

BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB

DATE: 18 July 2019

CONTACT OFFICER: Tim Wheadon, Chief Executive, Bracknell Forest Council

Item 9: Financial Approval 2.31 Slough: Stoke Road Area Regeneration

Purpose of Report

1. To consider giving financial approval to scheme 2.31 Stoke Road Area Regeneration.
2. The Stoke Road corridor improvements scheme comprises of sustainable transport infrastructure and highway works. These will support the regeneration of six major brownfield sites at Stoke Road and improved interchange and parking at Slough station. The scheme will improve transport infrastructure in the Stoke Road area by providing strategic routes for walking and cycling, to improve links to the railway station and town centre, and local highway remodelling to provide access to the six major regeneration sites. By improving access to the northern section of Slough station forecourt and carrying out public realm enhancements, the scheme will complement the station. This will provide access to Crossrail, Great Western and Western Rail Link to Heathrow services.

Recommendation

3. You are recommended to give scheme 2.31 Slough Stoke Road Area Regeneration full financial approval in the sum of £2,500,000 in 2019/20 and £5,150,000 in 2020/21 on the terms of the funding agreement set out at paragraph 11 step 5 below.

Other Implications

Financial

4. A re-prioritisation exercise was undertaken in advance of already allocated Local Growth Funds (LGF) being substituted by Business Rates Retention Pilot (BRRP) monies (and returned to the Growth Deal “pot” for re-allocation). Scheme 2.31 Stoke Road Area Regeneration is funded from this reallocation.
5. This report recommends that Slough Borough Council be authorised to draw down the capital sum £7,650,000 from the Local Transport Body funding for this scheme, subject to meeting the conditions set out in the recommendation.
6. The funding agreement set out at paragraph 11 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

7. The risk management arrangements already put in place by the Local Transport Body are as follows:
- The [Assurance Framework](#)ⁱ has been drafted following DfT guidance and has been approved by the DfT for use in allocating capital funds for transport schemes
 - Hatch Regeneris has 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 11, 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

8. 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

9. The scheme will be carried out for Slough Borough Council.
10. The full details of the scheme are available from the [Slough Borough Council website](#)ⁱⁱ. A summary of the key points is given below:

Task	Timescale
Procurement	Via the Council's Term Contractor
Contractor appointed	As above
Construction	November 2019
Completion date	March 2022

Activity	Funder	Cost (approx)
Scheme development	Slough Borough Council	
Major scheme funding	Berkshire Local Transport Body	£7.65m
Section 106 agreements	Developers etc	£1m
Total		£8.65m
Land value (in-kind resources)	Development Partners	£2.25m

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

Assurance Framework Check list	2.31 Slough: Stoke Road Area Regeneration
Step 1: Development of Scheme proposal; initial sifting, scoring and	The scheme was originally developed by Slough Borough Council to provide sustainable transport infrastructure and highway works to support regeneration of six major brownfield sites at Stoke Road and improved interchange and parking at Slough station. The SEP assessment process was used and the

Assurance Framework Check list	2.31 Slough: Stoke Road Area Regeneration			
<p>prioritisation leading to award of Programme Entry Status. (See paragraphs 11-13)</p>	<p>scheme was given 28 points and ranked 1st of 18 schemes submitted in July 2018 as part of the GD 3 reallocation process.</p>			
	<p style="text-align: center;">Factor</p>	<p style="text-align: center;">Raw score</p>	<p style="text-align: center;">Weighting</p>	<p style="text-align: center;">Weighted score</p>
	<p>Strategy</p>	<p style="text-align: center;">3</p>	<p style="text-align: center;">1.5</p>	<p style="text-align: center;">4.5</p>
	<p>Deliverability</p>	<p style="text-align: center;">3</p>	<p style="text-align: center;">2.0</p>	<p style="text-align: center;">6.0</p>
	<p>Economic Impact</p>	<p style="text-align: center;">3</p>	<p style="text-align: center;">4.0</p>	<p style="text-align: center;">12.0</p>
	<p>TVB area coverage</p>	<p style="text-align: center;">2</p>	<p style="text-align: center;">1.5</p>	<p style="text-align: center;">3.0</p>
	<p>Environment</p>	<p style="text-align: center;">2</p>	<p style="text-align: center;">0.5</p>	<p style="text-align: center;">1.0</p>
	<p>Social</p>	<p style="text-align: center;">3</p>	<p style="text-align: center;">0.5</p>	<p style="text-align: center;">1.5</p>
<p>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>	<p>Programme Entry status was given by the BLTB on 19 July 2018^{iv}. Progress reports were considered by the BLTB on 15 November 2018^v, and 14 March 2019^{vi}.</p>			
	<p>The Slough Borough website^{vii} 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 Slough Borough 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 • 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 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. 			
<p>Step 3: Conditional Approval</p>	<p>The Independent Assessor has recommended that in this case Unconditional Approval is appropriate.</p>			
<p>Step 4: Recommendation of Financial Approval</p>	<p>The scheme has a Benefit- Cost Ratio (BCR) of over 4 to 1.</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 described as</p>			

