

## BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB

DATE: 19 November 2015

CONTACT OFFICER: Ruth Bagley, Chief Executive Slough Borough Council,  
lead Chief Executive to the BLTB

### PART I

#### Financial Approval 2.09.01 NCN 422

##### ***Purpose of Report***

1. To consider giving financial approval to scheme 2.09.01 National Cycle Network (NCN) 422.
2. In 2013 Sustrans were commissioned by Wokingham Borough Council (with the support of Reading Borough Council, Bracknell Forest Council and the Royal Borough of Windsor & Maidenhead) to investigate a potential National Cycle Route linking all four Boroughs. The Route has since been developed so that originates in West Berkshire and goes on through to Windsor at LEGOLAND.

##### ***Recommendation***

3. You are recommended to give scheme 2.09.01 NCN 422 full financial approval in the sum of £4,200,000 over three years (2016/17-2018/19) on the terms of the funding agreement set out at paragraph 12 step 5 below.

##### ***Other Implications***

###### Financial

4. Scheme 2.09.01 NCN 422 was named in the [Thames Valley Berkshire Local Growth Deal](#) announced on 7 July 2014.
5. This report recommends that Wokingham Borough Council be authorised to draw down the capital sum £4,200,000 from the Local Transport Body funding for this scheme.
6. The funding agreement set out at paragraph 12 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<sup>ii</sup>](#) 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 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

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 by Bracknell Forest, Reading, West Berkshire, Windsor and Maidenhead and Wokingham Councils.
10. The full details of the scheme are available from the [Wokingham BC website<sup>iii</sup>](#). A summary of the key points is given below:

Task	Timescale
Construction	Starts April 2016
Open to public	Completion during 2018

Activity	Funder	Cost (approx)
Scheme development	The five councils	
Major scheme funding	Berkshire Local Transport Body	£4.20m
Council funding	Wokingham, Reading and West Berkshire Capital programmes	£1.35m
Private sector funding	s.106 and other sources	0
<b>Total</b>		<b>£5.55m</b>

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

Assurance Framework Check list	2.09.01 NCN 422
	In 2013 Sustrans were commissioned by Wokingham Borough Council (with the support of Reading Borough Council, Bracknell Forest Borough Council and the Royal Borough of Windsor & Maidenhead) to investigate a potential National Cycle Route linking all four Boroughs. The Route has since been developed so that originates in West Berkshire and goes on through to Windsor at LEGOLAND.

Assurance Framework Check list	2.09.01 NCN 422			
	<p>The route requires funding to deliver new infrastructure in all five authorities, although large sections of the route already exist or have been provided through separate capital programmes such as LSTF.</p>			
	<p>This scheme, then called “East-West Cycle Spine: Central Berkshire on the National Cycle Network” was submitted for inclusion in the Strategic Economic Plan. The assessment process was applied and the scheme was given 24.5 points and ranked equal 17th of 37 schemes originally submitted. The scheme was subsequently renamed NCN 422.</p>			
		<b>Raw score</b>	<b>Weighting</b>	<b>Weighted score</b>
	Strategy	2	1.5	3
	Deliverability	3	2	6
	Economic Impact	2	4	8
	TVB area coverage	3	1.5	4.5
	Environment	3	0.5	1.5
Social	3	0.5	1.5	
Total			24.5	
<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>The SEP identifies NCN 422 as one of four separate schemes within project 2.09 Sustainable Transport and Minor Schemes Package. However, the Growth Deal approved funding only for NCN 422 and A4 Cycle projects. These two projects are now managed as separate schemes, 2.09.01 NCN 422 and 2.09.02 A4 Cycle. Programme Entry status was given by the BLTB on <a href="#">24 July 2014</a><sup>v</sup>. (minute 6b refers) The progress of the scheme was reported to the BLTB meetings held on <a href="#">20 November 2014</a><sup>vi</sup>, <a href="#">19 March 2015</a><sup>vii</sup> and <a href="#">16 July 2015</a><sup>viii</sup>.</p> <p>The outline of the scheme has been publicly available from the <a href="#">TVB LEP website</a><sup>ix</sup> since July 2013.</p> <p>A version setting the ambition of the overall package 2.09 has been in the <a href="#">SEP Implementation Plan Annex</a><sup>x</sup> (pages 62 to 69) in draft since December 2013 and in the final version since March 2014.</p> <p>The <a href="#">Wokingham BC website</a><sup>xi</sup> 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, Bracknell Forest, Reading, West Berkshire, Windsor and Maidenhead or Wokingham Councils 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"> <li>• Completeness – has the promoter prepared a complete Full Business Case submission, when judged against the prevailing advice from the DfT</li> <li>• Accuracy – has the promoter performed the relevant calculations and assessments accurately and without error</li> </ul>			

