Wokingham Borough Council websiteⁱ](#).

A summary of the key points is given below:

Task	Timescale
Detailed designs	May/June 2020
Planning	July 2020
Site enabling works	Dec 2020 Car Park
Construction	Start June 2020
Completion	May 2021

Activity	Funder	Cost (approx)
Scheme development	Wokingham Borough Council	£500,000
Major scheme funding	Berkshire Local Transport Body	£715,444
Total		£1,215,000

12. The table below sets out the details of this scheme's compliance with steps 1-5 of paragraph 14 of [Assurance Frameworkⁱⁱⁱ](#).

Assurance Framework Check list	2.29 Wokingham: Winnersh Triangle Park & Ride Addendums 1 Car Park enhancements			
	This scheme enhancement will allow Winnersh Triangle Park and Ride to rectify and improve the car park facilities; The scheme was submitted in the January 2020 call for bids and was given 20 points and ranked 3 rd out of 6 schemes submitted. See Appendix 1.			
	Factor	Raw score	Weighting	Weighted score
	SEP	3	1.5	4.5
	Deliverability	2	2.0	4.0
	Economic Impact	2	4.0	8.0
	TVB area coverage	1	1.0	1.0
	Natural Capital	2	1.0	2.0
	Social Value	1	0.5	0.5
			Total	20.0
Step 2: Programme Entry: evolution of the scheme from outline proposal to full business case, external view on the business case, and independent	<p>Programme Entry status was given to addendum 1 Car Park enhancements by the BLTB on 12 March 2020 (minute 33 refers).</p> <p>The Wokingham Borough Council website^{iv} 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 Wokingham Borough Council have been fully considered during</p>			

Assurance Framework Check list	2.29 Wokingham: Winnersh Triangle Park & Ride Addendums 1 Car Park enhancements
assessment (See paragraphs 15 and 16)	<p>the development of the scheme.</p> <p>The reports of the Independent Assessor is attached at Appendix 2. 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 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 for these addendums that Conditional Approval is appropriate. This is on the basis that further evidence is supplied which supports the conclusions reached in the Full Business Cases in respect of:</p> <p>Addendum 1: Car Park enhancements:</p> <ol style="list-style-type: none"> 1) Formal financial approval by WBC for the allocated S106 scheme funding. 2) Formal financial approval by WBC for any cost overruns, should they arise; and 3) Formal financial approval by WBC for any loss of revenue resulting for interim closure of the park and ride site during construction, should they arise. <p>These conditions should be met no later than 31st July 2020.</p>
Step 4: Recommendation of Financial Approval - High Value for Money - Support of the Independent assessor	<p>The Independent Assessor has identified that the Benefit Cost Ratio (BCR) of scheme enhancement is within the High Value category:</p> <p>Car Park enhancements in excess of 3.65: 1.</p> <p>The overall scheme BCR remains High Value at 3.5: 1 BCR.</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 described as having High or Very High Value for Money.</p>

Assurance Framework Check list	2.29 Wokingham: Winnersh Triangle Park & Ride Addendums 1 Car Park enhancements
	The Independent Assessor's reports (see Appendix 2) recommends conditional financial approval for this scheme enhancement.
<p>Step 5: Formal Agreement</p> <ul style="list-style-type: none"> - roles - responsibilities - implementation - reporting - auditing - timing and triggers for payments, - contributions from other funders, - consequences of delay, - consequences of failure, - consequences of change to the design or specification of the scheme - claw back, - evaluation one and five years on - other conditions of Local Growth Funds 	<ol style="list-style-type: none"> 1. <u>Roles</u>: TVB LEP is a part funder of the scheme. Wokingham Borough Council is the scheme promoter and is the relevant highway and planning authority. 2. <u>Responsibilities</u>: TVB LEP is responsible for allocating the capital finance in accordance with its Assurance Framework. Wokingham Borough Council is responsible for all aspects of the design, risk management, insurance, procurement, construction and implementation of the scheme, including its responsibilities as highway and planning authority, any other statutory duties, and any financial or other liabilities arising from the scheme. 3. <u>Implementation</u>: In addition to any reporting requirements within Wokingham Borough Council, the scheme promoter will use the proforma supplied by TVB LEP to make reports on progress of the implementation of the capital scheme to each meeting of the BLTB until the build is complete. In particular, Wokingham Borough 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. 4. <u>Reporting</u>: The scheme promoter must provide accurate, timely, verified and quality assured quarterly monitoring and forecast data, which relate to defined output and outcome indicators agreed between TVB LEP and government as a condition of the Growth Deal. This scheme will not be required to participate in an evaluation as set out in the Growth Deal Monitoring and Evaluation Plan. 5. <u>Auditing</u>: Wokingham Borough Council will keep financial records such that the expenditure on the scheme is readily identifiable, and if and when BEIS, DfT or other government department or the accountable body for TVB LEP requests access to financial or other records for the purposes of an audit of the accounts, Wokingham Borough Council will co-operate fully. 6. <u>Timing and Triggers for payments</u>: See the Claim Proforma at Appendix 1 – available on request. 7. <u>Contributions from Other Funders</u>: Wokingham Borough Council have increased their contribution from £550,000 to £1,050,000 in 2020/21. In the event that the scheme experiences or it is anticipated that the scheme will experience a shortfall in these contributions, Wokingham Borough Council will be required to notify TVB LEP of these developments. The

