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Independent Assessment Summary Report: Maidenhead Housing Sites Enabling Works

A Final Report by Hatch Regeneris Consulting
January 2019

Thames Valley Berkshire Local Enterprise Partnership

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Executive Summary

- i. This technical note provides an independent assessment of the Maidenhead Housing Sites Enabling Works (HSEW) Scheme Business Case submission to the Thames Valley Berkshire Local Enterprise Partnership.

Scheme Summary

- ii. The full business case submission sets out the case for investment in capacity improvements at eight key junctions around Maidenhead. The schemes will provide congestion relief associate with background growth in traffic, alongside trips generated by specific development sites within the town centre, most notably at Maidenhead Golf Course, where 2,000 units are proposed.
- iii. The six junctions are spread across the town centre, as follows:
 - A308(M) / A308 / A330 / The Bingham
 - A4 / A308
 - A4 / B4447 / Market Street
 - A4 / B3028 / Lassell Gardens
 - A4 / A4094 / Guard Club Road
 - A308 / Stafferton Way / Rushington Avenue
- iv. The improvements encompass a range of measures include carriageway widening, signalisation, and junction reconfiguration, with some associated improvements to cycling provision.

Review Findings

Conclusions

- v. The strategic case demonstrates alignment with strategic priorities and provides underlying evidence of the need to deliver highway improvements to support housing development across the town.
- vi. Whilst the case for dependent development has followed due process, additional evidence could be presented to demonstrate the selection of final development sites and the final junction locations.
- vii. The approach to modelling the economic benefits is generally robust and demonstrates the scheme is likely to deliver high value for money. Confirmation of all input parameters and assumptions will verify the assessment and a full Appraisal Summary Table will confirm the full range of impacts of the scheme.
- viii. The financial case appears sound and, whilst the information presented does not permit full verification, there is considered to be sufficient contingency to support a robust case for investment.

- ix. The commercial and management cases are generally sound, but some information is absent. This is considered unlikely to affect the robustness of the case for delivery of the package of measures.
- x. It is our conclusion that whilst the overall case for funding the package of measures appears strong, the evidence presented within the business case does not currently permit an unconditional approval of the scheme.

Recommendations

- xi. Whilst the overall case for funding the package of measures appears strong, it is our conclusion that the overall evidence presented within the business case does not currently permit an unconditional approval of the scheme.

Conditions for Approval

- xii. We recommend the following series of conditions are applied before the scheme is taken forward:
 - 1) Additional detail outlining the approach adopted to determine the dependent development sites and preferred junction enhancements.
 - 2) Further detail on how the package of junction improvements will address the secondary objectives relating to accidents, air quality and accessibility for walking & cycling.
 - 3) Additional detail on the RBWM-HM2 model, its baseline calibration and validation, and how it reflects current junction performance.
 - 4) Detailed workings to support the outputs of the quantified economic assessment.
 - 5) Inclusion of sensitivity tests to understand the impact of any variability in the benefits and costs of the scheme.
 - 6) Full assessment of environmental and social impacts of the scheme and inclusion of an Appraisal Summary Table.
 - 7) Further detail around scheme costs, contingency (linked to a quantified risk assessment), and levels of cost inflation.
 - 8) Clarifications to the Commercial Case in relation to the procurement processes.
 - 9) Provision of a full project programme, risk register and Quantified Risk Assessment
 - 10) That the scheme retains high or better value for money once these conditions have been met

1. Introduction

- 1.1 This report provides an independent assessment of the Full Business Case (FBC) submitted by Royal Borough of Windsor and Maidenhead (RBWM) for a range of capacity improvements at six key junctions around Maidenhead.
- 1.2 The report considers the evidence presented and whether it presents a robust case for the investment of Thames Valley Berkshire Local Enterprise Partnership (TVB LEP) growth deal funds.
- 1.3 The independent assessment has applied criteria from TVB LEP assurance framework and the requirements for transport scheme business cases set out within the Department for Transport (DfT) WebTAG.

