

BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

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

CONTACT OFFICER: Nick Carter, Chief Executive West Berkshire Council,

PART I

Financial Approval for 2.08 Slough: Rapid Transit Phase 1

Purpose of Report

1. To consider giving financial approval to scheme 2.08 Slough: Rapid Transit Phase 1.
2. The A4 forms the spine of a 12km strategic public transport corridor that links Maidenhead, Slough and Heathrow and plays an important role in providing surface access to the airport. The western and central sections of the Slough Mass Rapid Transit (SMaRT) project Phase 1 will provide segregated bus lanes and other junction improvements connecting Slough Trading Estate, the railway station, the town centre and eastwards to Junction 5 of the M4.

Recommendation

3. You are recommended to give scheme 2.08 Slough: Rapid Transit Phase 1 full financial approval in the sum of £3,600,000 in 2015/16 and £2,000,000 in 2016/17 with the terms of the funding agreement set out at paragraph 10 step 5 below.

Other Implications

Financial

4. Scheme 2.08 Slough: Rapid Transit Phase 1 is one of the named schemes that received approval for spending in 2015/16 and indicative approval for spending in 2016/17 in the [Thames Valley Berkshire Local Growth Deal](#)ⁱ announced on 7 July 2014.
5. In the event that the “indicative approval” given by the government in the Local Growth Deal fails to convert to actual approval, the BLTB has a contingency unallocated amount of £5,800,000 which could be allocated in due course to support this scheme.
6. This report recommends that Slough Borough Council be authorised to draw down the capital sum, £5,600,000 allocated by the government for this scheme.
7. The funding agreement set out at paragraph 10 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
 - 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 10, 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 table below sets out the details of this scheme’s compliance with steps 1-5 of paragraph 14 of [the full Assurance Frameworkⁱⁱⁱ](#).

Assurance Framework Check list	Slough Rapid Transit – Phase 1			
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 Slough Borough Council in 2010 and first mentioned in 2005/06 as part of LTP2.			
	When the scheme was first presented to BLTB, it was in two separate parts – a western section (Slough Trading Estate to Three Tuns) and a central section (Three Tuns to Brands Hill). These two sections have since been combined into Phase 1 (Slough Trading Estate to Brands Hill). Phase 2 refers to an eastern section which will run from Brands Hill to Heathrow Airport.			
	In 2013, the outline schemes (western and central) were assessed in accordance with paragraphs 11 and 12 of the Assurance Framework and both sections were given 22.5 points and ranked equal 6 th of the 28 schemes originally submitted, and equal 5 th of the schemes finally considered by the BLTB.			
	Factor	Raw score	Weighting	Weighted score
	Maximum strategic Impact	3	2	6
	Economic Impact	3	2	6
	VFM	1	1.5	1.5
	Ease of Deliverability	2	1.5	3
	Matched Funding	2	1	2
Environmental	2	1	2	
Social	2	1	2	

	Total	22.5		
	<p>Programme Entry Status was awarded at the BLTB meeting on 18 July 2013^{iv}.</p> <p>The whole scheme (phases 1 and 2) was subsequently considered again for inclusion in the Strategic Economic Plan. A similar assessment process was used and the scheme was given 29 points and ranked equal 1st of 37 schemes originally submitted and equal 1st of the schemes that were included in the SEP. Only Phase 1 of the scheme was included in the SEP.</p>			
	Factor	Raw score	Weighting	Weighted score
	Strategy	3	1.5	4.5
	Deliverability	3	2	6
	Economic Impact	3	4	12
	TVB area coverage	3	1.5	4.5
	Environment	2	0.5	1
	Social	2	0.5	1
	Total			29
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 14 November 2013^v and 13 March 2014^{vi}.</p> <p>The outline of the scheme has been publicly available TVB LEP website^{vii} since July 2013.</p> <p>A fuller version has been available in the SEP Implementation Plan Annexe^{viii} (scheme 2.08 page 56) in draft since December 2013 and in the final version since March 2014.</p> <p>The Slough 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>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. 			
	Step 3: Conditional Approval	The Independent Assessor has recommended that in this case a Full Approval is appropriate.		
Step 4:	The scheme has a Benefit- Cost Ratio (BCR) of 7.66. Sensitivity tests 6 and			

<p>Recommendation of Financial Approval</p> <ul style="list-style-type: none"> - High Value for Money - Support of the Independent assessor 	<p>13 modelled alternative BCRs against more pessimistic assumptions, resulting in scores of 5.95 and 4.28 respectively.</p> <p>DfT has set a threshold of 4.00 and schemes with BCRs above this can be described as having Very High Value for Money.</p> <p>As noted above the scheme has the full support of the Independent assessor.</p> <p>The recommendation is that the scheme receives Full Approval.</p>
<p>Step 5: Formal Agreement</p> <ul style="list-style-type: none"> - roles - responsibilities - 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>Roles: The BLTB is a part funder of the scheme. Slough Borough 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. Slough Borough 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 Slough Borough Council, the scheme promoter will also make summary reports on progress to each meeting of the BLTB until the scheme reached practical completion. In particular, Slough Borough Council must report on any reduction 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, Slough Borough Council will cooperate fully.</p> <p>Timing and Triggers for payments: Slough Borough 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: Slough Borough capital programme will contribute £1,800,000 in 2015/16 and £800,000 in 2016/17; in addition there will be £600,000 of s.106 contributions secured by Slough Borough Council in 2015/16 and £300,000 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), 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 programme (11 weeks or longer) Slough Borough 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 Slough Borough 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 shall 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>Claw back: If the overall scheme achieves savings against budget, these</p>

	<p>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: Slough Borough Council will work with WYG to produce scheme evaluations One and Five years after practical completion.</p>
--	--

Conclusion

11. This is a well-planned scheme that will improve the capacity, speed and reliability of the public transport network in Slough.

Background Papers

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

ⁱhttps://www.gov.uk/government/uploads/system/uploads/attachment_data/file/327587/35_Thames_Valley_Berkshire_Growth_Deal.pdf

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

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

^{iv}<http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5004&Ver=4>

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

^{vi}<http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5006&Ver=4>

^{vii}<http://thamesvalleyberkshire.co.uk/Portals/0/FileStore/StrategicInfrastructure/StrategicInfrastructure/BLTB/Bracknell-Forest-1-Coral-Reef.pdf>

^{viii}<http://thamesvalleyberkshire.co.uk/Portals/0/FileStore/StrategicEconomicPlan/TVB%20SEP%20-%20Annexes%20to%20Implementation%20Plan.pdf>

^{ix}<http://www.slough.gov.uk/parking-travel-and-roads/plans-for-the-future.aspx>