Assurance Framework Check list	2.29 Wokingham: Winnersh Triangle Park & Ride Addendums 1 Car Park enhancements
	<p>provisions of clauses 8, Consequences of Delay; 9, Consequences of Change to the Design or Specification of the Scheme; or 10, Consequences of Failure will then be applied.</p> <p>8. <u>Consequences of Delay</u>: In the event that the scheme experiences minor delays to its overall Business Case programme (no more than 10 weeks), Wokingham Borough 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 overall Business Case programme (11 weeks or longer) Wokingham Borough Council will be required to seek permission from TVB LEP to reschedule any payments that are due or may be delayed in falling due because of the delay to the overall Business Case programme.</p> <p>9. <u>Consequences of Change to the Design or Specification of the Scheme</u>: In the event that Wokingham Borough Council wishes to change the design or specification of the scheme such the scheme delivered will vary in any material aspect from the description given in the overall business case, Wokingham Borough Council will be required to seek prior written consent from TVB LEP. Failing this permission, no further monies will be paid to Wokingham Borough Council after the change becomes apparent to TVB LEP. In addition, consideration will be given to recovering any monies paid to Wokingham Borough Council in respect of this scheme.</p> <p>10. <u>Consequences of Failure</u>: As soon as it becomes apparent to Wokingham Borough Council that it will not be possible to deliver the scheme within the current LGF programme, i.e. by the end of 2020/21, written notice shall be given to the accountable body for TVB LEP. No further monies will be paid to Wokingham Borough Council after this point. In addition, consideration will be given to recovering any monies paid to Wokingham Borough Council in respect of this scheme.</p> <p>11. <u>Claw back</u>: If the overall scheme achieves savings against budget, these savings will be shared by TVB LEP and the other funders noted above in proportion to the amounts set out in the Financial Profile. The accountable body for TVB LEP reserves the right to claw back any amounts of grant that have been spent on purposes other than the scheme as approved and any repayments due as a consequence of changes to the design or specification of the scheme or scheme failure.</p> <p>12. <u>Evaluation One and Five Years On</u>: Wokingham Borough Council will produce scheme evaluations One and Five years after practical completion that comply with DfT guidance.</p> <p>13. <u>Other Conditions of Local Growth Funds</u>: Wokingham Borough Council will acknowledge the financial contribution made to this</p>

Assurance Framework Check list	2.29 Wokingham: Winnersh Triangle Park & Ride Addendums 1 Car Park enhancements
	scheme through Local Growth Funds and follow the ' Growth Deal Identity Guidelines '. It will also give due regard to the Equality Act 2010 - Public Sector and with the Public Services (Social Value Act) 2012, particularly through the employment of apprentices across the scheme supply chain.

Conclusion

13. The conclusion of the Independent Assessor is that the Winnersh Triangle Park & Ride Car Park Decking scheme aligns with strategic priorities, will deliver high value for money, and is deliverable. Whilst some programme risks remain, these are considered to be understood and are being managed appropriately. The overall Economic Case remains strong despite the increase.

Background Papers

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

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

ⁱⁱ <https://www.myjourneywokingham.com/bus-travel/park-and-ride/winnersh-triangle/>

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

^{vii} <https://www.myjourneywokingham.com/bus-travel/park-and-ride/winnersh-triangle/>

Appendix 1 - Local Growth Deal list of prioritised schemes agreed March 2020

Weighting	1.5	2	4	1	1	0.5					
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Factor	SEP	Deliverable	Economic Impact	TVB area	Natural Capital	Social Value	Total Weighted score	Rank	Contribution Sought	Cumulative spend
LGF Eligible Projects										
Reading Buses: Completing the Connection	4.5	6	8	2	3	1.0	24.5	1	1,541,243	1,541,243
Superfast Broadband - Extension	4.5	6	8	2	1	0.5	22	2	46,920	1,588,163
2.29 Wokingham: Winnersh Triangle Park and Ride - Extension	4.5	4	8	1	2	0.5	20.0	3	1,411,142	2,999,305
2.24 Newbury: Railway Station improvements - Extension	4.5	4	8	1	1	1.0	19.5	4	640,000	3,639,305
2.30 TVB Smart City Cluster Extension	4.5	6	4	2	2	0.5	19	5	283,620	3,922,925
Slough Langley High Street (phases 1, 2 & 3)	4.5	2	8	2	1	0.5	18.0	6	4,000,000	7,922,925

Appendix 2 – Hatch report Addendum 1 Car Park

Thames Valley Berkshire Local Enterprise Partnership

Independent Assessment Summary Report: Winnersh Triangle Addendum 1 Parking Deck

May 2020
www.hatchregeneris.co.uk

Independent Review

Introduction

BLTB 4th June 2020 - Item 8: Financial Approval for 2.29 Wokingham: Winnersh Triangle Park & Ride
Addendum 1 Car Park enhancements

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- 1.1 This technical note provides an independent assessment of the Winnersh Triangle Park and Ride (WTP&R) Addendum 1 business case submission to the Thames Valley Berkshire Local Enterprise Partnership (TVB LEP).
 - 1.2 The WTP&R is an existing approved TVB LEP project develop a circa 130 space single deck car park, over the existing Winnersh Triangle surface Park and Ride car park, interior refurbishment of the station building, as well as some limited improvements to the pedestrian amenities at the station forecourt.
 - 1.3 Since the original scheme was approved a number of design and delivery issues have come to light, namely:
 - A requirement to replace the existing Sustainable Drainage System (SuDs) of the car park;
 - A new planning requirement to provide electric vehicle charging points;
 - A requirement to provide fully accessible access to the top-deck of the proposed car park deck;
 - A requirement for additional unforeseen statutory undertaker's works to move existing utilities;
 - 1.4 As a result of these identified issues, additional funding is required to deliver the original scheme. Wokingham Borough Council (WBC) is also proposing an alternative design and build procurement strategy.
 - 1.5 It should be noted that, alongside these required amendments to deliver the original scheme, WBC, with the support of Fraser Property (the owners of the adjacent business park), are also promoting an additional public urban realm scheme, around the station forecourt, that will be subject to a separate addendum submission (Addendum 2).

Submitted Information

- 1.6 The independent assessment process for the WTP&R (Parking Deck) submission has been conducted on the basis of an Addendum Document submitted by WBC.
- 1.7 Cross-references are provided to the original Full Business Case (FBC) submission.

Scheme Summary

- 1.8 The addendum document provides a summary of the original WTP&R proposals. This included three elements:
 - Development of a circa 130 space single deck car park;
 - Interior refurbishment of the station building; and
 - Limited improvements to the pedestrian amenities at the station forecourt.

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- 1.9 The revised scheme will continue to deliver the single deck car park but will no longer deliver refurbishments to the station building. The improvements to pedestrian amenities will be superseded by the larger public urban realm improvements that are subject to a separate submission (Addendum 2).
- 1.10 The specific additional works required to deliver the car park deck include:
- Replacement of existing SuDs;
 - Provision of 8 active and 36 passive Electric Vehicle (EV) charging points and associated equipment at the facility, including the provision of a new transformer;
 - A lift between the first floor and the ground floor of the car park and
 - Significant statutory undertaker's work.
- 1.11 The original scheme cost was estimated to be £3,374,552 with £2,845,150 sought from the Local Growth Fund (LGF). This included allowances for the station building refurbishment and improvements to pedestrian amenities.
- 1.12 The revised total costs to deliver the car park deck element of the scheme are now estimated at £4,610,694, with a further £715,554 sought from the LGF. This would make the total LEP contribution equate to £3,560,704 (77%).