Submitted Information

- 1.4 The independent assessment process for the Maidenhead Housing Sites Enabling Works (HSEW) submission has been conducted on the following set of documentation submitted by RBWM and their consultant team (Project Centre):
 - Option Assessment Report (18th January 2019)
 - Full Business Case Report (18th January 2019)
- 1.5 Whilst no formal Appraisal Specification Report was submitted by the Applicant, and the overall approach to be adopted, was discussed at a meeting in December 2018 RBWM, Project Centre and WSP.

Report Structure

- 1.6 This Independent Assessors Report responds to the formal submission of documentation, as well as the informal engagement process with RBWM and their consultants, to provide a review of information provided, assess its suitability and robustness against TVB LEPs assurance requirements, and provide recommendations in relation to the approval of LEP funding for the proposed scheme.
- 1.7 The report is structured as follows:
 - Section 2: Option Appraisal Report – provides a brief commentary upon the process by which the initial short list of scheme options was identified.
 - Section 3: Appraisal Specification Report – presents a high-level review of the proposed approach to the full business case appraisal and its acceptability
 - Section 4: Full Business Case Submission – presents an initial summary of scheme elements included in business case submission, alongside the details presented within each of the five 'cases' (Strategic, Economic, Financial, Commercial, Management). It also sets out the recommendations to the LEP Local Transport Body relating to the suitability of the scheme for funding.

2. Option Assessment Report

Overview

- 2.1 The Option Appraisal Report provides a summary of the options assessed for various junction improvements around Maidenhead to accommodate residential and commercial development identified within the submitted Borough Local Plan.
- 2.2 As part of work undertaken by RBWM to develop their Local Plan, an assessment of the impact of development growth upon the operation of the highway network in RBWM and surrounding areas was undertaken. This identified a series of 'priority' junctions where the forecast future year operation of the junction may notably deteriorate. Eleven of these junctions were within RBWM and were taken forward to consider potential mitigating measures.
- 2.3 Three of the junctions were removed from further consideration as one was under the jurisdiction of Highways England, another already had improvement works being undertaken, and the third was considered to be outside the spatial scope of Maidenhead Housing Site.
- 2.4 The remaining eight junctions were taken forward for further consideration within the Options Assessment Report. The range of potential scheme options for each junction was developed and then appraised against the following framework criteria:
- Strategic Economic Plan Packages
 - Scheme Objectives
 - Deliverability Criteria
 - Infrastructure Feasibility:
 - Operational Feasibility
 - Land Requirements
 - Complexity of Delivery
 - Environmental Impact
 - Stakeholder Acceptance/Support
 - Cost
 - Affordability
 - Timescales for Delivery
- 2.5 The report concludes with a summary of the options for each junction that best meet the requirements of the framework objectives.

Review

- 2.6 The analysis undertaken as part of the Local Plan work appears robust and demonstrates a link between the delivery of development growth and the need for improvements at these eight junctions.
- 2.7 The appraisal framework development is comprehensive, covering strategic priorities for the area, scheme objectives and measures of deliverability.
- 2.8 Further option assessment work will be required as part of the development of the full business case in order to demonstrate a clear case for investment in each individual junction improvement scheme.

3. Appraisal Specification

Overview

- 3.1 Whilst no formal Appraisal Specification Report was submitted by the Applicant, the overall approach to be adopted was discussed during a face-to-face meeting in December 2018, with RBWM, Project Centre and WSP.
- 3.2 These discussions focused upon:
- The description of the scheme and the location of the proposed improvements;
 - The objectives of the scheme;
 - An understanding of local development proposals and who these will impact upon levels of trip generation;
 - An overview of the current and future highway network operating performance; and
 - The proposed appraisal methodology, with a specific focus upon the approach to the Economic Case.

