

BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB

DATE: 21 July 2016

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

PART I

Item 6: Financial Approval 2.05 Newbury: Sandford Park

Purpose of Report

1. To consider giving financial approval to scheme 2.05 Newbury Sandford Park.
2. The proposal is to deliver additional accesses to Sandford Park, a strategic development site that will deliver up to 2,000 dwellings. This will ensure permeability through the site and better manage the impact on the highway network. There are two main elements: i) a new access from the A339, and ii) new junction arrangements on the A343 and the upgrading of a route to provide a suitable access. The scheme will also unlock land for a new primary school and for new enterprises seeking to build better links between business and education.
3. The scheme described in the Full Business Case and referred to here is the revised scheme. The proposal has been assessed on the basis that the LEP contribution will be increased from £2million to £2.9million as recommended elsewhere on this agenda.

Recommendation

4. You are recommended to give scheme 2.05 Newbury Sandford Park full financial approval in the sum of £2,900,000 over three financial years (2017/18, 2018/19, 2019/20) on the terms of the funding agreement set out at paragraph 14 step 5 below.

Other Implications

Financial

5. Scheme 2.05 Newbury Sandford Park is a named scheme in the [Thames Valley Berkshire Local Growth Deal 2ⁱ](#) announced in January 2015.
6. This report recommends that West Berkshire Council be authorised to draw down the capital sum £2,900,000 from the Local Transport Body funding for this scheme.
7. 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

8. The risk management arrangements already put in place by the Local Transport Body are as follows:
- The [Assurance Frameworkⁱⁱ](#) has been drafted following DfT guidance and has been approved by the DfT for use in allocating capital funds for transport schemes
 - AECOM have been appointed as Independent Assessors and have provided a full written report (see Appendix 1) on the full business case for the scheme
 - White Young Green (WYG) who are the LTB's contracted Independent Assessors withdrew from the assessment of this scheme because they are also acting as planning consultant to one of the developers. AECOM are Enterprise M3 LEP's retained independent assessor.
 - The funding agreement set out at paragraph 14, step 5 makes clear that the financial risk associated with implementation of the scheme rests with the scheme promoter.

Human Rights Act and Other Legal Implications

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

Supporting Information

10. The scheme will be carried out by West Berkshire Council working with the Developer(s) of the strategic housing site.
11. In June and July 2016, AECOM reviewed the Full Business Case submission for the scheme.
12. At Appendix 1 is the final report from AECOM the Independent Assessors recommending full approval for this scheme. The detailed technical appendices are available on request.
13. The full details of the scheme are available from the [West Berkshire Council websiteⁱⁱⁱ](#). A summary of the key points is given below:

Task	Timescale
Detailed design update	Summer 2016
Procurement	Autumn/Winter 2016/7
Construction	April 2017
Completion of Construction	March 2020

Activity	Funder	Cost (approx)
Scheme development	West Berkshire Council	£0.40m
Major scheme funding	Berkshire Local Transport Body	£2.90m
Private sector funding	s.106 and other sources	£7.66m
Total		£10.96m

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^{iv}](#).

Assurance Framework Check list	2.05 Newbury Sandford Park				
	The scheme was originally developed by West Berkshire Council in response to the planned development of over 2,000 new homes at Sandford Park				
	In 2014, the Sandford Park scheme was assessed in accordance with paragraphs 11 and 12 of the Assurance Framework and was given 24 points and ranked 18th of the 37 schemes originally submitted. It was included in the named schemes in the Strategic Economic Plan submitted in Growth Deal 1.				
	The scheme was not included in the Growth Deal 1 approvals, but was subsequently announced as part of Growth Deal 2.				
		Factor	Raw score	Weighting	Weighted score
		Strategy	3	1.5	4.5
		Deliverability	3	2	6
		Economic Impact	2	4	8
		TVB area coverage	2	1.5	3
		Environment	2	0.5	1
	Social	3	0.5	1.5	
			Total	24	
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>Programme Entry status was given by the BLTB on 19 March 2015^v (minute 28a refers). The progress of the scheme was reported to the BLTB meeting held on 16 July 2015^{vi}, 19 November 2015^{vii}, and 17 March 2016^{viii}.</p> <p>The West Berkshire Council website^{ix} 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 West Berkshire Council have been fully considered during the development of the scheme.</p> <p>The report of the Independent Assessor is attached at Appendix 1. The Independent Assessor was asked to report as follows:</p> <ul style="list-style-type: none"> • Completeness – has the promoter prepared a complete Full Business Case submission, when judged against the prevailing advice from the DfT 				

