BERKSHIRE LOCAL TRANSPORT BOARD

REPORT TO: Board   **DATE:** 18th July 2013

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

PART I
FOR DECISION

PRIORITISATION METHODOLOGY

Purpose of Report

1. At the inaugural meeting of the Berkshire Local Transport Body, held on 14 March 2013, you adopted the Founding Document. This had been prepared in accordance with the DfT guidelines for Assurance Frameworks.

2. Paragraph 11 of the Founding Document says:

    "11. Development of Scheme Programme (Guidance Paragraphs 36-46): BLTB will develop a methodology for the prioritisation of schemes using at least the following criteria (or suitable proxies):
    Maximum strategic impact
    Economic impact
    Value for money
    Deliverability
    Environmental impact
    Social/distributional impact"

3. This report sets out the detailed prioritisation methodology that has been developed by the Berkshire Strategic Transport (Officers) Forum, with advice from officials of the DfT.

Recommendation

4. The Board is requested to:

    (a) Adopt the Prioritisation Methodology and Scheme Pro-forma set out at Appendixes A and B.
    (b) Ask the Officers to conduct a review of the first use of the Prioritisation Methodology and bring back further proposals for its refinement later in the year.

Other Implications

<u>Financial</u>

5. Department for Transport funding for major schemes will be entirely allocated through Local Transport Bodies. The BLTB Assurance Framework commits you to the development of a Prioritisation Methodology, and without one, you will be unable to allocate the devolved funding. The adoption of the Prioritisation Methodology will ensure compliance with the DfT's requirements.

Risk Management

Risk	Mitigating action	Opportunities
Legal BLTB decisions or schemes challenged	Accountable Authority ensures decisions adhere to Assurance Framework and Addendum, and maintains records	Ensure good value for money and transparent decision making
Financial If the Prioritisation Methodology is not adopted, or if adopted is not followed, funding will not be released, and no funding available for major schemes	Approve Prioritisation Methodology. Accountable body ensures adherence with it.	Major scheme funding pooled across Berkshire to support transport schemes which deliver regional benefits
Timetable for delivery Deadline for submission of Prioritised Schemes (end July 2013) is missed	Prioritisation Methodology has been the subject of extensive development and testing by the BST(O)F, and members of the BLTB have been briefed during its development.	Release of devolved funds to BLTB and allocation to a number of prioritised schemes

Human Rights Act and Other Legal Implications

6. The Prioritisation Methodology has been prepared in full consultation with the Berkshire Strategic Transport (Officers) Forum. The members Forum considered a draft in March 2013, and individual members of the BLTB have been briefed during its subsequent development.

Supporting Information

7. The Methodology has been through 7 drafts, and has been the subject of a number of revisions and improvements. The main developments have been:

   - The addition of a seventh factor – "matched funding"
   - The introduction of a referral process for schemes too large for the funding available (ie in excess of £22m). These very large scheme will be referred to the LEP's Strategic Infrastructure Process
   - The introduction of a minimum scheme value – Gross scheme costs have to be higher than £1.5m
   - The recognition that schemes which have no prospect of a start on site during the spending period cannot be eligible to compete for funds that have to be spent in that period
   - The weighting of the seven factors as follows:

Factor	Weighting
Maximum Strategic Impact	20%
Economic Impact	20%
Value For Money	15%
Ease of Deliverability	15%
Matched Funding	10%
Environmental	10%
Social	10%
Total	**100%**

- The decision to "over-programme" the available funds by 200%
- The decision to include at programme entry all schemes with same priority ranking as a scheme which is at the cut-off point of 200% of available funding
- If, for whatever reason, the value of the schemes qualified at Programme Entry stage falls below 200% of the unapproved funds available, then there will be a fresh call for proposals and a further use of the methodology to decide which schemes to include at Programme Entry stage

Progress to date

8. There is a detailed report elsewhere on the agenda covering the application of the methodology to the 28 proposals submitted for consideration.

9. You are advised to ask the officers to review the first use of the methodology after meeting, and bring back further proposals for refinement and improvement.

Conclusion

10. In order to access devolved major scheme funding, Local Enterprise Partnership areas must form Local Transport Bodies in partnership with Local Authorities. Berkshire Local Transport Body is analogous with the boundaries of TVB LEP and the six Berkshire authorities, and has established an Assurance Framework based on Department for Transport guidance. The Assurance Framework commits the BLTB to establishing a Prioritisation Methodology.

Appendices Attached
'A' - Proposed Prioritisation Methodology for the Berkshire Local Transport Body

Background Papers
None

Berkshire Local Transport Body

Proposed Prioritisation Methodology

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Summary

1. Generally, the scheme gives a stronger assessment to claims that are quantified or supported by evidence. At the prioritisation stage, this evidence will be tested and scrutinised by the BST(O)F and BLTB meetings; all claims should be appropriately referenced or sourced.