Review

- 3.3 The primary purpose of the discussion was to agree whether the specific development sites identified as benefiting from the junction improvements were specifically 'dependent development' (as defined by WebTAG/MHCLG).
- 3.4 After initial modelling work was undertaken, it was concluded that the level of trips generated by the developments was unable to be satisfactorily accommodated by the existing highway network. It was, therefore, agreed that a significant number of development sites were considered to be 'dependent development' and that highway junction improvements were required to "unlock" those developments.
- 3.5 It was therefore agreed that the Applicant would follow the approach outlined within WebTAG Unit A2-2 'Induced Investment' to determine the economic impact of delivering the junction improvements to unlock specific development sites across the town. This will include assessing the uplift in land value for the sites that are unlocked.
- 3.6 It was also emphasised to the Applicant that it will be important to demonstrate the contribution that all selected junctions make to delivering housing and improving the highway network performance.
- 3.7 The rest of the business case submission was understood to follow standard DfT WebTAG protocols and so should, therefore, be acceptable as long as there is sufficient detail to match the scale of the funding ask.

4. Full Business Case

Overview

- 4.1 The full business case submission sets out the case for investment in six key junctions around Maidenhead that will help unlock 4,025 housing units across the town centre. In summary, this includes:
- A308(M) / A308 / A330 / The Bingham
 - A4 / A308
 - A4 / B4447 / Market Street
 - A4 / B3028 / Lassell Gardens
 - A4 / A4094 / Guard Club Road
 - A308 / Stafferton Way / Rushington Avenue
- 4.2 The delivery of these schemes has been deemed necessary to provide sufficient highway network capacity to accommodate the additional vehicle trips associated with the housing development. Without these schemes, the developments could not proceed without causing significant detrimental impact upon the performance of the highway network.

Key Input Assumption and Parameters

- 4.3 The overarching business case is based upon a range of key assumptions, as follows:
- That a number of junctions across Maidenhead are, or will be, subject to significant delays that will restrict the ability to delivery housing development in and around the town centre.
 - That housing development will proceed according to the Local Plan once the junction improvements have been delivered
 - That a range of highway measures will be delivered as part of development plans to connect individual development sites to the existing highway network. In particular, the external delivery of a new access road to the Maidenhead Golf Course Development Site.

Independent Assessor Comment

- 4.4 From reviewing previous modelling outputs that assessed the impact of Local Plan development upon the operation of the local highway network, it is apparent that the scale of the development, without mitigation, will cause significant congestion and delays. At a strategic level, it is, therefore, clear that much of the proposed Local Plan development is dependent upon a package of highway measures being delivered. The following sections of the business case provide the detail as to what scale of development is dependent upon which junction improvements.
- 4.5 Whilst there will always be uncertainty and variation in the delivery of Local Plan growth, the assumption that the growth will proceed once the package of scheme measures have been delivered is considered sound. A standard sensitivity test would be to consider alternative high and low growth projections.
- 4.6 The delivery of the package of junction enhancements will not, in themselves, provide vehicular access to specific development sites. For some of the larger sites, such as

Maidenhead Golf Course, specific link roads and junctions are required. The outcomes of this business case are predicated on these highway links being provided and so these are considered to be key dependencies. As a central case assumption, it is considered reasonable to assume the required infrastructure will be delivered.

Strategic Case

- 4.7 The Strategic Case provides an overview of the strategic context and contribution of the scheme to strategic priorities, as well as a clear presentation of the need for highway investment to enable specific housing development to proceed.
- 4.8 An overview of the study area **context** is presented in relation to economic growth and exiting travel patterns. The contribution of the scheme to national, regional and local **strategic priorities** is set out, specifically highlighting housing need, growth aspirations, and development of Maidenhead Town Centre. This includes a summary of major town centre development sites and their potential timeline for delivery, along with committed transport schemes.
- 4.9 An overview of the work undertaken to inform the **Local Plan development** is presented, detailing how the impacts of growth were assessed in terms of the future operation of the highway network. This identified a series of highway junctions where the operation of the highway network was likely to become heavily constrained as a result of the additional vehicle trips generated from development growth. Eleven junctions were identified within RBWM as priorities for improvement, of which eight were prioritised for improvements.
- 4.10 All but one of the eight junctions were predicted by the **strategic highway modelling work** to become highly congested. The eighth junction was identified as a key part of the inner ring road around Maidenhead and is considered to be congested, albeit this not replicated by the strategic transport model outputs.
- 4.11 The impacts of trips generated from developments (housing and commercial) across Maidenhead were tested, on an incremental basis, to identify the points at which individual junctions begin to suffer from increasingly poor operating conditions. This identified four of the eight junctions already perform poorly, even without any additional development trips added to the network, with others becoming more congested as trips are added. This analysis formed the basis of an assessment of 'deadweight development' - development that could come forward without significant mitigating measures. The analysis concluded that 16 of the 24 Local Plan housing sites could come forward in some form without the junction improvements, and so represented 'deadweight' development.
- 4.12 The analysis concludes by identifying six out of the initial short-list of eight junctions as being critical to the delivery of the remaining eight housing sites, and that the 4,025 dwellings on these sites are fully dependent upon delivery of infrastructure improvements at these six junctions. A full description of each junction is provided.
- 4.13 The **primary scheme objective** is defined as providing junction capacity to mitigate the impact of housing development on the eight identified sites. **Secondary objectives** relate to reducing accidents, improving air quality, and improving access for pedestrians and cyclists. A series of **measures of success** are set out.
- 4.14 The proposed enhancements for each junction location are set out. The main **constraints** in delivering the schemes are stated to relate to the phasing of construction work for both the junctions and the wider development sites.
- 4.15 A discussion on **inter-dependencies** is included, although it focuses more broadly upon project risks. Key **stakeholders** who will need to be consulted are listed.
- 4.16 An overview of the **option development** process for each junction is included.