Review Findings

Scope of Works

- 1.13 The addendum provides a detailed explanation of the reasons why there has been such a considerable expansion to the required scope of works from the original project. This relates to:
- Insufficient ground survey works that have subsequently identified significant deficiencies with the existing drainage system and the need for additional utilities works; and
 - Changes to, and the interpretation of, WBC planning regulations that were unforeseen requiring electric vehicle charging provision and the provision of a lift.
- 1.14 This section also highlights that WBC will seek to utilise the decked car park to install new solar photo voltaic (PV) panels on a roof canopy over the central section of the parking deck. These will enable the enhanced facility to generate electricity for a variety of on-site purposes, including as electric vehicle charging points. The cost of a roof canopy incorporating the PV panels themselves will be borne by WBC and is subject to an internal funding application. As such it is not formally included within this submission.
- 1.15 Confirmation is provided that overall scheme will no longer include the refurbishment to the station buildings or the originally specified enhancements to pedestrian amenities on the station forecourt.

Independent Assessor Comment

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- 1.16 Whilst it is not uncommon for detailed survey work to identify additional design requirements, sufficient allowance should have been made within the project cost contingencies and quantified risk budget to cover this element.
- 1.17 It is not clear over what time period the requirement for electric vehicle charging points became a planning requirement but demonstrates a need for more extensive internal consultation on planning matters. Similarly, the need for a lift was not originally deemed a necessity and it is not clear why this requirement was not identified at an earlier stage of the design process.
- 1.18 The delivery of solar panels will provide an enhanced range of benefits from the scheme and, whilst not directly relevant to this submission, demonstrates WBC are seeking to maximise the benefits from the asset.
- 1.19 It is acknowledged that the scope of works for this project no longer includes the station buildings or the original pedestrian amenities, as part of cost savings and the larger public realm scheme proposed in the separate submission (Addendum 2).

Strategic Case

- 1.20 The Strategic Case cross-references to information presented within the original business case submission, with key points related to the strategic need for the scheme highlighted, including:
- Road traffic congestion in Central Reading and the need for alternative means of transport than private car to travel into the centre;
 - The current P&R provision having limited parking capacity that is restricting usage;
 - Reducing private car trips will not only reduce congestion but also vehicle emissions, improving air quality and noise;
 - The inclusion of electric charging points in the expanded car park will also encourage more sustainable private car trips;
 - The inclusion of solar panel within the car park deck design will further enhance the environmental credentials of the facility; and
 - The facility will also provide fully accessible, step-free, and additional designated disabled parking provision.
- 1.21 In addition, the alignment with the Berkshire Local Industrial Strategy is stated.

Independent Assessor Comment

- 1.22 Our review of the original strategic case for the scheme recognised that it had good policy alignment and provided a clear case for the intervention to encourage sustainable travel, reduce highway congestion leading into central Reading, and supports local housing growth. This remains the case for the revised scheme outlined within the addendum.

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- 1.23 We consider the strategic benefits are reiterated, and reinforced, within the addendum document, with an additional focus upon the environmental and social benefits that the revised scheme design will deliver. The alignment with the BLIS is also clearly stated.

Economic Case

- 1.24 The Economic Case highlights that the predicted number of car trips captured by the extended park & ride facilities remains unchanged from the original business case submission. As a result, there is no change from the transport user benefits captured as a result of the new car park decking.
- 1.25 Due to the change of scope for the project, all economic benefits associated with the improvements to the station building have been removed, as this element will no longer be delivered.
- 1.26 The level of quantified risk incorporated within the economic case is stated as 12.5%, with an explanation provided demonstrating how this value was calculated. The level of optimism bias is applied at 15%.
- 1.27 Revised Transport Economic Efficiency (TEE), Public Accounts (PA) and Analysis of Monetised Costs and Benefits (AMCB) tables are presented. This indicates that the Benefit to Cost ratio (BCR) for the revised scheme is 3.65 to 1, representing 'high' value for money.

Independent Assessor Comment

- 1.28 The Economic Case for the original scheme submission was considered strong with a very high predicted BCR (6.3 to 1 central case). Even under a low growth scenario, the scheme retained very high value for money (4.6 to 1).
- 1.29 The forecast transfer of travellers from car to P&R, permitted by the expanded car parking provision, was demonstrated to deliver decongestion benefits to the highway network. The original scheme also demonstrated that it will deliver a range of benefits in terms of environmental and social impacts, and support wider economic growth, through increased sustainable travel opportunities.
- 1.30 It is considered appropriate that the revised Economic Case, presented within the addendum, maintains the original forecast transport user benefits, whilst removing the impacts associated with the refurbished station building and pedestrian amenities, which will no longer be delivered.
- 1.31 The adoption of a 12.5% quantified risk allowance is detailed and provides reasonable assurance that sufficient additional funds has been included to cover any further unforeseen costs. It is recognised that scheme costs have already risen significantly; however, the extensive survey work that has now

been undertaken means that the risk of further increases is substantially reduced. It is on this basis that we consider the 12.5% is broadly appropriate.

- 1.32 Given the extent of design work that has now been undertaken, a 15% level of optimism bias is considered appropriate to be added within the economic case.
- 1.33 Despite the overall cost increases of 37%, the scheme is still forecast to retain 'high' value for money from investment. Whilst the 'low growth scenario' has not been re-run, our own calculations indicate that it would still offer 'high' value for money with a BCR in excess of 2 to 1.
- 1.34 There is no additional assessment of the environmental and social impacts of the revised scheme; however, the strategic case identifies that the revised scheme enhances these already positive impacts.

Financial Case

- 1.35 The Financial Case sets out the project funding requirements for the full revised scheme, incorporating the retained elements of the original scheme and the additional elements set out within Addendum 1. A full breakdown of capital elements is provided.
- 1.36 The total scheme costs are now estimated at £4,610,694, including allowances for contingency (3%), risk (12.5%) and price inflation (4% pa).
- 1.37 The total LGF funding request equates to £3,560,694 (77%), with the remaining £2,845,140 already committed funding and a further £715,554 being sought as part of Addendum 1. The remaining £1,050,000 is through WBC S106 contributions. Confirmation is provided that all of the S106 contribution is secured with no risks, but it understood that this is still subject to formal approval by the WBC Finance Team to release the funds to the scheme.
- 1.38 The profile of expenditure is set out, with all LGF spend within 2020/21. S106 spend is predominantly within 2021/22.
- 1.39 WBC have stated they are committed to the scheme and have indicated they will cover any future cost overruns; however, at the time of this report, this has not been formally signed-off by the WBC Finance Team, but has been request and is expecting imminently.

