

BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB **DATE:** 20 November 2014
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PART I

THAMES VALLEY BERKSHIRE LOCAL GROWTH DEAL 2015/16 to 2020/21

Purpose of Report

1. To report on the overall progress of the [Thames Valley Berkshire Local Growth Deal](#)¹, with particular reference to the schemes included in the Transport Packages of the [Strategic Economic Plan](#)². The headline figure for Transport Schemes is £94.60m, of which £11.1m is new approval to spend in 2015-16; £14.5m is previously approved; and £69.00m is indicative approval for five future years 2016/17 – 2020/21.
2. The terms of the TVB Local Growth Deal stipulate that permission must be sought to switch approved schemes between different sections. It has become necessary to seek such permission in order to ensure we achieve maximum spend in 2015-16.
3. Elsewhere on this agenda there are detailed reports from the schemes concerned: that information is not repeated in this report, which concentrates on the financial implications of the proposed switch of scheme categorisation.

Recommendation

4. You are recommended to support the request from the LEP to government to sanction changes to the programme which will allow:
 - 4.1. project starts in 2015-16 for 2.10 Slough: A332 improvements and for 2.17 Slough: A355 route
 - 4.2. project delays to start in 2016-17 for 2.01 Newbury: Kings Road Link Road and 2.06 Reading: Green Park Railway Station

Other Implications

Financial

5. Since your last meeting the proposers of two schemes identified as ready to start construction in 2015-16 have indicated that they will not now be ready to start construction until 2016-17. They are:

¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/327587/35_Thames_Valley_Berkshire_Growth_Deal.pdf

² The TVB Strategic Economic Plan is available from thamesvalleyberkshire.co.uk/Strategic_Economic_Plan

Table 1: Schemes Seeking a Delay of 1 Year

	Original Funding Source	Original Spending profile	Proposed Funding Source	Proposed Spending profile
2.01 Newbury Kings Road Link Road	Pre-allocated BLTB funds	2015-16: £1.34m 2016-17: £1.00m	Indicative Approval in Future Years	2016-17: £1.00m 2017-18: £1.34m
2.06 Reading Green Park Railway Station	Pre-allocated BLTB funds	2015-16: £2.285m 2016-17: £2.625m 2017-18: £1.49m	Indicative Approval in Future Years	2016-17: £3.20m 2017-18: £3.20m

6. Two schemes in Slough, originally identified in the SEP for 2015-16 starts, were given Local Growth Deal approval, but for starts in 2016-17 or later. These are ready to start construction in 2015-16 and are recommended to you as suitable for bringing forward in 2015-16. The TVB Local Growth Deal identifies funding for these two schemes in the “Indicative Approval in Future Years” block.

Table 2: Schemes Seeking to be Advanced by 1 Year

	Original Funding Source	Original Spending profile	Proposed Funding Source	Proposed Spending profile
2.10 Slough A332 Improvements	Indicative Approval in Future Years	2016-17: £2.70m	Pre-allocated BLTB funds	2015-16: £1.35m 2016-17: £1.35m
2.17 Slough A355 Route	Indicative Approval in Future Years	2016-17: £4.40m	Pre-allocated BLTB funds	2015-16: £2.28m 2016-17: £2.12m

7. In order to ensure that the proposed swap has a neutral impact on the overall programme, a balancing transfer of £1.64m of previously unallocated BLTB funds is necessary.

Table 3: Impact of Proposed Changes on Pre-allocated BLTB funds

Before	£m	After	£m
2.01 Newbury: Kings Road Link Road	2.34	2.10 Slough: A332 Improvements	2.70
2.06 Reading: Green Park Railway Station	6.40	2.17 Slough: A355 route	4.40
-	-	Transfer of funds from “pre-allocated” to “post-2016”	1.64
2.xx Unallocated	5.76	2.xx Unallocated	5.76
	14.50		14.50

8. The DfT has previously confirmed the allocation of Local Majors Capital Funding for Berkshire LTB as £14.5m over four years, commencing April 2015. The Local Growth Deal includes this sum, and in addition approves £11.1m for spending in 2015/16 and indicative approval for £69.05m over the five years 2016/17- 2020/21.

Table 4: Available Finance

£m	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Growth Deal	11.10	-	-	-	-	-	11.10
“Tail” of scheme above	-	2.00	-	-	-	-	2.00
Indicative approval	-	67.00					67.00
LTB	3.625	3.625	3.625	3.625	-	-	14.50
Total							94.60

9. The profiling of payments within the “Indicative Approval Future Years” block has not yet been confirmed by the government. An announcement is expected alongside the Autumn Statement, planned for 3 December.