2. Throughout the tables below, there are examples of the sort of claims or evidence that would support a particular judgement of high, medium or low against each factor (called Examples of Descriptors), and the test that will be applied (called Scoring Guide) in deciding what judgement to make.

3. On each factor, a scheme will be awarded the highest mark that is supported by the submission. So if a scheme submission matches both the examples for a Medium and a High judgement, it will be judged High.

4. In completing submissions, it will be necessary to identify both the gross cost of the scheme, and the contribution sought from the BLTB.
   a. The gross cost of the scheme will be used when considering VFM calculations
   b. The net cost (the contribution sought from the BLTB programme) will be recognised in the Matching Funds Factor.

5. There are three factors which, if triggered, will prevent a scheme from progressing through to consideration for BLTB funding: two relate to schemes which fall outside the target range of scheme values (either too small or too large); and one to schemes which are not capable of a start on site during the 4 year programme (2015-2019).

6. Very large schemes, which have the potential for the greatest strategic economic impact, will be referred on the LEP Strategic Planning process. It is important that interesting schemes, which are worth in excess of £22m, or have really long gestation periods which would not satisfy the deliverability criteria, should be encouraged, and referred on to an appropriate forum.

7. For these reasons, local authorities are encouraged to prepare pro forma submissions for schemes that are high value and/or have uncertain deliverability, in the expectation that they will not proceed for consideration for BLTB funding, but will get referred on to the LEP's Strategic Infrastructure planning process.

8. The scores for each factor will be allocated in two stages. The first raw score will be 3 points for high, 2 points for medium and 1 point for low.

9. The second weighted score will reflect the following weightings of the factors in the overall prioritisation:

Factor	Weighting
Maximum Strategic Impact	20%
Economic Impact	20%
Value For Money	15%
Ease of Deliverability	15%
Matched Funding	10%
Environmental	10%
Social	10%
Total	**100%**

10. The calculation will be performed according to the following table:

Factor	Raw Scores			Weighting	Weighted scores		
	High	Medium	Low		High	Medium	Low
Maximum Strategic Impact	3	2	1	X 2	6	4	2
Economic Impact	3	2	1	X 2	6	4	2
Value For Money	3	2	1	X 1.5	4.5	3	1.5
Ease of Deliverability	3	2	1	X 1.5	4.5	3	1.5
Matched Funding	3	2	1	X 1	3	2	1
Environmental	3	2	1	X 1	3	2	1
Social	3	2	1	X 1	3	2	1
Total					**Max=30**		**Min=10**

11. The range of possible scores will be 10 (all low scores) – 30 (all high scores). A ranking putting all the submitted schemes in order will be produced.

12. It will then be necessary to decide how many schemes to qualify for Step 2 Programme Entry. This decision will depend on the relationship between the £22m available and the funds sought from BLTB for the schemes with the highest scores. The methodology will work on the basis of an over-programming factor of 200%. This will allow us to react to timetable slippage, increased approval of funds, or other contingencies.

13. A worked example is given below:

		Weighted Score	Rank	BLTB Contribution sought	Cumulative BLTB contribution sought	Percentage of £22m
1	Scheme A	23.5	1.5	2,500	2,500	11%
2	Scheme B	23.5	1.5	4,000	6,500	30%
3	Scheme C	23	3	1,000	7,500	34%
4	Scheme D	22	4	2,750	10,250	47%
5	Scheme E	20.5	5	7,000	17,250	78%
6	Scheme F	18	6	2,130	19,380	88%
7	Scheme G	17.5	7.5	3,876	23,256	106%
8	Scheme H	17.5	7.5	1,000	24,256	110%
9	Scheme I	16	10.5	1,500	25,756	117%
10	Scheme J	16	10.5	2,700	28,456	129%
11	Scheme K	16	10.5	4,000	32,456	148%
12	Scheme L	16	10.5	8,000	40,456	184%
13	Scheme M	15	14	2,491	42,947	195%
14	Scheme N	15	14	1,873	44,820	204%
15	Scheme O	15	14	2,872	47,692	217%

Programme Entry Cut-off set at 200% over-programming, including all schemes with an equal priority to the scheme at the cut-off point.

