

## 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 2.09.02 A4 Cycle

##### *Purpose of Report*

1. To consider giving financial approval to scheme 2.09.02 A4 Cycle.
2. This scheme will provide a safe and convenient cycle route between Slough and Maidenhead via South Buckinghamshire. It will be part shared-use footway/cycleway and part on-carriageway cycle lanes. It will follow the A4 corridor and will link with a scheme being promoted by Buckinghamshire Thames Valley LEP, which is progressing along similar time-scales. The scheme will connect the two urban centres of Slough and Maidenhead and will give access to: the Bishops Centre Retail Park; Slough Trading Estate; Burnham and Taplow stations and adjacent residential areas. It will cater for commuting and other utility cycling trips, as well as leisure trips, connecting to National Cycle Network Route 61 via the Jubilee River, and to Cliveden and Burnham Beeches.
3. The scheme is being coordinated with matching investment by Buckinghamshire County Council and Local Enterprise Partnership on the A4 cycle corridor between the Windsor and Maidenhead at Maidenhead Bridge and Slough at Burnham.

##### *Recommendation*

4. You are recommended to give scheme 2.09.02 A4 Cycle full financial approval in the sum of £700,000 in 2016/17 on the terms of the funding agreement set out at paragraph 14 step 5 below.

##### *Other Implications*

###### Financial

5. Scheme 2.09.02 A4 Cycle is named in the [Thames Valley Berkshire Local Growth Deal](#) announced on 7 July 2014.
6. This report recommends that Windsor and Maidenhead Council be authorised to draw down the capital sum £700,000 from the Local Transport Body funding for this scheme.

7. 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

8. 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

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 scheme will be carried out by Windsor and Maidenhead Council and Slough Borough Council. There is good coordination with colleagues in South Buckinghamshire, but the funds for those sections are identified and managed separately.
11. The independent assessors have pointed the following:
 

*We note that the benefits presented in the FBC are based upon a 10 year scheme life assessment. However, the Department for Transport’s “Value for Money Assessment for Cycling Grants” guidance states that cycling “infrastructure delivered by these grants (for Cycle City Ambition Grant and the Cycling in National Parks Grant schemes) has a useful life of at least 30 years”. If a longer scheme life assessment period was used the anticipated physical activity and journey quality benefits would have far higher monetary values and therefore the BCR would be higher, likely to be above the 2.0 BCR threshold for a ‘High’ Value for Money scheme.*
12. A further unusual item associated with this scheme is its cross-border nature. The BCRs for the two Berkshire sections are individually lower than the combined BCR (see Table 7.2 taken from the Full Business Case).

Table 7-2: BCR Summary Route Section BCR (inc. Wider Economic Benefit)

SBC	1.59
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<i>RBWM</i>	<i>1.18</i>
<i>Combined SBC and RBWM</i>	<i>1.73</i>

This can be thought of as the “marriage value” of putting the two sections of the route together. It is reasonable to assume that a further “marriage value” would be achieved when the two Berkshire sections are again combined with the Buckinghamshire section, which is the subject of separate, but coordinated investment.

13. The full details of the scheme are available from the [Windsor and Maidenhead website](#)<sup>iii</sup>. A summary of the key points is given below:

<b>Task</b>	<b>Timescale</b>
Detailed design update	Spring/summer 2015
Procurement	Complete by April 2016
Construction	Summer 2016
Open to public	March 2017

<b>Activity</b>	<b>Funder</b>	<b>Cost (approx)</b>
Scheme development	Slough and Windsor and Maidenhead Councils	
Major scheme funding	Berkshire Local Transport Body	£0.700m
Capital programme	Slough and Windsor and Maidenhead Councils	£0.110m
Private sector funding	s.106 and other sources	£0.770m
South Buckinghamshire sections	Bucks Growth Deal and local capital programme and s.106	£1.729m
<b>Total</b>		<b>£3.308m</b>

14. 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>.