Independent Assessor Comment

- 1.40 The Financial Case for the revised WTP&R Car Park Decking provides a clear breakdown of the cost element and the profile of spend.
- 1.41 Given the significant cost escalations that have already occurred on this project, it is clearly important to ensure that this revised submission

represents a comprehensive and fully robust assessment. This includes having an appropriate level of contingency and risk allowance. Overall, we consider the that level of survey work that has now been undertaken provides assurance that the costs are now well understood. Until a specialist supplier is appointed for the car park deck this cost cannot be fully understood and so some risk remains, but this is not unusual for a scheme at FBC stage.

- 1.42 The 12.5% applied to cover risk, alongside the 3% contingency, is considered appropriate (as discussed in Section 1.31 above) but their remains an element of risk that value engineering of the scheme may be required to keep the project costs within the overall budget.
- 1.43 It is understood that the COVID-19 situation has resulted in WBC employing additional approval processes. Under these conditions, the scheme does not yet have formal approved nor is there a formal commitment to cover cost overruns. Whilst both are expected to arrive in due course, the absence of formal support presents a significant risk.

Delivery and Risk

- 1.44 The programme for delivering the car park deck is set out, with detailed design commencing in June and a planning determination anticipated in July. Site enabling works will commence in December 2020, with construction of the car park scheduled to begin in February 2021 and complete in May 2021.
- 1.45 The procurement process has been revised since the original scheme business case submission. VolkerHighways have already been appointed on an Early Contractor Involvement basis to provide early input into the design process. The intention is for the work to be directly awarded to VolkerHighways without going through the competitive tendering process. The design and construction of the parking deck will be sub-contracted by VolkerHighways to a specialist Design and Build supplier.
- 1.46 The benefits of this revised approach are stated, including: the use of an 'off-the-shelf' design to minimise design times; tried and tested methods of construction to reduce the programme; and higher certainty over costs.
- 1.47 It is stated that a subcontractor has already been identified by VolkerHighways.
- 1.48 Trial hole surveys are already underway to assist with the process of utilities diversions, with on-going coordination with utility companies.
- 1.49 Key risks are identified as:
- Design and construction delays due to COVID-19;
 - Uncertainties around the availability of an alternative car park when the existing car park is closed for construction;
 - Changes to the parking deck design during the detailed design stage, which may have a cost implication.

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- 1.50 The inter-dependencies of construction works between the elements of construction outlined within this addendum and further works proposed on the bus turning head and public realm works is set out.

Independent Assessor Comment

- 1.51 A clear programme is set out with milestones. Whilst the project will not be complete by the end of March 2021, the construction will have substantially commenced and all LGF funds spent.
- 1.52 The procurement of the car park deck has moved away from a full traditional tendering process to instead a direct appointment of VolkerHighways through WBCs term contract and permitting them to sub-contract the decking work to a specialist. This change presents a risk that the procurement process becomes less competitive, which could affect the value for money. It is, however, demonstrated that it provides greater certainty over the process, which is important given the timescales within which deliver must take place. WBC have also presented evidence to demonstrate that the sub-contractor is being selected on a balance of cost and quality.
- 1.53 Risks associated with alternative car parking provision are stated. Provisionally the adjacent Showcase Cinema car park has been identified but this may now be subject to a change of ownership. It is stated that WBC are actively seeking alternative parking arrangements, as well as potential temporarily relocating the park and ride facility. If alternative car parking provision cannot be found during the construction period, this may impact on either i) the duration of the programme for construction or ii) the revenue stream generated by the car park and the associated bus operations during this period of time.
- 1.54 A risk is still stated of the need to change the design of the deck and the potential need to de-scope the project. Until a specialist supplier is appointed, this risk will remain and may need to be managed through value engineering.
- 1.55 It is noted that significant utility diversions are anticipated and that the precise extent of this work is not fully known, albeit trial holes are underway. Linked to this will be the requirements around electricity supply for the electric charging points and the mitigation measures needed against flood risk. This risk will need to continue to be closely managed to ensure there is no cost escalation.
- 1.56 It is noted that planning determination is still required for the project. WBC have already received technical queries and requests for information, which they consider they can address in full. They have also confirmed that the 8-week planning determination period can be accommodated within the project. A risk remains that a minor/material amendment application may be required if the detailed design process results in any changes to the design but there is no reason to believe this will be substantial.
- 1.57 The provision of an overarching programme of works for all the construction elements proposed at Winnersh Triangle (within both this scheme and the

additional the bus turning head and public realm works) provides assurance that the interactions between the projects have been suitably considered.

Conclusions

- 1.58 The Strategic Case for the project retains good policy alignment and provides a clear case for the intervention.
- 1.59 The overall Economic Case remains strong despite the increase in scheme costs and marginally reduced quantified benefits. The environmental and social benefits are strengthened by the revised scheme.
- 1.60 The Financial Case has been subjected to considerable scrutiny. Whilst the substantial rise in costs since the original business case is concerning, the survey work that has been undertaken over the last 6 months means that the project team now has a much greater understanding of the design requirements.
- 1.61 Whilst some uncertainty remains around costs until all trial holes have been completed, and the full extent of utilities work is understood, the budget includes a combined contingency and risk allowance of £585,145 or 15.2% of the underlying construction budget. Whilst this is considered to be an appropriate allowance for the level of project development, until the full detailed design has been completed full cost certainty cannot be achieved and some value engineering could still be required to keep the project within budget.
- 1.62 There could be some short-term operating revenue risks for the park & ride site in relation to closure, or part-closure, of the existing car park. WBC have committed, in principle, to cover any financial implication of this risk.
- 1.63 In overall terms, whilst the project is fully supported by WBC and they are, in principle, prepared to cover any further cost overruns, the project does not have full approval from WBC Finance Team. This is due to additional financial controls imposed as a result of the implication of COVID-19.
- 1.64 The project is considered to have a robust plan for delivery, with a clearly defined programme of tasks. Whilst the construction will not be completed by March 2021, substantial works should have been undertaken by this point. The main programme risks relate to COVID-19, utilities, and planning determination.
- 1.65 Whilst an alternative approach to procurement is now proposed, WBC have providing sufficient assurance that, given the timeframes for programme delivery, the revised approach represents the best value for money and reduces overall delivery risks.
- 1.66 It is our conclusion that the Winnersh Triangle Park & Ride Car Park Decking scheme aligns with strategic priorities, will deliver high value for money, and is

deliverable. Whilst some programme risks remain, these are considered to be understood and are being managed appropriately. The main concern relates to a lack of formal financial approval of the scheme.

