

BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB

DATE: 18 July 2019

CONTACT OFFICER: Joe Carter, Director of Regeneration, Slough Borough Council, lead officer to BLTB

PART I

Item 8: Financial Approval 2.04.4 Wokingham: Arborfield Cross Relief Road

Purpose of Report

1. To consider giving financial approval to scheme 2.04.4 Wokingham: Arborfield Cross Relief Road.
2. This road is one of four new roads supporting the development of up to 10,000 new dwellings, schools, neighbourhood centre, etc across four Strategic Development Locations (SDL) in Wokingham Borough.
3. The Arborfield Cross Relief Road (ACRR) scheme will provide relief to the existing A327 through the village of Arborfield and Arborfield Cross Gyratory, to accommodate and reduce the traffic impacts of strategic development at Arborfield Garrison and South of the M4 (Shinfield and Spencers Wood). The Arborfield SDL calls for 3,500 new homes.
4. Because of the value of the scheme, it has been categorised by the Department of Transport (DfT) as a 'retained scheme'. Assurance Framework matters are being managed by the DfT.

Recommendation

5. You are recommended to give conditional financial approval to the scheme, for £22,125,824 in 2019/20 and £1,000,000 in 2020/21. The terms of the funding agreement are set out at paragraph 14, step 5 below, and are subject to the following condition:

That the scheme business case, submitted on 31 May 2019 to the Department for Transport, receives Ministerial approval.

Other Implications

Financial

6. Scheme 2.04.4 Wokingham: Arborfield Cross Relief Road is a named scheme (referred to as Wokingham Distributor Roads) in the [Thames Valley Berkshire Growth Deal 1](#)ⁱ announced on [7 July 2014](#)ⁱⁱ
7. This report recommends that Wokingham Borough Council be authorised to draw down the capital sum of £23,125,824 Local Growth Funds (LGF).

8. The sum of £874,176, in respect of preliminary costs associated with the scheme, was [approved by the BLTB in November 2018](#)ⁱⁱⁱ and was transferred to Wokingham Borough Council by the LEP Accountable Body in March 2019.
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 BLTB are as follows:
 - The [Assurance Framework](#)^{iv} has been drafted following DfT guidance and has been approved by the DfT for use in allocating LGF to transport schemes
 - 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 scheme will be delivered by Wokingham Borough Council.
13. The full details of the scheme are available from the [Wokingham Borough website](#)^v. A summary of the key points is given below:

Task	Timescale
Procurement	Via the Council's Term Contractor
Contractor appointed	As above
Construction	July 2019 (subject to Ministerial approval in July 2019)
Completion of Construction	July 2020

Activity	Funder	Cost (approx)
Scheme development	Wokingham Borough Council	£4.115m
Major scheme funding	Berkshire Local Transport Body	£24.000m
Total		£28.115m

14. The table below sets out the details of this scheme's compliance with steps 1-5 of paragraph 14 of the BLTB [Assurance Framework](#)^{vi}.

Assurance Framework checklist	2.04.4 Wokingham Arborfield Cross Relief Road			
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 Wokingham Borough Council. This road is one of four supporting the development of up to 10,000 new dwellings, schools, neighbourhood centre, etc across four SDLs in Wokingham Borough. The SEP assessment process was used and the scheme was given 21 points and ranked 14th of 28 schemes submitted in Growth Deal 1.			
	Factor	Raw score	Weighting	Weighted score
	Strategic Impact	3	2.0	6.0
	Economic Impact	3	2.0	6.0
	Value for Money	1	1.5	1.5
	Ease of Deliverability	1	1.5	1.5
	Matched Funding	2	1.0	2.0
	Environmental	2	1.0	2.0
	Social	2	1.0	2.0
	Total			21.0
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 24 July 2014^{vii}. Preliminary costs for the scheme were approved by the BLTB on 15 November 2018^{viii}.</p> <p>The Wokingham Borough 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 Wokingham Borough Council have been fully considered during the development of the scheme.</p> <p>The full business case (FBC) was submitted to the Department for Transport on 31 May 2019.</p>			
Step 3: Conditional Approval	Approval is conditional on the FBC receiving Ministerial approval, which is expected by the end of July 2019.			
Step 4: Recommendation of Financial Approval - High Value for Money - Support of the Independent assessor	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.			
Step 5: Formal Agreement - roles - responsibilities - implementation - reporting	The capital grant of £24,000,000 is a maximum figure, which cannot be increased, but may be reduced if savings are achieved during implementation. In the event that Wokingham Borough Council wishes to alter the profile of the grant payments, it must seek prior written permission from TVB LEP, having first raised the matter with the BLTB. The grant is made subject to the following:			