Independent Assessor Comment

- 4.17 The Strategic Case is considered to present a good overview of the issues, objectives and preferred transport solutions for supporting housing growth across Maidenhead Town Centre.
- 4.18 The policy context is well established, with a clear understanding of the priorities of national, regional and local bodies.
- 4.19 The summary of the Local Plan development work provides good context around the issues of delivering housing developments within the town centre. It demonstrates how a series of junctions were identified as likely to require enhancements to support housing growth aspirations.
- 4.20 The strategic transport modelling work demonstrates the impact of increasing levels of development upon the operational performance of the local highway network. The outputs demonstrate the extent to which the full aspirations of the Local Plan housing growth could not be delivered without creating significant delays at a series of junctions across the town centre.
- 4.21 Whilst it is noted that the strategic highway model does not accurately represent delays at each and every junction in the town centre, alternative evidence is presented as part of the process of identifying key junctions for improvement. This is considered acceptable.
- 4.22 The process by which dependent development, deadweight, and the prioritisation of junctions has been undertaken is considered to acceptable, although could be articulated in a manner that is easier to follow. In particular, a separate discussion around the commercial development and how it impacts the modelling would be beneficial. This would enhance the logic around the final selection of the six junctions for enhancement.
- 4.23 The established scheme objectives are clear and logical, and the identified measures of success align well with the objectives.
- 4.24 The discussion on constraints to the project focuses upon how the series of junction enhancement can be delivered with minimal impact upon the overall operation of the transport network. This is considered particularly important given the additional potential construction impacts from housing and commercial site development and general regeneration of the town centre.
- 4.25 The section on inter-dependencies is not considered to pick up on any wider issues around the delivery of the housing sites, in particular the site-specific highway improvements works associated with the Golf Course site.
- 4.26 In the discussion of stakeholders, there is no indication of any initial engagement with these groups and the level of support for the proposed schemes.
- 4.27 The options assessment section, and associated appendices, demonstrate that due consideration has been given to the optimum scheme designs for each junction. It also indicates that an appropriate scheme option prioritisation process has been undertaken for each individual junction.
- 4.28 Overall, the Strategic Case is considered to provide sufficient evidence to demonstrate the need to deliver enhancements to a range of junctions to support delivery of housing within the town centre. The specific selection of housing sites that are considered fully dependent upon the capacity improvements could be presented more clearly. Similarly, the evidence supporting final choice of the six junctions could be set out in a more logical manner. There is also limited evidence presented around how the scheme will deliver against the secondary objectives established.