Recommendation

1.67 We recommend the Winnersh Triangle Park & Ride Car Park Decking project for funding on the basis of the following conditions being met:

- 1) Formal financial approval by WBC for the allocated S106 scheme funding;
- 2) Formal financial approval by WBC for any cost overruns, should they arise;
- and
- 3) Formal financial approval by WBC for any loss of revenue resulting for interim closure of the park and ride site during construction, should they arise.

1.68 These conditions should be met no later than 31st July 2020.

Appendix 3

Wokingham Borough Council

WINNERSH TRIANGLE SCHEMES Business Case Addendum: Parking Deck

BLTB 4th June 2020 - Item 8: Financial Approval for 2.29 Wokingham: Winnersh Triangle Park & Ride
Addendum 1 Car Park enhancements

TYPE OF DOCUMENT (VERSION) CONFIDENTIAL

PROJECT NO. 70062449

DATE: MAY 2020

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APPENDICES

APPENDIX A

1 INTRODUCTION

- 1.1.1. Further to submitting a full business case to the Thames Valley Berkshire Local Enterprise Partnership (TVB LEP) in March 2019, Wokingham Borough Council (WBC) were successful in securing LEP funding to develop a circa 130 space single deck car park, over the existing Winnersh Triangle surface Park and Ride car park, interior refurbishment of the station building, as well

as some limited improvements to the pedestrian amenities at the station forecourt.

- 1.1.2. Since the FBC was submitted in March 2019, the scope of the car parking improvements and overall works at the station has changed significantly. Currently, there are many new elements to the scheme, some of which will generate additional benefits, whereas others are fundamental to the successful design and delivery of the original scheme but were not identified during the business case submission due to the lack of design maturity at the time.
- 1.1.3. Whilst the parking deck scheme has broadly remained the same as before, Frasers Property, the owners of the adjacent business park have come forward to promote a public urban realm scheme around the station forecourt. The access arrangements and the existing station turning head will need to be modified to facilitate the urban realm improvements. Frasers Property will fully bear the cost of the urban realm improvements, and also half the cost of the revised station access and turning head. These elements were not included within the original business case submission in 2019.
- 1.1.4. The planning application for the Winnersh Triangle Schemes was submitted to Wokingham Borough Council on 2 April 2020 and the scheme is currently undergoing public consultation in order to fulfil the planning requirements. A decision on the application is expected in the first week of July 2020.
- 1.1.5. This addendum has been prepared to support the additional funding request, specifically for the car park element of the Winnersh Triangle Schemes. Separately, a second addendum has been prepared to capture the additional funding request sought for the revised station access and turning head.

2 SCOPE OF WORKS

- 2.1.1. Since the original scheme specification in the March 2019 FBC, a number of additional elements have been put forward, combined with more up to date / more detailed estimates of the 'base' scheme costs. The overall specification for the scheme now includes the following.
 - Replacing the existing Sustainable Drainage System (SuDS) with a new drainage system that is compatible with the drainage requirements of the car park.
 - Provision of 8 active and 36 passive Electric Vehicle (EV) charging points and associated equipment at the facility, including the provision of a new transformer. This is to comply with updated planning requirements.
 - A lift between the first floor and the ground floor of the car park.
 - Requirement for significant statutory undertaker's work.
 - Change of design strategy from design and build to upfront detailed design work, in parallel to the preliminary design, in order to allow better cost certainty during the tender stage, especially for the below-ground works.
- 2.1.2. The cost estimates for the original business case were based on a design that was produced by a specialist deck supplier following a site visit and their extensive experience of designing and implementing similar car parks across

the UK. However, during the preliminary design stage, WBC requested that the detailed design of the parking deck should be undertaken in parallel to the preliminary design, in order to fully understand the ground conditions and to achieve a degree of design maturity that would mitigate cost uncertainty during the tender stage. Based on extensive site investigations undertaken over the past few months, including topographical survey, Ground Penetration Radar survey, geotechnical investigations and trial pits, various site-specific constraints have come to light that were previously unknown, with ensuing cost implications. Some of these constraints were not foreseen within the risk component of the cost.

- 2.1.3. The provision of a lift connecting the ground floor and the deck was not included within the original parking deck specification. The requirement for a lift has evolved through discussions with various stakeholders within the Council. The provision of a lift will benefit parents with buggies, concessionaires, who form 10% of the Park and Ride patrons, and those with disabilities. The provision of a lift will help the Council meet their obligations under the Equality Act 2010.
- 2.1.4. Cost of electric equipment has also escalated due to the inclusion of additional electric vehicle charging infrastructure, which is a planning requirement now placed on all new planning applications since the original business case was submitted. This has necessitated the requirement for a new higher capacity transformer and the substantial installation costs charged by the relevant Distribution Network Operator.
- 2.1.5. To achieve the carbon-neutral target and in line with their declaration of a Climate Emergency, the Council are committed to incorporating renewables such as PV panels on all new developments. Therefore, as well as these additional items, new solar photo voltaic (PV) panels on a roof canopy, over the central section of the parking deck, are also likely to form part of the enhanced scheme. These will enable the enhanced facility to generate electricity for a variety of on-site purposes, including as electric vehicle charging points. The cost of a roof canopy incorporating the PV panels themselves will be borne by WBC, and its provision is therefore subject to a successful internal funding application by WBC. It should be noted that the provision of the PV canopies has not been included within this addendum as this element (which would be entirely funded by WBC if it were to go ahead) is not yet certain to proceed. If the funding for the PV panels is not immediately forthcoming, its potential provision would still need to be future-proofed within the parking deck design.
- 2.1.6. The preliminary design of the parking deck drainage system has revealed that the existing Sustainable Urban Drainage System (SuDS) system is not solely adequate or fully compatible with the drainage and attenuation requirements of the deck. Significant design modifications will be required, including the provision of additional attenuation tanks, to meet the drainage requirements of the deck as well as to increase the attenuation for climate change. These modifications are required to enhance the resilience of the existing system. A significant proportion of the increased scheme cost could be attributed to the modification of the SuDS.
- 2.1.7. Although the scheme is located within Flood Zone 2, the flood risk for the development itself is limited by the nature of the scheme by virtue of the

parking deck being raised from the ground. However, certain components of the parking deck including access ramps, proposed plant rooms, lift, power substation and the above-ground attenuation tanks have the potential to block or alter the natural flooding mechanisms within the floodplain.

