

## **BERKSHIRE LOCAL TRANSPORT BODY (BLTB)**

**REPORT TO:** BLTB **DATE:** 24 July 2014

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

### **PART I**

#### **Financial Approval 2.07 Bracknell: Coral Reef Roundabout**

##### ***Purpose of Report***

1. To consider giving financial approval to scheme 2.07 Bracknell: Coral Reef Roundabout.
2. The Coral Reef Roundabout is a pinch point on the main M4/M3 connecting route. This project will deliver significant improvements to the A4/A3290/A329(M)/A322 highway corridor. The project will help accommodate movements and reduce congestion between Reading, Wokingham, Bracknell, Bagshot, Guildford and beyond.
3. This scheme will complement other investment along this corridor both approved, (Reading A4 Eastern Gateway, Winnersh Triangle Park and Ride; M4 J10 Pinch Point scheme, Coppid Beech Junction Pinch Point scheme, Bracknell Twin Bridges scheme) and planned (Reading: Eastern TV MRT; Reading: Eastern Park and Ride; Bracknell Martins Heron Junction).
4. This scheme will convert the junction from a roundabout to urban traffic control, which will have the effect of increasing the overall capacity of the junction. Its aim is to improve journey times at a relatively low cost. There are high levels of traffic merging on the area throughout the day, not just in peak hours. It is a major freight route as well as one that carries short and long distance commuters.

##### ***Recommendation***

5. You are recommended to give scheme 2.07 Bracknell: Coral Reef Roundabout full financial approval in the sum of £2,100,000 in 2015/16 on the terms of the funding agreement set out at paragraph 14 step 5 below, subject to:
6. Written confirmation from WYG, the Independent Assessor, that all aspects of the DfT's current requirements for a full business case for a scheme of this size have been met.

##### ***Other Implications***

##### **Financial**

7. Scheme 2.07 Bracknell: Coral Reef Roundabout is one of the named schemes that received approval for spending in 2015/16 in the [Thames Valley Berkshire Local Growth Deal<sup>i</sup>](#) announced on 7 July 2014.
8. This report recommends, subject to one condition, that Bracknell Forest Council be authorised to draw down the capital sum £2,100,000 allocated by the government for this scheme.
9. The funding agreement set out at paragraph 14 step 5 sets out the roles and responsibilities, reporting and auditing arrangements, timing and triggers for payments, contributions from other funders, consequences of delay, consequences of failure, claw back, and evaluation requirements at one and five years on.

**Risk Management**

10. The risk management arrangements already put in place by the Local Transport Body are as follows:
  - The [Assurance Framework<sup>ii</sup>](#) has been drafted following DfT guidance and has been approved by the DfT for use in allocating capital funds for transport schemes
  - White Young Green (WYG) have been appointed as Independent Assessors and have provided a full written report (see Appendix 1) on the full business case for the scheme
  - The funding agreement set out at paragraph 14, step 5 makes clear that the financial risk associated with implementation of the scheme rests with the scheme promoter.

**Human Rights Act and Other Legal Implications**

11. The scheme promoter is a local authority and they have to act within the law. Slough Borough Council will provide legal support for the BLTB, should any questions arise.

**Supporting Information**

12. The risks associated with delivering the project are considered to be straightforward and amenable to well-understood management practices. The scheme will be carried out within adopted highway and therefore does not require planning permission. The project will be delivered by Bracknell Forest Council's Highways Term Contractor which significantly streamlines the procurement process.
13. The full details of the scheme are available from the [Bracknell Forest website<sup>iii</sup>](#). A summary of the key points is given below:

Detailed design completion	July 2014 – October 2014
Finalise/order utility diversions	December 2014
Utility diversion lead in time	January 2015 – March 2015

Utility diversion works	April 2015 – May 2015
Construction	June 2015 – November 2016

Source of funding or type of contribution	Cost
Provisional profiling of BLTB drawdown	2015-16: £2,100,000
Local contributions from.....	
- Section 106 agreements	2016-17: £265,000
- BFC Capital Programme	2016-17: £635,000
In addition, BFC has already invested as follows:	
- Preparation of and fees associated with Surveys, Modelling, Design, Utilities	£30-60,000
- Officer time	Full costs not yet known
<b>Total Scheme Cost</b>	<b>In excess of £3.0million</b>