Economic Case

- 4.29 The Economic Case sets out the transport modelling approach and the scenarios that have been considered to assess the scheme benefits.
- 4.30 The approach to transport modelling describes the use of the RBWM Highway Model 2 (RBWM-HM2) to assess the scheme impacts. This is a VISUM model covering two peak periods (AM = 8am to 9am; PM = 5pm to 6pm) and was developed to represent 2016 conditions. Reference is made to a 'Data Collection Report' and a 'Local Model Validation Report' that provide evidence of the robustness of the model.
- 4.31 A future year 2032 model was available to assess future year impacts but no other interim model year (e.g. 2021) was available.
- 4.32 Three separate model scenarios are utilised within the assessment:
- **Reference Case** – Without the junction improvements or the development dependent upon the junction improvements
 - **Do Something 1** – With the junction improvement but without the development dependent upon the junction improvement
 - **Do Something 2** – With both the junction improvements and the development dependent upon the junction improvement
- 4.33 The types of scheme benefit that have been assessed include accident benefits, journey time savings, vehicle operating costs, carbon savings, and the impact upon indirect tax revenues.
- 4.34 The capital costs of each junction improvement scheme have been estimated, with a contingency applied to each scheme, representing 40% of overall base capital costs. An allowance of 6% uplift for optimism bias has been applied. Taking account of the profile of capital cost expenditure, this generates an estimated Presented Value of Costs (PVC) of around £4.75m
- 4.35 A conventional assessment of **transport user benefits** is assessed by comparing the outcomes between the Do-Something 1 Scenario and the Reference Case to demonstrate the benefits of the scheme to existing highway users. This estimates a Present Value of Benefits of around £15.18 million. Set against the PVC this generates a basic Benefit Cost Ratio (BCR) of around 3.2 to 1.
- 4.36 A separate assessment of **transport external costs** is undertaken, comparing Do-Something 2 Scenario against Do-Something 1 to demonstrate the impact of the additional trips generated by the dependent development upon existing highway users. This estimates a negative Present Value of Benefits of around £-89.6 million.
- 4.37 An assessment of **land value uplift** is presented to determine the economic benefit from "unlocking" the dependent development. This incorporates an allowance for 'deadweight' and 'additionality impact'. The estimated land value uplift is presented as £124.7 million.
- 4.38 Combining the conventional transport user benefits, the transport external costs, and the land value uplift gives an overall forecast assessment of Present Value of Benefits of £50.29 million. Set against the scheme PVC would generate an adjusted BCR in excess of 4 to 1, representing very high value for money. It is indicated that the scheme would need to realise 86% of the land value uplift to achieve an adjusted BCR in excess of 2 to 1 (high value for money).
- 4.39 A short **Value for Money Statement** concludes the Economic Case, summarising the BCRs.

Independent Assessor Comment

- 4.40 The overarching approach adopted within the Economic Case is considered robust, including the modelling approach, scenarios considered, and benefits assessed.
- 4.41 There is no reference to the options assessment process within the Economic Case, but it is acknowledged that it is covered in other areas of the business case.
- 4.42 The modelling tools used are considered appropriate but there is no specific discussion of the calibration or validation of the model and its accuracy in replicating traffic conditions within Maidenhead Town Centre. Reference is made to separate documentation not included with the business case submission. The absence of an underlying discussion of the RBWM-HM2 model is considered important given the Strategic Case refers to one junction where the model is not considered to replicate known delay and congestion.
- 4.43 No specific outputs are presented in the Economic Case from the base model, the reference case or the do-something scenarios that demonstrate the overarching issues or impacts of either the scheme measures or the dependent development trips.
- 4.44 The overall assessment of types of benefits is considered appropriate. The capital costs include a significant contingency allowance; however, it is not clear how this value has been determined. As such, whilst a low level of optimism bias (6%) might seem acceptable, it would be useful to understand the approach in more detail.
- 4.45 The assessment of transport user benefits is considered appropriate. It would be useful to have commentary on why 'economic efficiency' benefits are positive for 'consumer - commuters' but negative for 'consumer - other' and 'business' travellers.
- 4.46 The assessment of transport external cost is also considered appropriate and the outputs to be expected for a scenario test of this type.
- 4.47 The calculation of land value uplift appear appropriate but relatively limited detail is presented of the input assumptions. This includes assumed existing and future land values.
- 4.48 The overall quantified assessment of value for money appears to demonstrate that the scheme delivers at least high value for money from investment. The overall approach adopted is considered robust but verification of the some of the input assumptions is required.
- 4.49 The economic case covers the key assessment of quantified benefits but does not appear to consider all environmental and social impacts. In particular, two of the stated secondary objectives relate to air quality and access for walking and cycling, and yet neither are specifically referenced.
- 4.50 Whilst the final secondary objective, accidents, is clearly presented, there is no commentary on the fact that the negative impacts derived through the transport external costs exceeds the benefits through the conventional transport user benefits. It is acknowledged that potentially the number of accidents per vehicle movement may be neutral, but this is not considered within the assessment.
- 4.51 There is no reference to an overall Appraisal Summary Table. This should include assessments of all the potential environmental and social impacts, even if only qualitatively.
- 4.52 There is also no consideration of sensitivity test in relation to any key input assumptions or parameters. This would include different patterns of housing and commercial growth.