Appropriate mitigation measures, which were not envisaged at the time of the original business case, have had to be embedded into the scheme, including the positioning of the attenuation tanks and electric substation on stilts and moving the plant rooms to the deck. These design modifications have also had an impact on the scheme costs.

- 2.1.8. One of the schemes considered under the original business case included improvements to the station building interior by revamping the passenger waiting area and ticketing office. Due to the increase in the scope of work envisaged for the proposed parking deck, and the ensuing cost uplift, it has now been decided to exclude the costs of station improvement works, which is anticipated to realise only modest economic benefits over the assessment period, from the current funding application.
- 2.1.9. The original business case also considered minor improvements to the pedestrian amenities in the station forecourt area by moving dropped kerbs and tactile paving to a better location, as well as improving access between the park and ride bus shelter and footbridge. This has now been superseded by the revised station access and urban realm improvements scheme which is covered within the second addendum to the business case.

3 STRATEGIC CASE

- 3.1.1. The strategic case for the parking deck is comprehensively outlined within the Winnersh Triangle Business Case. A brief summary of the key points, including the strategic benefits of the additional elements, is set below.
- 3.1.2. With road traffic congestion into the centre of Reading already at unsustainably high levels (and worsening if no intervention takes place), the new parking deck and the additional spaces will increase the capacity of the park and ride facility and will allow higher numbers of drivers to park here and use rail and bus services into Reading (as well as other locations in this busy corridor). Doing nothing at Winnersh Triangle station will mean that drivers are not offered an attractive, alternative means of transport and are therefore likely to remain in their cars rather than switch to an enhanced park and ride facility. Congestion relief will also mean that journey time reliability for commuters and other road users will be improved.
- 3.1.3. In its present form and with restricted parking capacity, the station cannot fulfil its potential both as a gateway to the local area and as a much-improved park and ride facility.
- 3.1.4. Doing nothing will mean that harmful vehicle emissions and high levels of noise associated with congested traffic conditions will continue (and will worsen as traffic levels increase).
- 3.1.5. The enhanced car park design will include spaces and charging points for electric vehicles which will help reduce the emissions that contribute to climate change. This will encourage increased use of electric vehicles given that the availability of charging points is a major consideration when the purchase of electric vehicles is being considered.

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- 3.1.6. Given that WBC have declared a “climate emergency”, the scheme will demonstrate the steps the Council is taking to reduce adverse environmental impacts and improve public health in the area, and to make the council carbon neutral by 2030. If the “do nothing” option is pursued, these will not be put in place and it will not be possible to meet one of the strategic objectives in the area, i.e. promoting more sustainable, environmentally friendly transport options.
- 3.1.7. To achieve the carbon-neutral target, the council is committed to incorporating renewables such as PV panels on all new developments. With the intention to now install solar PV panels at the enhanced car park, vehicle emissions will be reduced further as EVs will be charged with electricity generated by PV panels at Winnersh Triangle.
- 3.1.8. A range of new features at the station will benefit users and the local community. These include a new car park lift with step-free access and additional disabled parking. These, combined with the other enhancements, will greatly improve access and travel options for those who are either disabled or have some form of mobility impairment. These align well with many local and regional objectives and will help those who are disabled have access to a much wider range of opportunities.
- 3.1.9. The requirement for all LEPs to develop Local Industrial Strategies (LIS) for their respective geographical remit was set out by the Government in their Industrial Strategy White Paper, published in November 2017. The overarching aims of the White Paper are to a) improve UK’s overall productivity performance and b) ensure that future economic growth is inclusive. Thames Valley Berkshire LEP is among the third wave of Local Enterprise Partnerships spearheading the next round of Local Industrial Strategies due to be delivered to government in the spring of 2020.
- 3.1.10. Infrastructure is one of the five foundations of productivity as stated within the White Paper. The Berkshire LIS framework document states that there are high levels of traffic congestion in Berkshire, an ‘inevitable consequence (and cost) of economic buoyancy’. The document recognises that behavioural changes need to be a central part of the solution, which includes investing in sustainable modes of travel, in order to alleviate congestion on Berkshire’s roads.
- 3.1.11. One of TVB LEP’s key priorities, to realise their vision to become the ‘best of both global and local’, is ‘Priority 4: vibrant places and supportive infrastructure’. A key step identified to improve transport is to encourage modal shifts and the development of sustainable transport solutions. In relation to spatial development, the Berkshire LIS framework document recognises that ‘good use is made of sites close to railway stations and motorway junctions, and in strategic transport corridors, nurturing the development of connected ecosystems.’ It is considered that the parking deck scheme, revised access/forecourt and the urban realm improvements, which are in close proximity to the Winnersh Triangle station, would contribute towards achieving the Berkshire LIS objectives under Priority 4.

4 ECONOMIC CASE

-
- 4.1.1. Given that the predicted number of car trips captured by the proposed parking deck, in relation to its capacity, remains the same, there is no change in the transport user benefits for the parking deck, as set out within the post-business case technical note dated 14 May 2019. The technical note was prepared to discharge the conditions for approval set out in the Independent Assessment Summary report, which was produced by Hatch Regeris following submission of the Winnersh Triangle Park and Ride Scheme full business case to the Thames Valley Berkshire Local Enterprise Partnership.
- 4.1.2. All economic benefits associated with the improvements to the station building have now been removed from the updated economic appraisal as these do not form part of the current proposals.
- 4.1.3. An allowance of 12.5% has been allowed for risk on the Winnersh Triangle Parking Deck scheme. Through a combination of data obtained from the Ground Penetration Radar survey, trial holes within the car park and the cost estimates obtained for the provision of the new transformer from the Distribution Network Operator, there is high certainty around the statutory equipment supply and diversion costs. Results from the ground investigation survey do not indicate the need for any onerous foundation requirement. The most appropriate form of drainage strategy has also been established during the preliminary design stage. All these costs have been captured within the scheme costs and, therefore, sit outside the 'risk pot'.
- 4.1.4. Given that around two thirds of the construction base cost is for an 'off the shelf' parking deck for which a fair degree of benchmarking of cost has taken place, it was considered an allowance of 10% for this element would be sufficient (approx. $\frac{2}{3} \times 10\%$). The remainder of the works has been considered at around 20% due to that being less defined and presenting more ground condition risk (approx. $\frac{1}{3} \times 20\%$). The combination of this approach to the costing of risk resulted in our allowance of 12.5% which we consider to be robust.
- 4.1.5. TAG Unit 1.2 states that, as project-specific risks become better understood, quantified and valued, it should be possible to better capture the factors that contribute to optimism bias within the risk management process, leading to 'cost maturity'. Therefore, as risk analysis improves as a scheme develops, it is expected that the analysis feeding into the quantified risk assessment will become more certain, reducing the reliance on optimism bias uplifts. Although the risk analysis has improved for the Winnersh Triangle Parking Deck scheme, the optimism bias has been retained as 15% for the current update to the economic appraisal, in order to ensure a robust cost benefit appraisal. It should be noted that the optimum bias is only included in the economic appraisal for calculating the BCR, and not in the financial case which sets out the additional funding sought.
- 4.1.6. The Analysis of Monetised Costs and Benefits (AMCB), Public Accounts (PA) and Transport Economic Efficiency (TEE) tables for the parking deck scheme are provided at Appendix A. The AMCB for the core scenario is presented in Table 4-1. All costs are presented in market prices and values.