Assurance Framework Check list	2.31 Slough: Stoke Road Area Regeneration
<ul style="list-style-type: none"> - High Value for Money - Support of the Independent assessor 	<p>having High or Very High Value for Money.</p>
<p>Step 5: Formal Agreement</p> <ul style="list-style-type: none"> - roles - responsibilities - implementation - reporting - auditing - timing and triggers for payments, - contributions from other funders, - consequences of delay, - consequences of failure, - claw back, - evaluation one and five years on 	<p>1. <u>Roles</u>: TVB LEP is a part funder of the scheme. Slough Borough Council is the scheme promoter and is the relevant highway and planning authority.</p> <p>2. <u>Responsibilities</u>: TVB LEP is responsible for allocating the capital finance in accordance with its Assurance Framework. Slough 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.</p> <p>3. <u>Implementation</u>: In addition to any reporting requirements within Slough 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, Slough 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.</p> <p>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. This scheme will not be required to participate in an evaluation as set out in the Growth Deal Monitoring and Evaluation Plan.</p> <p>5. <u>Auditing</u>: Slough 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, Slough Borough Council will co-operate fully.</p> <p>6. <u>Timing and Triggers for payments</u>: See the Claim Proforma at Appendix 1 of the grant letter – available on request.</p> <p>7. <u>Contributions from Other Funders</u>: There will be £1,000,000 of s.106 contributions secured by Slough Borough Council in 2019/20. There will be additional in-kind contribution of land by the SBC development partners to the value of £2,250,000 in 2020/21. In the event that the scheme experiences or it is anticipated that the scheme will experience a shortfall in these contributions, Slough</p>

Assurance Framework Check list	2.31 Slough: Stoke Road Area Regeneration
	<p>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 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), Slough 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) Slough 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 Slough 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, Slough Borough Council will be required to seek prior written consent from TVB LEP. Failing this permission, no further monies will be paid to Slough Borough Council after the change becomes apparent to TVB LEP. In addition, consideration will be given to recovering any monies paid to Slough Borough Council in respect of this scheme.</p> <p>10. <u>Consequences of Failure</u>: As soon as it becomes apparent to Slough 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 Slough Borough Council after this point. In addition, consideration will be given to recovering any monies paid to Slough 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>: Slough 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>: Slough Borough Council will acknowledge the financial contribution made to this scheme through Local Growth Funds and follow the 'Growth Deal Identity</p>

Assurance Framework Check list	2.31 Slough: Stoke Road Area Regeneration
	<p>Guidelinesⁱ. 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.</p>

Conclusion

12. The overall scheme aligns well with strategic priorities and supports the broader regeneration of Slough Town Centre and, specifically, the area around the railway station.

Background Papers

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

ⁱ <http://www.thamesvalleyberkshire.co.uk/berkshire-strategic-transport-forum>

ⁱⁱ <http://www.slough.gov.uk/parking-travel-and-roads/stoke-road-area-regeneration-highway-improvement-works.aspx>

ⁱⁱⁱ <http://www.thamesvalleyberkshire.co.uk/berkshire-strategic-transport-forum>

^{iv} <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5677&Ver=4>

^v <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5719&Ver=4>

^{vi} <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5951&Ver=4>

^{vii} <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5951&Ver=4>