Financial Case

- 4.53 The Financial Case provides an overview of scheme capital costs, cost profiles and funding sources.
- 4.54 The overall scheme **capital costs** are described but no specific detail is presented about how they have been developed and they appear to only relate to outline scheme designs. The level of contingency applied is 40% of the base capital costs, which is considered a robust amount, but again no detail of how this was derived is presented. Standard allowances for design and preliminaries, totalling 25% of base scheme costs, are included. An allowance for compulsory purchase of land for one scheme is included.
- 4.55 Consideration of **maintenance costs** is presented and it is concluded that these are more likely to decrease than increase as a result of the scheme, as it will refurbish existing carriageway. This is not considered to be an unreasonable assumption.
- 4.56 The **profile of costs** is set out between 2018/19 and 2020/21. Similarly, the source and profile of **funding** is set out.

Independent Assessor Comment

- 4.57 The individual scheme costs are presented previously within the economic case and are not replicated within the financial case. It would appear they are at a relatively early phase of development and so a relatively high level of contingency has been applied. It would be helpful to have a greater understanding of the robustness of the costs involved and whether a specific quantified risk assessment has been undertaken.
- 4.58 There is no specific indication of whether construction inflation has been taken into account within the cost profiling.
- 4.59 Further surety over the sources of match-funding would also enhance the financial case.

Commercial Case

- 4.60 The Commercial Case provides outlines the procurement strategy of for the schemes and provides information payment mechanisms, risk allocation, contract length and contract management.
- 4.61 Four strategic **outcome objectives** are listed in relation to achieving cost certainty; ensuring a robust implementation programme is developed; that preparation costs are minimised; and there is contractor input into risk management.
- 4.62 The **procurement strategy** outlines three long-term framework contracts for delivery of the project. It demonstrates that these contracts were let in 2017 through a rigorous competitive tender process to ensure best value for money.
- 4.63 Given the scheme includes standard highway improvements that fit the scope of the construction framework it is concluded that this is the most appropriate approach to procuring the works at preferential rates. This includes consideration of the timescales required for delivery that would create challenges if a full procurement process was undertaken. Furthermore, delivery through the framework contractor will enable better co-ordination with other works being undertaken across the Maidenhead highway network.
- 4.64 The existing term contracts are based on an NEC3 contract model option B, permitting penalty clauses in relation to over-running. It is stated that **payments** are made in arrears to the value of 80% of the contract, subject to checks. The final 20% is paid upon completion.

- 4.65 **Risk allocation and transfer** will be highlighted during contract negotiations with partners and allocated to the party best suited to manage it. The Project Board will primarily manage strategic risk. The Project Manager will have overall responsibility for the risk management process.
- 4.66 There is reference to the 'design and build' elements and 'construction of signals' being procured separately.
- 4.67 The current construction framework contract runs till 2021 but would be extended for job specific projects.
- 4.68 The ability for the contractor to resource the project effectively will be scrutinised at the procurement stage. Design resource is stated as being readily available.
- 4.69 The contracts will be managed through as combination of workshops, reviews, meetings, and day-to-day operation.