		Weighted Score	Rank	BLTB Contribution sought	Cumulative BLTB contribution sought	Percentage of £22m
16	Scheme P	14	16.5	1,900	49,592	225%
17	Scheme Q	14	16.5	3,987	53,579	244%
18	Scheme R	13	18.5	2,876	56,455	257%
19	Scheme S	13	18.5	5,987	62,442	284%
20	Scheme T	12	20	7,321	69,763	317%
21	Scheme U	11	21	5,000	74,763	340%
22	Scheme V	10	22	2,000	76,763	349%

14. It will be seen that at this stage, it is not necessary to resolve any ties within the weighted scoring process.

15. As the work of the BLTB progresses, all schemes that are active at the Programme Entry stage will be kept under review, as their proposers work up the detail according to the BLTB Founding Document. Some schemes will progress towards assessment, independent scrutiny, and final approval. These will be processed in order according to their original ranking. However, some schemes will fail to progress, and will either be delayed in being brought forward for final assessment, or in some cases withdrawn from the programme by their proposers. In the event that the value of the schemes in the Programme Entry Stage falls below 200% of the available funds (taking account of funds already committed to approved schemes, and of changes in the overall funding available), the BLTB may make a further call for submissions to be assessed by the initial scheme prioritisation methodology.

The Scoring Methodology for the Seven Factors

1		Examples of Descriptors	Scoring Guide
Maximum strategic impact	High	• Improved access to the strategic housing development of 1500 homes • Clear link to SIP – improve links between M4 and M3 • It has a direct bearing on the proposed Strategic Development Location • Potential cross-boundary scheme with neighbouring LEP area	A high score will be awarded to proposals which can demonstrate clear links to the Government's wider objectives and the LEP's Strategic Plans
	Medium	• Protected alignment in the Local Plan and Core Strategy Infrastructure Delivery Plan. • Positive impact on Housing Estate Regeneration. • It contributes to creating more reliable journey times along a strategic corridor	A medium score will be awarded to proposals which can demonstrate clear links to an Authority's adopted Local Development Framework and/or Local Transport Plan.
	Low	• Improved journey times along corridor • No clear link to SIP	A low score will be awarded to all other proposals

2		Examples of Descriptors	Scoring Guide
Economic impact	High	• This scheme will also support development which will add 39,322 sq m of retail space and bring 400 jobs to the area • The scheme will support the delivery of the 1400 dwellings identified in the Core Strategy • The scheme will facilitate development of 25,000m2 of retail space 60,000m2 of office space and 800 new dwellings. • Total number of additional homes is expected to be in the region of 6,000. • 85,800sqm of employment development. • SDL incorporates up to 15,000sqm of employment.	A high score will be awarded to a proposal which can quantify (in terms of floor space, jobs, houses or other evidence) a major regeneration, large new development or other substantial impact on the economy which is directly linked to the transport scheme
	Medium	• enabling commercial and residential development • Enabling redevelopment for housing of frontage properties currently blighted. • Enhancing the attractiveness of town centre and associated major redevelopment sites • used by more HGVs and other commercial vehicles than any other road in the Borough • Supports sustainable tourism by linking to National Cycle Network Route 4 and the Thames Path National Trail. • Supporting Town Centre Regeneration	A medium score will be awarded to a proposal which can quantify (in terms of floor space, jobs, houses or other evidence) EITHER a regeneration, new development or other minor impact on the economy which is directly linked to the transport scheme; OR a major regeneration, large new development or other substantial impact on the economy which is indirectly linked to the transport scheme
	Low	• GVA to be investigated • Improving journey times and reliability • Customers and suppliers will also benefit from better access, improved journey times, and lower vehicle operating costs • Reducing congestion on a key highway corridor	A low score will be awarded to all other proposals.

3		Examples of Descriptors	Scoring Guide
Scheme Value for money	High	• A TUBA assessment undertaken in December 2012 yielded a Benefit to Cost Ratio (BCR) of 4.524 • BCR 3.17:1	A high score will be awarded to a proposal with a calculated BCR of 2 or higher
	Medium	• BCR 1.75:1	A medium score will be awarded to proposals with a calculated BCR of 1 or higher, but less than 2
	Low	• The improvements have been modelled using a VISUM • The scheme will bring in third party funding of nearly £0.5m • Local contributions are expected to amount to about 50% of total cost • To be investigated • Un-quantified at present	A low score will be awarded to proposals with a calculated BCR less than 1. OR No BCR calculated

4			Examples of Descriptors	Scoring Guide
Ease of deliverability	Cannot progress		• No timetable supplied • Poor narrative or poorly explained plans • Ambitious timetable stretching beyond the 2015-2019 period	Proposals which have no prospect of a start-on-site during the spending period or are too lengthy will not progress to consideration for funding.
	High		• Timetable showing start-on-site and completion • Supporting narrative giving credence to timetable • Few or no conditionalities • Planning and other permissions secured • Land acquisition complete	A high score will be awarded to proposals which have a credible prospect of achieving completion in the spending period
	Medium		• Timetable showing start-on-site and completion • Supporting narrative giving credence to timetable • Several conditionalities • Preliminary design completed • Partners identified	A medium score will be awarded to proposals which have competed preliminary work, and have good prospects of a start-on-site during the spending period
	Low		• Partial timetable showing start-on-site and completion • Partial supporting narrative giving credence to timetable • Many conditionalities	A low score will be awarded to proposals which have significant conditionality with consents, funding contributions or other uncertainties, and have low prospects of a start-on-site during the spending period