Table 5 – Growth Deal Including the Proposed Adjustments

SEP Ref	Scheme Name	£m		
		2015/16	2016/17 – 2020/21	Total
	New Approvals 2015/16	2015/16	2016/17 – 2020/21	Total
2.02	Bracknell: Warfield Link Road	3.50	-	
2.03	Newbury: London Road Industrial Estate	1.90	-	
2.07	Bracknell: Coral Reef Roundabout	2.10	-	
2.08	Slough: Rapid Transit Phase 1 (year 1 of 2)	3.60	-	
				11.10
	Indicative Approval 2016/17	2015/16	2016/17	
2.08	Slough: Rapid Transit Phase 1 (year 2 of 2)	-	2.00	-
				2.00
	Indicative Approvals Future Years	2015/16	2016/17 – 2020/21	
2.01	Newbury: King’s Road Link Road	-	2.34	
2.04	Wokingham: Distributor Roads	-	24.00	
2.06	Reading: Green Park Railway Station	-	6.40	
2.09 (part)	Sustainable Transport & Minor Works (yrs2-6) Strategic cycle routes only	-	4.75 (part approval)	
2.11	Reading: South Reading MRT Phase 1	-	2.97	
2.12	Reading: South Reading MRT Phase 2	-	1.53	
2.13	Reading: Eastern Reading Park and Ride	-	2.90	
2.14	Reading : East Reading Mass Rapid Transit	-	15.60	
2.15	Bracknell: Martins Heron Roundabout	-	1.40	
2.16	Maidenhead: Station Access	-	6.75	
				68.64

	Previously Approved LTB	2015/16	2016/17	2017/18	2018/19	
2.10	Slough: A332 improvements	1.35	1.35	-	-	
2.17	Slough: A355 route	2.275	2.125		-	
	Not yet allocated	-	-	2.135	3.625	
		3.625	3.475	2.135	3.625	12.86*
Grand Total						94.60

*Reduced from £14.50m to £12.86m by £1.64m which is the balancing figure in Table 3 above

10. The status of the “indicative approval” for the years 2016/17 -2020/21 is as follows:

- The schemes are named in the Local Growth Deal
- The schemes have been individually assessed and approved by the Government
- The “indicative approval” has been awarded to ensure a strong and continuous pipeline of schemes coming to fruition
- There is strong encouragement to actively manage the programme of schemes
- There is strong encouragement to develop each of the schemes to full business case stage
- There is an indication that the Government’s criteria for final approval will include:
 - Track record of delivering previously approved schemes
 - State of readiness of the individual schemes
 - Strength of the officer level programme management arrangements
 - Strength of the overall governance of the programme

Risk Management

11. The Growth Deal makes a clear distinction between approval of funds for release and spending in 2015/16 and the “indicative approval” of funds in the five further years covered by the Deal (2016/17 – 2020/21). It also makes a distinction for the previously approved LTB amount of £14.5m spread over the four years 2015/16 – 2018/19.

12. There will be an element of risk for scheme promoters who invest in developing their schemes to full business case stage in accordance with the approved [Assurance Framework](#)³. However, there is also risk involved in not developing the schemes; that risk is that any reluctance to bring the schemes forward will result in any final approval being delayed or refused.

Human Rights Act and Other Legal Implications

13. The [Assurance Framework](#)³ referred to above identifies the steps that scheme promoters should take in order to secure financial approval from the LTB. There are, in effect, two layers of scheme approval. The first, and primary layer rests with the scheme promoter (all the schemes referred to in this report are being promoted by Local Authorities). In order to implement the schemes in question, each promoter will need to satisfy themselves that all the legal implications have been considered and appropriately resolved. The secondary layer of approval, given by the LTB, is concerned with the release of funds against the detailed business case. The

³<http://thamesvalleyberkshire.co.uk/Portals/0/FileStore/StrategicInfrastructure/StrategicInfrastructure/BLTB/Assurance%20Framework%20for%20Berkshire%20Local%20Transport%20Body%2014%20November%2013.pdf>

arrangements for publication of plans via the LEP and promoters' websites, the arrangements for independent assessment and the consideration of detailed scheme reports are appropriate steps to ensure that any significant Human Rights Act or other legal implications are properly identified and considered.

Supporting Information

14. The [LEP's Strategic Economic Plan](#)⁴ was published in March 2014, and the Local Growth Deal represents a strong endorsement of the Plan, and has approved practically all of the transport schemes identified in the plan for the period 2015-2021
15. There is a detailed progress report on each of the approved schemes elsewhere on the agenda for this meeting.

Background Papers

Each of the schemes referred to above has a detailed pro-forma summarising the details of the scheme. Both the SEP and LTB prioritisation processes and scoring schemes are also available background papers.

⁴ http://thamesvalleyberkshire.co.uk/Strategic_Economic_Plan