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

Assurance Framework Check list	Coral Reef Roundabout			
Step 1: Development of Scheme proposal; initial sifting, scoring and prioritisation leading to award of Programme Entry Status. (See paragraphs 11-13)	The scheme was originally developed by Bracknell Forest Council in response to its adopted Core Strategy Development Plan Document (Feb 08) which identifies the vision for growth to 2026 which includes around 11,000 new dwellings. It was included in LTP 3 at line 76 of the implementation plan.			
	In 2013, the outline scheme was assessed in accordance with paragraphs 11 and 12 of the Assurance Framework and given 23 points and ranked 4 <sup>th</sup> of the 28 schemes originally submitted.			
	Factor	Raw score	Weighting	Weighted score
	Maximum strategic Impact	3	2	6
	Economic Impact	2	2	4
	VFM	3	1.5	4.5
	Ease of Deliverability	3	1.5	4.5
	Matched Funding	2	1	2
	Environmental	1	1	1
	Social	1	1	1
Total			23	
Programme Entry Status was awarded at <a href="#">the BLTB meeting on 18 July 2013<sup>v</sup></a> .				
The scheme was subsequently considered again for inclusion in the Strategic Economic Plan. A similar assessment process was used and the scheme was given 27 points and ranked equal 9 <sup>th</sup> of 37 schemes originally submitted and 7 <sup>th</sup> of the schemes that were included in the SEP.				
Factor	Raw	Weighting	Weighted	

		score		score
	Strategy	3	1.5	4.5
	Deliverability	3	2	6
	Economic Impact	3	4	12
	TVB area coverage	2	1.5	3
	Environment	2	0.5	1
	Social	1	0.5	0.5
			Total	27
Step 2: Programme Entry: evolution of the scheme from outline proposal to full business case, external view on the business case, and independent assessment (See paragraphs 15 and 16)	<p>The progress of the scheme was reported to the BLTB meetings held on <a href="#">14 November 2013</a><sup>vi</sup> and <a href="#">13 March 2014</a><sup>vii</sup>.</p> <p>The outline of the scheme has been publicly available <a href="#">TVB LEP website</a><sup>viii</sup> since July 2013.</p> <p>A fuller version has been available in the <a href="#">SEP Implementation Plan Annexe</a><sup>ix</sup> (scheme 2.07 page 48) in draft since December 2013 and in the final version since March 2014.</p> <p>The <a href="#">Bracknell Forest website</a><sup>x</sup> 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 BFC have been fully considered during the development of the scheme.</p> <p>The report of the Independent Assessor is attached at Appendix 1. The Independent Assessor was asked to report as follows:</p> <ul style="list-style-type: none"> <li>• Completeness – has the promoter prepared a complete Full Business Case submission, when judged against the prevailing advice from the DfT</li> <li>• Accuracy – has the promoter performed the relevant calculations and assessments accurately and without error</li> <li>• Relevance – has the Full Business Case considered all relevant matters, including use of appropriate forecasting models and planning assumptions, and has it included any irrelevant considerations such as unduly-optimistic assumptions or out of date modelling data</li> <li>• Value for Money – does the scheme promoter's Value for Money assessment comply with the prevailing DfT guidance</li> <li>• Evaluation arrangements – has the scheme promoter made provision for appropriate post-implementation evaluation of the scheme.</li> <li>• Remedies – where the independent assessment reveals a gap between the FBC supplied and the standard anticipated by the DfT guidance, then the advice for the LTB should include recommendations for remedial actions required – e.g., collection of further data, sensitivity tests on particular assumptions etc.</li> </ul>			
Step 3: Conditional Approval	<p>The Independent Assessor has recommended that in this case a Conditional Approval is appropriate. The Assessment has returned a positive judgement on the scheme, but has noticed that there are some minor areas where the business case submitted for assessment falls short of the requirements set out by the DfT. The Independent Assessor has said that the missing components do not compromise</p>			