Assurance Framework checklist	2.04.4 Wokingham Arborfield Cross Relief Road
<ul style="list-style-type: none"> - auditing - timing and triggers for payments, - contributions from other funders, - consequences of delay, - consequences of failure, - claw back, - evaluation one and five years on 	<ol style="list-style-type: none"> 1. <u>Roles</u>: TVB LEP is a part funder of the scheme. Wokingham Borough Council is the scheme promoter, and is the relevant highway and planning authority. 2. <u>Responsibilities</u>: TVB LEP is responsible for allocating the capital finance in accordance with its Assurance Framework. Wokingham Borough Council is responsible for all aspects of the design, risk management, insurance, procurement, construction and implementation of the scheme, including its responsibilities as highway and planning authority, any other statutory duties, and any financial or other liabilities arising from the scheme. 3. <u>Implementation</u>: In addition to any reporting requirements within Wokingham Borough Council, the scheme promoter will use the proforma supplied by TVB LEP to make reports on progress of the implementation of the capital scheme to each meeting of the BLTB until the build is complete. In particular, Wokingham Borough Council will report on any change in the size, scope or specification of the scheme; and on any substantial savings against the scheme budget whether achieved by such changes to the size, scope or specification of the scheme, or through procurement, or through the efficient implementation of the scheme. 4. <u>Reporting</u>: The scheme promoter must provide accurate, timely, verified and quality assured quarterly monitoring and forecast data, which relate to defined output and outcome indicators agreed between TVB LEP and government as a condition of the Growth Deal. In addition, this scheme will also be required to participate in an evaluation as set out in the Growth Deal Monitoring and Evaluation Plan. 5. <u>Auditing</u>: Wokingham Borough Council will keep financial records such that the expenditure on the scheme is readily identifiable, and if and when BEIS, DfT or other government department or the Accountable Body for TVB LEP requests access to financial or other records for the purposes of an audit of the accounts, Wokingham Borough Council will co-operate fully. 6. <u>Timing and Triggers for payments</u>: See the Claim Proforma at Appendix 1 of the grant letter – available on request. 7. <u>Contributions from Other Funders</u>: Wokingham Borough Council capital programme will contribute £4,115,000 in total over the life of the project. There is no section 106 contribution. In the event that the scheme experiences or it is anticipated that the scheme will experience a shortfall in these contributions, Wokingham Borough Council will be required to notify TVB LEP of these developments. The provisions of clauses 8, Consequences of Delay; 9, Consequences of Change to the Design or

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

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	Deal Identity Guidelines ^x . It will also give due regard to the Equality Act 2010 - Public Sector and with the Public Services (Social Value Act) 2012, particularly through the employment of apprentices across the scheme supply chain.

Conclusion

15. This is a well-planned scheme that will provide relief to the existing A327 through the village of Arborfield and Arborfield Cross Gyratory to accommodate and reduce the traffic impacts of strategic development at Arborfield Garrison and South of the M4 (Shinfield and Spencers Wood).

Background Papers

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

ⁱhttps://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/398880/35_Thames_Valley_Berkshire_Growth_Deal.pdf

ⁱⁱ <https://www.gov.uk/government/publications/thames-valley-berkshire-growth-deal>

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ⁱⁱⁱ <http://www.slough.gov.uk/moderngov/documents/s53480/Item%20%20BLTB%2015%20November%202018%20Financial%20Approval%202.04.4%20Wokingham%20Arborfield%20Cross%20Relief%20Road%20-%20prel.pdf>

^{iv}<http://www.thamesvalleyberkshire.co.uk/berkshire-strategic-transport-forum>

^v <https://www.wokingham.gov.uk/roadworks-and-outdoor-maintenance/major-new-roads/arborfield-relief-road/>

^{vi}<http://www.thamesvalleyberkshire.co.uk/berkshire-strategic-transport-forum>

^{vii} <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5148&Ver=4>

^{viii}<http://www.slough.gov.uk/moderngov/documents/s53480/Item%20%20BLTB%2015%20November%202018%20Financial%20Approval%202.04.4%20Wokingham%20Arborfield%20Cross%20Relief%20Road%20-%20prel.pdf>

^{ix} <https://www.wokingham.gov.uk/roadworks-and-outdoor-maintenance/major-new-roads/arborfield-relief-road/>

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^x <http://www.thamesvalleyberkshire.co.uk/getfile/Public%20Documents/Strategic%20Economic%20Plan/Logos%20for%20branding/GROWTH%20DEAL%20IDENTITY%20GUIDELINES%20280219.pdf?inline-view=true>