Independent Assessor Comment

- 4.70 Overall the commercial case sets out how the scheme can be delivered through existing framework contracts that offer high value for money and an effective and efficient procurement process.
- 4.71 The outputs-based specification details what is to be achieved through the procurement process, as opposed to what the overall contract will need to deliver.
- 4.72 The procurement strategy does not consider any alternative approaches to procurement other than the existing framework contracts. However, the case for using the frameworks is well made and it is clear that the required construction works clearly fit with the core the specification of the construction framework.
- 4.73 The payment terms, including potential penalty clauses, are well set out for the main construction framework contract.
- 4.74 There is some uncertainty in the document around procurement in relation to 'design and build' and 'construction of signals' elements that needs to be clarified.
- 4.75 Whilst there is a useful description of general risk management protocols, more information could be presented on how contract negotiations will ensure risk allocation and transfer will be shared and apportioned to most appropriate partner.
- 4.76 Consideration is also given to contract lengths, human resource issues, and contract management, which provides useful additional understanding of the commercial case.
- 4.77 Overall it is concluded that use of the framework contracts is appropriate, but some further clarifications are required on overall procurement processes.

Management Case

- 4.78 The Management Case presents information on how the proposal will be successfully delivered and managed.
- 4.79 Several examples of **previous transport projects** are presented that are considered similar or relevant to the highway schemes being delivered through this project. This is accompanied by evidence of the proposed delivery partners involvement in one of the schemes, alongside other projects they have delivered separately.
- 4.80 A list of **project dependencies** is set out and centres around ensuring general support and liaison and financial backing. It is stated that none of the schemes are directly dependent upon other projects but that the overall delivery will need to be carefully managed to

minimise overall disruption caused by delivering six junction improvements, alongside other schemes being brought forward in the town, including regeneration projects.

- 4.81 A detailed account of roles and jobs titles in RBWM management and **governance arrangements** is included.
- 4.82 A detailed **project plan/programme** is referred to within an appendix. A summary of key milestones is set out and describes two separate phases of construction.
- 4.83 An **assurance and approval plan** is set out that includes sign-off procedures by the Project Board.
- 4.84 An overarching **communications and stakeholder management plan** is outlined.
- 4.85 Responsibilities for **programme and project reporting** are set out. In addition, the key workstreams for **implementing the project** are summarised.
- 4.86 A summary section on **risk management** is presented, with reference to a risk register in an appendix. Risks are categorised in four areas: Strategic, Design, Financial, Construction. Five main risks, in terms of severity, are highlighted, including land acquisition, costs, and a range of issues relating to statutory undertakings and unknown services.
- 4.87 A section on **benefits realisation** sets out the **monitoring and evaluation strategy** with key performance indicators specified and a process evaluation process specified.

Independent Assessor Comment

- 4.88 The management case, in general, provides a comprehensive range of information that provides assurance around the delivery arrangements in place for the project.
- 4.89 The evidence of delivering previous projects showcases some schemes that are directly similar in nature to the highway construction works in this project, although others are less directly relevant. The examples provided in relation to delivery partners is useful.
- 4.90 The project dependencies focus upon the inter-relationships between the six junction schemes themselves, as well as other major schemes (transport and regeneration) occurring in the town. There is no specific reference to enabling works for some of the development sites themselves, including the Golf Course Site, where it is understood new accesses will need to be provided.
- 4.91 The section of governance is considered detailed, although describes generic positions without reference to who will fill these positions and their individual experience.
- 4.92 The detailed project programme did not appear to be attached within the appendices and so has not been reviewed but the overarching programme is presented, and consideration of construction phasing given.
- 4.93 The assurance and approval plan, communication and stakeholder management plan, programme/project reporting, and implementation sections provide an acceptable overview of proposed processes.
- 4.94 The detailed risk register did not appear to be attached within the appendices and so has not been reviewed, but there is demonstration that overall risks to the project have been considered.
- 4.95 The benefits realisation section does not directly comment upon mechanisms to ensure that the identified benefits of the scheme are delivered and maximised. The monitoring and evaluation plan provides clear target metrics, although the reference case against which they will be assessed is not clear.