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	<ul style="list-style-type: none"> <li>• 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 as unduly-optimistic assumptions or out of date modelling data</li> <li>• Value for Money – does the scheme promoter’s Value for Money assessment comply with the prevailing DfT guidance</li> <li>• Evaluation arrangements – has the scheme promoter made provision for appropriate post-implementation evaluation of the scheme.</li> <li>• 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.</li> </ul>
Step 3: Conditional Approval	The Independent Assessor has recommended that in this case a Full Approval is appropriate.
Step 4: Recommendation of Financial Approval - High Value for Money - Support of the Independent assessor	<p>The scheme has a Benefit- Cost Ratio (BCR) of 2.08</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 be described as having High or 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 you give the scheme Full Approval.</p>
Step 5: Formal Agreement - 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. Wokingham Borough Council is the scheme promoter, and is working with colleagues from Bracknell Forest, Reading, West Berkshire and Windsor and Maidenhead Councils through a project steering group. Each council 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. Wokingham Borough Council, working with colleagues from Bracknell Forest, Reading, West Berkshire and Windsor and Maidenhead Councils through the project steering group 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 the five Councils, the scheme promoter will also make summary reports on progress to each meeting of the BLTB until the scheme reaches practical completion. 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.</p>

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	<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, Wokingham Borough Council will cooperate fully.</p> <p>Timing and Triggers for payments: Wokingham Borough Council will submit an annual invoice for each financial year together with a certificate of work completed. The profile of payments will be £1,900,000 in 2016-17; £1,500,000 in 2017-18; and £800,000 in 2018-19. 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: there will be capital programme contributions of £600,000 from Wokingham Council in 2015/16; £600,000 from Wokingham Council, £50,000 from Reading Council and £50,000 from West Berkshire Council in 2016/17; and £50,000 from West Berkshire in 2017/18.</p> <p>Consequences of Delay: In the event that the scheme experiences minor delays to its 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 programme (11 weeks or longer) Wokingham 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 Wokingham 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 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>Claw back: If the overall scheme achieves savings against budget, these 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>Other Conditions of Local Growth Funds: Bracknell Forest, Reading, West Berkshire, Windsor and Maidenhead and Wokingham Borough Councils will acknowledge the financial contribution made to this scheme through Local Growth Funds and follow the "<a href="#">Growth Deal Identity Guidelines</a>"<sup>xii</sup> issued by government. They will also give due regard to the <a href="#">Public Services (Social Value) Act</a><sup>xiii</sup>, particularly through the employment of apprentices across the scheme supply chain.</p>

<b>Assurance Framework Check list</b>	<b>2.09.01 NCN 422</b>
	Evaluation One and Five years on: Wokingham Borough Council will work with WYG to produce scheme evaluations One and Five years after practical completion.

### **Conclusion**

12. This is a well-planned scheme that will add to the National Cycle Network.

### **Background Papers**

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

<sup>i</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/327587/35\\_Thames\\_Valley\\_Berkshire\\_Growth\\_Deal.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/327587/35_Thames_Valley_Berkshire_Growth_Deal.pdf)

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

<sup>iii</sup><http://www.wokingham.gov.uk/transport/travel/policies/?assetdet7653806=373358&categoryesctl6444093=9247>

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

<sup>v</sup> <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?Cid=601&Mid=5148&Ver=4>

<sup>vi</sup> <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?Cid=601&Mid=5181&Ver=4>

<sup>vii</sup> <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?Cid=601&Mid=5473&Ver=4>

<sup>viii</sup> <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?Cid=601&Mid=5459&Ver=4>

<sup>ix</sup><http://thamesvalleyberkshire.co.uk/Portals/0/FileStore/StrategicInfrastructure/StrategicInfrastructure/BLTB/Reading-BC-02-Southern-MRT.pdf>

<sup>x</sup><http://thamesvalleyberkshire.co.uk/Portals/0/FileStore/StrategicEconomicPlan/TVB%20SEP%20-%20Annexes%20to%20Implementation%20Plan.pdf>

<sup>xi</sup><http://www.wokingham.gov.uk/transport/travel/policies/?assetdet7653806=373358&categoryesctl6444093=9247>

<sup>xii</sup> <https://www.gov.uk/government/publications/regional-growth-fund-identity-guidelines>

<sup>xiii</sup> <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>