Table 4-1 – AMCB: Parking Deck
Item Costs and Benefits (In 2010 prices discounted to 2010)

Noise	-
Air Quality	-
Greenhouse Gases	-
Journey Quality	-
Physical Activity	-
Accidents	-
Economic Efficiency: Consumer Users (Commuting)	£5,216,000
Economic Efficiency: Consumer Users (Other)	£3,248,000
Economic Efficiency: Business Users and Providers	£633,773
Wider Public Finances (Indirect Taxation Revenues)	£787,000
Present Value of Benefits (PVB)	£9,884,773
Present Value of Costs (PVC)	£2,710,022
Net Present Value (NPV)	£7,174,751
BCR	3.65

4.1.7. The core scenario shows a BCR of 3.65, which is classed as providing High value for money.

5 FINANCIAL CASE

5.1 SCHEME COSTS

5.1.1. A breakdown of the scheme costs is set out in Table 5-1.

Table 5-1 – Scheme cost breakdown

Cost in 2019 prices	
Parking deck structure and foundation	£2,135,100
Works identified to replace the SuDS drainage (including pavements, earthworks, new storage tanks etc)	£483,083
Electric vehicle charging and related infrastructure including transformer, switch room, distribution board, plant room)	£275,000
Other MEP items - distribution board, fire alarm, HVAC to plant room & CCTV	£70,000
Lift	£125,000
Items of construction contingency for items not identified and precise detail/spec (allowed @3%)	£92,645
Preliminaries and overheads on civil and ancillary works excluding car park deck	£210,166
Work by Statutory undertakers and others	£150,000
Survey/Investigate/Design/Procure/Supervise/manage & liaise	£400,000
Sub-total	£3,940,994
Risk (12.5%)	£492,500
Risk-adjusted cost estimate excluding inflation	£4,433,494
Inflation (4%): 2019-2021	£177,200
Total budget estimate including inflation	£4,610,694
LGF already allocated	£2,845,140
S106 contributions	£1,050,000
Balance LGF sought	£715,554

5.2 BUDGET AND FUNDING COVER

5.2.1. An estimated budgetary impact summary is outlined in Table 5-2 split by the respective financial year. Overall, the local council (S106) contributions will fund approximately 23% of scheme outturn costs, with devolved funding required for the remaining 77%. All of the S106 contributions have already been secured and no risks, especially in terms of forward funding requirements, are therefore envisaged.

Table 5-2 – Budgetary impact summary

	2019-2020	2020-2021	2021-2022	Total
LGF Funds	£0	£3,560,694	£0	£3,560,694
S106 Contributions	£157,500	£262,500	£630,000	£1,050,000
Total	£157,500	£3,823,194	£630,000	£4,610,694

6 DELIVERY AND RISK

6.1 PROGRAMME AND DELIVERY

6.1.1. As per the current programme for the parking deck scheme, set out in Table 6-1, substantial start will be achieved on site by March 2021.

Table 6-1 – Car park deck programme

6.1.2. As per the current construction programme, there will be a period of overlap between the construction of the parking deck and the access, turning head and urban realm. To better manage resources on site, the phasing of the construction will be planned such that any overlap between critical activities that are common to both the parking deck and the access/turning head/urban realm is kept to a minimum.

6.1.3. The overall Scheme is likely to be constructed in five phases as described below. These construction phases will be refined and finalised by WBC's appointed contractor.

- Phase 0 - Enabling works (parking deck substructure and stats diversion at the new access)
- Phase 1 - Construction of the parking deck superstructure.
- Phase 2:
 - Remaining works at the surface car park (tarmac, SuDS reinstatement, signing and lining etc)
 - New fourth arm off Wharfedale Road Roundabout to be built 'offline' to retain bus access to Winnersh Triangle Station. This phase would include the construction of a bellmouth and approximately 45m of access road.
- Phase 3 - construction of the revised station forecourt, remaining access road and turning head. During this phase it is considered that temporary access to the railway station will be via the existing access road and Wharfedale Road south east arm. A temporary bus stop will be located within the existing bellmouth.
- Phase 4 - it is envisaged that access to the new station forecourt will be via the new access road and turning head, which will in turn allow the urban realm improvement works to be undertaken in the area of the

existing bellmouth and access road to the railway station. The dedicated right turn bus lane on Wharfdale road will be closed

- 6.1.4. The 'remaining works at the surface car park' in phase 2 will continue in parallel to phase 3 and, to a lesser degree, phase 4. The existing turning head will be operational during construction Phases 0, 1 and 2 and will close in Phase 3 in order to minimise disruption to station drop offs, buses and taxis. It is envisaged that a proportion of the main car park can stay in operation during phases 0, 3 and 4.

6.2 PROCUREMENT

- 6.2.1. With regards to procurement, VolkerHighways, WBC's term contractor, have already been appointed on an Early Contractor Involvement basis to provide early input into the design process. Given that the value of the car park work excluding design fees, risk, surveys and other investigations would be less than the Official Journal of the European Union (OJEU) threshold of £4.73m, the intention is for the work to be directly awarded to VolkerHighways without going through the competitive tendering process. Given the specialist nature of the works, VolkerHighways intends to sub-contract the design and construction of the parking deck to a specialist Design and Build supplier.