Summary and Conclusions

Summary

4.96 The review of the five cases has identified a series of points for further consideration. These are summarised below:

- The strategic case demonstrates evidence for the need to deliver enhancements to a range of junctions to support delivery of housing within the town centre. Whilst a clear selection of housing development sites are identified as fully dependent upon the junction capacity improvements, the evidence to support this selection could be presented more clearly. Similarly, the evidence supporting final prioritisation of the six junctions could be set out in a more accessible manner.
- The strategic case establishes a clear primary objective and demonstrates how the package of scheme measures will address this objective. There is also a set of secondary objectives, relating to accident reduction, air quality, accessibility for walking & cycling. The manner in which these objectives are addressed by the package of scheme measures is less well evidenced.
- The overall economic assessment has been conducted in an appropriate manner for a package of transport schemes that unlocks housing development. The conventional assessment of benefits to existing road users demonstrates that the proposed schemes deliver strong benefits. Whilst the imposition of additional vehicle trips associated with the 'unlocked' development inevitably creates negative impacts of congestion for existing road users, the analysis indicates that these are off-set by the economic value created through the housing unlocked. Whilst the overall value for money from the scheme investment appears strong, there is a lack of supporting evidence to verify all of the calculations.
- There is limited commentary around the economic case to explain some of the outcomes presented. In addition, the scope of the assessment is limited and does not include consideration of a number of environmental or social impacts. This is particularly the case for issues around air quality and accessibility for walking and cycling, which are part of the secondary objectives of the scheme. An overall Appraisal Summary Table is required.
- The financial case for the schemes appears relatively robust, at an overarching level, with a significant contingency allowance included. More information could be presented around the development of the scheme costs and the degree to which specific risks have been considered.
- The commercial case is well presented. Whilst it only focuses upon a single procurement strategy, relating to the use of existing framework contracts, sufficient evidence is presented to demonstrate that this is a reasonable approach to adopt. Some additional clarity is required around the 'design' and 'construction of signals' elements, along with risk allocations.
- The management case provides a comprehensive range of information around management and delivery protocols. Some detailed elements, such as the project programme and risk register, have not yet been supplied, although the summaries suggest that due consideration has been given. Further evidence around project inter-dependencies and how this affects the project programme is required.

Conclusions

- 4.97 The strategic case demonstrates alignment with strategic priorities and provides underlying evidence of the need to deliver highway improvements to support housing development across the town.
- 4.98 Whilst the case for dependent development has followed due process, additional evidence could be presented to demonstrate the selection of final development sites and the final junction locations.
- 4.99 The approach to modelling the economic benefits is generally robust and demonstrates the scheme is likely to deliver high value for money. Confirmation of all input parameters and assumptions will verify the assessment and a full Appraisal Summary Table will confirm the full range of impacts of the scheme.
- 4.100 The financial case appears sound and, whilst the information presented does not permit full verification, there is considered to be sufficient contingency to support a robust case for investment.
- 4.101 The commercial and management cases are generally sound, but some information is absent. This is considered unlikely to affect the robustness of the case for delivery of the package of measures.
- 4.102 It is our conclusion that whilst the overall case for funding the package of measures appears strong, the evidence presented within the business case does not currently permit an unconditional approval of the scheme.

Conditions for Approval

- 4.103 We recommend the following series of conditions are applied before the scheme is taken forward:
 - 1) Additional detail outlining the approach adopted to determine the dependent development sites and preferred junction enhancements.
 - 2) Further detail on how the package of junction improvements will address the secondary objectives relating to accidents, air quality and accessibility for walking & cycling.
 - 3) Additional detail on the RBWM-HM2 model, its baseline calibration and validation, and how it reflects current junction performance.
 - 4) Detailed workings to support the outputs of the quantified economic assessment.
 - 5) Inclusion of sensitivity tests to understand the impact of any variability in the benefits and costs of the scheme.
 - 6) Full assessment of environmental and social impacts of the scheme and inclusion of an Appraisal Summary Table.
 - 7) Further detail around scheme costs, contingency (linked to a quantified risk assessment), and levels of cost inflation.
 - 8) Clarifications to the Commercial Case in relation to the procurement processes.
 - 9) Provision of a full project programme, risk register and Quantified Risk Assessment
 - 10) That the scheme retains high or better value for money once these conditions have been met.



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