5			Examples of Descriptors	Scoring Guide
Matching Funds	Cannot progress		• Stated Values	Proposals with Gross Scheme costs less than £1.5m OR with BLTB contribution sought greater than £22m will not progress to consideration for funding
	High		• Gross Value £3m. s.106 and LA Capital Programme share £2m (66%); funds requested from BLTB £1m (33%).	A high score will be awarded to a proposal which can demonstrate matching (at least 50%) funds from other sources. BLTB contribution less than 50% of gross value.
	Medium		• Gross Values £5m. Developer contributions £1m (20%); other grants £1m (20%); BLTB share £3m (60%)	A medium score will be awarded to a proposal which can demonstrate matching (20-50%) funds from other sources. BLTB contribution 50-80% of gross value.
	Low		• Gross Value £3.5m all from BLTB (100%)	A low score will be awarded to all other schemes. BLTB contribution over 80% of gross value.

6		Examples of Descriptors	Scoring Guide
Environmental impact	High	• No adverse noise, biodiversity, heritage or water environment impacts.	A high score will be awarded to proposals which can quantify a positive impact OR can demonstrate that mitigating measures will significantly reduce any negative impacts on one or more of the following: • greenhouse gas emissions; • air quality; • noise disturbance; • natural environment, heritage and landscape; and • streetscape and urban environment.
	Medium	• minor benefits in terms of air quality / carbon emissions compared to the 'do nothing' situation	A medium score will be awarded to proposals which make un-quantified positive claims about impact on the above environmental factors OR can demonstrate that mitigating measures will reduce negative impacts
	Low	• Carbon emissions will be reduced through a more direct route for freight vehicles • Decrease in the number of people affected by noise and improvements in local air quality • Reducing slow moving/ queuing traffic would contribute to reduction in NO2 emissions in AQMA • Positive impact on carbon emissions. • Promoting public transport over private car use	A low score will be awarded to all other proposals

7			Examples of Descriptors	Scoring Guide
Social/distributional impact	High		• This stretch of road, including the junction, is responsible for an annual 40 slight injury accidents (approx 5% of the Borough's overall figure) and a further 8 KSI accidents in the last three years. The scheme is designed to reduce both these figures by half in three years following completion.	A high score will be awarded to proposals which can quantify a positive impact on, OR can demonstrate that mitigating measures will significantly reduce any negative impacts in relation to one or more of the following: • regeneration; • personal affordability; • physical activity; • road accidents; • crime and security; • access to a range of goods and services; and • community severance
	Medium		• Positive impact for the communities affected by rat-running • Facilitates residential development including new primary school and extra care home facility • Reduced risk of accidents as result of better management of traffic and better provision for road crossings. • It is likely that the scheme would lead to impacts that would require full SDI appraisal.	A medium score will be awarded to proposals which make un-quantified positive claims about impact in relation to the above social/distributional issues OR can demonstrate that mitigating measures that will reduce but do not eliminate negative social/distributional impacts
	Low		• Allowing opportunities to develop local walking and cycling improvements • Improved journey times to and from London • There are no significant impacts. • It is unlikely that the scheme would lead to any impacts that would require full SDI appraisal. The expected impacts are likely to be both marginal in extent and dispersed among people groups or spatially.	A low score will be awarded to all other proposals

Berkshire Local Transport Body

Pro-forma for Consideration of a Transport Scheme at Programme Entry Stage

Section 1: Headline Description

Local Authority	
Number	(a simple sequence, 1,2, 3 etc to distinguish your schemes)
Short Name	Max 10 words
Short Description	Max 30 words
Gross Scheme Cost	£x,xxx,xxx
BLTB Contribution Sought	£y,yyy,yyy
BLTB contribution as a percentage of the gross	z.z%

The headline information in this first section will be reproduced in summary schedules for public reports. Words used beyond the stated limits will be discarded.

Section 2: General Description

Statement in support of the Scheme	Max 250 words of general description, justification and setting the scheme in its context

Section 3: Detailed Statements Addressing the Seven Factors

The detailed scoring methodology is described above, and examples of descriptors have been given as a guide. Please fill in each box with relevant statements, with references to evidence or sources. There are no word limits for these sections.

Strategic Impact	
Economic Impact	
Value For Money	
Ease of Deliverability	
Matched Funding	
Environment	
Social and Distributional	

Section 4: Contact Details

Authorised by:	
Job title:	
Email:	
Telephone:	
PA (if any):	

Deadline for return:
Please return to: Richard Tyndall (Richard.tyndall@thamesvalleyberkshire.co.uk) 07880-787007