Benefits of this approach include:

- Use of 'off-the-shelf' design which would minimise detailed and fabrication design times.
- Tried and tested methods of construction using prefabricated modular elements, which will significantly reduce construction times, compared to traditional construction methods.
- Higher certainty of costs for items that are included under the Design and Build supplier's remit.

- 6.2.2. VolkerHighways have undertaken a due diligence of various parking deck suppliers in the UK by evaluating them on their experience, reputation, quality of work and value for money. Following this exercise, VolkerHighways have identified a specialist supplier who would undertake the design and build of the parking deck. The due diligence work undertaken by VolkerHighways would ensure that the preferred specialist supplier offers the right balance between cost and quality.

- 6.2.3. Whilst the parking deck superstructure will be built by a specialist supplier, construction of the sub-structure and other ancillary civils work on the ground will be undertaken by VolkerHighways under the terms of their existing contract with WBC, which covers costs of such items, thereby ensuring cost certainty and value for money.

6.3 RISKS

- 6.3.1. It is anticipated that some utility diversions will be required as a consequence of the scheme. These diversions could involve some engineering challenges; however, early contractor involvement will mitigate against any potential utility or construction risks. In light of the surveys undertaken to date, including trial hole surveys that will assist in establishing the location of apparatus in key areas, there is high certainty on the ground conditions as well as the statutory

equipment diversions. These have been comprehensively captured within the scheme cost estimate.

- 6.3.2. WSP, who are acting as the Principal Designer for the scheme has been coordinating with utility companies through the C3 process to minimise risk during the construction programme. Through a combination of trial hole surveys, which have provided a good indication of the actual depth of the stats equipment, and the C3 quotes obtained from various utility companies including the Distribution Network Operator, there is a high degree of confidence in the cost of utility supply and diversions at this stage.
- 6.3.3. No planning risks are currently anticipated. It is expected that all outstanding technical queries and requests for information, sent by the respective officers at the Council, can be satisfactorily addressed. Any subsequent changes to the design, during the design and build stage, would be subject to a minor/material amendment application. The planning timescale for a material amendment application is 8 weeks, which can be accommodated within the current project timescales.
- 6.3.4. Key risks to the programme are:
- COVID-19
 - Delays to completion of the detailed design due to suppliers and utility companies being affected by the COVID-19 situation. There may be potential delays to the construction stage as well, if suppliers are unable to source materials to scheduled timescales. This is a residual risk common to all such projects at present, and will remain as such for the foreseeable future, since uncertainty around the pandemic lockdown continues to evolve.
 - Availability of an alternative car park
 - Uncertainties around the availability of an alternative car park when the existing car park is closed for construction. The existing car park may have to be closed either fully or partially to facilitate safe construction. The former Loddon Valley park and ride car park adjacent to the Showcase cinema, located immediately to the west of the Winnersh Triangle car park, has been identified as the preferred alternative car park during construction. However, owners of the car park have informed the council of a risk that the car park may be subject to change of ownership, as well as a potential change of land use, in which case the car park may not be available for use during construction. This may be mitigated through a combination of keeping the existing car park partially operational by means of adequate traffic management measures, and by suspending a proportion of the parking during construction. The Council will ensure that stakeholders including Network Rail and Reading Buses are adequately consulted in arriving at a solution that is acceptable to all parties.
 - The temporary measures could potentially have an impact on the revenue from the car park and the bus operations. However, the Council are actively seeking alternative parking solutions including the use of the former Loddon Valley park and ride site and also, as a potential fallback, Thames Valley Park and Ride, which is due to open in the next few months, for temporarily relocating the bus P&R element. The western end of the existing Winnersh Triangle P&R has been identified to accommodate the rail users who make up approximately 20% of the car park users. The western end of the car park is

outside the area affected by the construction activities and would therefore offer a viable solution to cater for the rail users.

- The loss of parking revenue during the temporary (part) closure of the existing car park is expected to be minimal as the bus Park and Ride users currently pay for parking on the bus as part of their ticket purchase. This arrangement will continue to be in place regardless of the temporary relocation of the bus Park and Ride to any alternative site. It is not expected that there will be any loss of rail ticket revenue as a sufficient portion of the car park is planned to be kept open to serve rail users. However, if there were to be any such loss this would be borne by South Western Railways. Bus ticket revenue reduction is expected to be limited as the bus is likely to be run from another location but any reduction in use would impact on Reading Buses who run this as a commercial service. WBC are liaising with them about temporary arrangements during construction
 - Potential changes to design
- Changes to the parking deck design during the detailed design stage, which may have a cost implication. In order to mitigate this risk, the design will be subject to regular reviews to ensure that the costs do not exceed the current funding allocation.
- Before the specialist supplier enters into a formal contract to commence the design and build, WSP have requested VolkerHighways and their supplier to provide a firm budget price estimate based on their proposed design proposal and the deck performance specification. The provisional cost estimate, which is expected over the next few days, would assist in ascertaining whether the overall scheme cost is affordable within the current funding allocation. In addition, the cost of the superstructure will be benchmarked against cost estimates independently obtained by WSP from other suppliers across the UK to ensure that the supplier's costs are comparable, consistent or better than their competitors. Risk of potential cost escalation will be proactively managed through value engineering and ensuring that the scope of work or the performance specification is agreed upfront to avoid any 'scope creep'.

7 SUMMARY

- 7.1.1. Since the FBC was submitted in March 2019, the scope of the car parking improvements and overall works at the station has changed significantly. Currently, there are many new elements to the scheme, some of which will generate additional benefits, whereas others are fundamental to the successful design and delivery of the original scheme but were not identified during the business case submission due to the lack of design maturity at the time
- 7.1.2. The strategic case of the scheme is very compelling. Doing nothing at Winnersh Triangle station will mean that drivers are not offered an attractive, alternative means of transport and are therefore likely to remain in their cars rather than switch to an enhanced park and ride facility. Congestion relief will also mean that journey time reliability for commuters and other road users will be improved. The scheme would engender a number of additional benefits including the provision of electric vehicle charging and PV panels, which will contribute to the Council's sustainability objectives for the borough.

-
- 7.1.3. With a core BCR of 3.65, the scheme would generate high value for money.
- 7.1.4. Subject to potential delays around the evolving COVID-19 situation, it is anticipated that the scheme would be able to achieve a 'substantial start on site' by March 2021.

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