	the positive assessment of the value for money of the scheme.
<p>Step 4: Recommendation of Financial Approval</p> <ul style="list-style-type: none"> <li>- High Value for Money</li> <li>- Support of the Independent assessor</li> </ul>	<p>The scheme has a Benefit- Cost Ratio (BCR) of 5.92. A sensitivity test modelled an alternative BCRs against more pessimistic assumptions, resulting in a score of 2.65.</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 be described as having High or Very High Value for Money.</p> <p>As noted above the scheme has the conditional support of the Independent Assessor.</p> <p>The recommendation is that you give the scheme Conditional Approval.</p>
<p>Step 5: Formal Agreement</p> <ul style="list-style-type: none"> <li>- roles</li> <li>- responsibilities</li> <li>- reporting</li> <li>- auditing</li> <li>- timing and triggers for payments,</li> <li>- contributions from other funders,</li> <li>- consequences of delay,</li> <li>- consequences of failure,</li> <li>- claw back,</li> <li>- evaluation one and five years on</li> </ul>	<p>Roles: The BLTB is a part funder of the scheme. Bracknell Forest Council is the scheme promoter, and is the relevant highway and planning authority.</p> <p>Responsibilities: The BLTB is responsible for allocating the capital finance in accordance with the Assurance Framework. Bracknell Forest Council is responsible for all aspects of the design, procurement, construction and implementation of the scheme, including its responsibilities as highway and planning authority, and any other statutory duties.</p> <p>Reporting: In addition to any reporting requirements within Bracknell Forest Council, the scheme promoter will also make summary reports on progress to each meeting of the BLTB until the scheme reaches practical completion. In particular, Bracknell Forest Council will report on any change in the size, scope or specification of the scheme; and on any substantial savings against the scheme budget whether achieved by such changes to the size, scope or specification of the scheme, or through procurement, or through the efficient implementation of the scheme.</p> <p>Auditing: If and when the DfT or Slough Borough Council (acting as accountable body for the BLTB) requests access to financial or other records for the purposes of an audit of the accounts, Bracknell Forest Council will cooperate fully.</p> <p>Timing and Triggers for payments: Bracknell Forest Council will submit an annual invoice for each financial year together with a certificate of work completed. Slough Borough Council (acting as accountable body for the BLTB) will satisfy itself of the correctness of the certificate before paying the invoice.</p> <p>Contributions from Other Funders: Bracknell Forest capital programme will contribute £635,000 in 2016/17; in addition there will be £265,000 of s.106 contributions secured by Bracknell Forest Council in 2016/17</p> <p>Consequences of Delay: In the event that the scheme experiences minor delays to its programme (no more than 10 weeks), Bracknell Forest Council will report these delays and the reasons for them, and the proposed remedial action to the next available meeting of the BLTB. In the event that the scheme experiences major delays to its</p>

	<p>programme (11 weeks or longer) Bracknell Forest Council will be required to seek permission from BLTB to reschedule any payments that are due, or may be delayed in falling due because of the delay to the programme.</p> <p>Consequences of Failure: As soon as it becomes apparent to Bracknell Forest Council that it will not be possible to deliver the scheme at all, written notice shall be given to Slough Borough Council (acting as accountable body for the BLTB). No further monies will be paid to Bracknell Forest Council after this point. In addition, consideration will be given to recovering any monies paid to Bracknell Forest Council in respect of this scheme.</p> <p>Claw back: If the overall scheme achieves savings against budget, these savings will be shared by the BLTB and the other funders noted above in proportion to the amounts committed to the original budget. Slough Borough Council (acting as accountable body for the BLTB) reserves the right to claw back any such savings amounts, and any repayments due as a consequence of scheme failure.</p> <p>Evaluation One and Five years on: Bracknell Forest Council will work with WYG to produce scheme evaluations One and Five years after practical completion.</p>
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## **Conclusion**

15. This is a well-planned scheme that will tackle congestion at a key point on a main link road between the M3 and the M4, and will facilitate the growth in traffic that will be consequent on the housing schemes being developed in the Bracknell area.

## **Background Papers**

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

<sup>i</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/327587/35\\_Thames\\_Valley\\_Berkshire\\_Growth\\_Deal.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/327587/35_Thames_Valley_Berkshire_Growth_Deal.pdf)

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

<sup>iii</sup><http://www.bracknell-forest.gov.uk/strategieconomicplan>

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

<sup>v</sup><http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5004&Ver=4>

<sup>vi</sup><http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5005&Ver=4>

<sup>vii</sup><http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5006&Ver=4>

<sup>viii</sup><http://thamesvalleyberkshire.co.uk/Portals/0/FileStore/StrategicInfrastructure/StrategicInfrastructure/BLTB/Bracknell-Forest-1-Coral-Reef.pdf>

<sup>ix</sup><http://thamesvalleyberkshire.co.uk/Portals/0/FileStore/StrategicEconomicPlan/TVB%20SEP%20-%20Annexes%20to%20Implementation%20Plan.pdf>

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<sup>x</sup><http://www.bracknell-forest.gov.uk/strategieconomicplan>