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	<ul style="list-style-type: none"> • Accuracy – has the promoter performed the relevant calculations and assessments accurately and without error • Relevance – has the Full Business Case considered all relevant matters, including use of appropriate forecasting models and planning assumptions, and has it included any irrelevant considerations such as unduly-optimistic assumptions or out of date modelling data • Value for Money – does the scheme promoter’s Value for Money assessment comply with the prevailing DfT guidance • Evaluation arrangements – has the scheme promoter made provision for appropriate post-implementation evaluation of the scheme. • Remedies – where the independent assessment reveals a gap between the FBC supplied and the standard anticipated by the DfT guidance, then the advice for the LTB should include recommendations for remedial actions required – e.g., collection of further data, sensitivity tests on particular assumptions etc.
Step 3: Conditional Approval	The Independent Assessor has recommended that in this case a Full Approval is appropriate.
Step 4: Recommendation of Financial Approval - High Value for Money - Support of the Independent assessor	<p>The delivery of additional housing as brought forward by the access points is in line with the key strategic priorities of both the Local Authority and the Local Enterprise Partnership. Over 1,000 additional homes, with 40% delivered as affordable homes will provide a significant contribution to meeting housing targets in the local area. The benefits of the scheme are derived from the enabling benefits in terms of unlocking housing delivery. These are ranked as “moderate beneficial” for £62.3 million of net social value from the delivery of new housing. The approach followed WebTAG guidance in a proportionate manner for a scheme of this size. A low BCR - 0.89 - is typical for a scheme of this nature. It is acknowledged that the scheme is being progressed owing to its development rather than transport benefits.</p> <p>The recommendation is that you give the scheme Full Approval.</p>
Step 5: Formal Agreement - roles - responsibilities - reporting - auditing - timing and triggers for payments, - contributions from other funders, - consequences of delay, - consequences of failure, - claw back, - evaluation one	<p>Roles: The BLTB is a part funder of the scheme. West Berkshire 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. West Berkshire 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 West Berkshire 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, West Berkshire 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</p>

Assurance Framework Check list	2.05 Newbury Sandlesford Park
and five years on	<p>scheme, or through procurement, or through the efficient implementation of the scheme.</p> <p>Auditing: If and when the DfT or Windsor and Maidenhead Council (acting as accountable body for the LEP) requests access to financial or other records for the purposes of an audit of the accounts, West Berkshire Council will cooperate fully.</p> <p>Timing and Triggers for payments: West Berkshire Council will submit an annual invoice for each financial year together with a certificate of work completed. Windsor and Maidenhead Council (acting as accountable body for the LEP) will satisfy itself of the correctness of the certificate before paying the invoice.</p> <p>Contributions from Other Funders: there will be £8,060,000 of other contributions secured by West Berkshire Council in 2016/17 and future years.</p> <p>Consequences of Delay: In the event that the scheme experiences minor delays to its programme (no more than 10 weeks), West Berkshire Council will report these delays and the reasons for them, and the proposed remedial action to the next available meeting of the BLTB. In the event that the scheme experiences major delays to its programme (11 weeks or longer) West Berkshire 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 West Berkshire Council that it will not be possible to deliver the scheme at all, written notice shall be given to Windsor and Maidenhead Council (acting as accountable body for the LEP). No further monies will be paid to Slough Council after this point. In addition, consideration will be given to recovering any monies paid to West Berkshire 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. Windsor and Maidenhead Council (acting as accountable body for the LEP) reserves the right to claw back any such savings amounts, and any repayments due as a consequence of scheme failure.</p> <p>Other Conditions of Local Growth Funds: West Berkshire Council will acknowledge the financial contribution made to this scheme through Local Growth Funds and follow the "Growth Deal Identity Guidelines"^x issued by government. It will also give due regard to the Public Services (Social Value) Act^{xi}, particularly through the employment of apprentices across the scheme supply chain.</p> <p>Evaluation One and Five years on: Slough Council will work with AECOM to produce scheme evaluations One and Five years after</p>

Assurance Framework Check list	2.05 Newbury Sandlesford Park
	practical completion.

Conclusion

15. This is an important scheme which will help unlock over 2,000 new homes, of which 40% will be affordable homes.

Background Papers

16. The SEP scoring exercise papers are available on request

ⁱ <http://thamesvalleyberkshire.co.uk/NewsDetails/163102m-expansion-of-growth-deal-boosts-local-plan-for-thames-valley-berkshire-economy-19917>

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

ⁱⁱⁱ <http://info.westberks.gov.uk/sep>

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

^v <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?Cid=601&Mid=5473&Ver=4>

^{vi} <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?Cid=601&Mid=5459&Ver=4>

^{vii} <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?Cid=601&Mid=5460&Ver=4>

^{viii} <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?Cid=601&Mid=5461&Ver=4>

^{ix} <http://info.westberks.gov.uk/index.aspx?articleid=29690>

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

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