<b>Assurance Framework Check list</b>	<b>2.09.02 A4 Cycle</b>
	<p>The original intention was for the NCN 422 route to continue from Windsor and Maidenhead into Slough. When this objective ran into insurmountable difficulties, attention was turned to partnership working with colleagues from Bucks Thames Valley LEP, Bucks CC and South Bucks DC to address improved cycle facilities on the A4/Crossrail corridor between Maidenhead and Slough.</p> <p>The original 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. This separate scheme was subsequently renamed A4 Cycle.</p>

Assurance Framework Check list	2.09.02 A4 Cycle			
	Factor	Raw score	Weighting	Weighted score
	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 A4 Cycle 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="#">Windsor and Maidenhead 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, Slough or Windsor and Maidenhead 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> <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 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</li> </ul>			

Assurance Framework Check list	2.09.02 A4 Cycle
	<p>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>The Independent Assessor has recommended that in this case a Conditional Approval is not appropriate.</p>
<p>Step 4: Recommendation of Financial Approval</p> <ul style="list-style-type: none"> <li>- High Value for Money</li> <li>- Support of the Independent assessor</li> </ul>	<p>The scheme has a Benefit- Cost Ratio (BCR) of 1.73, (or 1.51 when subjected to sensitivity testing).</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>In this case, High Value for Money has not been demonstrated by the Full Business Case (FBC). However, in completing their independent assessment, White Young Green have drawn attention to the methodology used in the FBC. In particular, they point out that benefits have been accrued over a 10-year period, when the methodology would reasonably allow for a 30-year benefit period to be used. They say that had that alternative calculation been made, a higher BCR would have been calculated.</p> <p>It should also be noted that because the calculations have been made on the Berkshire sections alone, the VfM appraisal has not benefitted from “marriage value” of being assessed alongside the Buckinghamshire sections.</p> <p>Therefore you are recommended to give full approval to this scheme on the basis that the calculated Medium Value BCR can be safely updated to High after allowance is made for the 10-year period allowed for benefits accrual, and the consideration of the Berkshire elements independently of the Buckinghamshire elements.</p> <p>The recommendation is that you give the scheme Full Approval.</p>
<p>Step 5: Formal Agreement</p> <ul style="list-style-type: none"> <li>- roles</li> <li>- responsibilities</li> <li>- reporting</li> <li>- auditing</li> <li>- timing and triggers for payments,</li> <li>- contributions from other funders,</li> <li>- consequences of delay,</li> <li>- consequences of failure,</li> <li>- claw back,</li> </ul>	<p>Roles: The BLTB is a part funder of the scheme. Windsor and Maidenhead Council is the scheme promoter, and is working with Slough Borough Council. 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. Windsor and Maidenhead Council, working with 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 Windsor and Maidenhead or Slough Council, the scheme promoter will also make summary reports on progress to each meeting of the BLTB until the scheme reaches practical completion. In particular, Windsor and Maidenhead Council will report on any change in the size, scope or</p>

Assurance Framework Check list	2.09.02 A4 Cycle
<p>- evaluation one and five years on</p>	<p>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, Windsor and Maidenhead Council will cooperate fully.</p> <p>Timing and Triggers for payments: Windsor and Maidenhead 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: there will be £110,000 of s.106 contributions and £770,000 from council capital programmes 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), Windsor and Maidenhead 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) Windsor and Maidenhead 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 Windsor and Maidenhead 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 Reading Council after this point. In addition, consideration will be given to recovering any monies paid to Windsor and Maidenhead 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: Slough and Windsor and Maidenhead 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>2.09.02 A4 Cycle</b>
	Evaluation One and Five years on: Windsor and Maidenhead Council will work with WYG to produce scheme evaluations One and Five years after practical completion.

### **Conclusion**

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

### **Background Papers**

16. 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://www3.rbwm.gov.uk/info/200133/strategies\\_plans\\_and\\_policies/229/strategic\\_economic\\_plan](http://www3.rbwm.gov.uk/info/200133/strategies_plans_and_policies/229/strategic_economic_plan)

<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://www3.rbwm.gov.uk/info/200133/strategies\\_plans\\_and\\_policies/229/strategic\\_economic\\_plan](http://www3.rbwm.gov.uk/info/200133/strategies_plans_and_policies/229/strategic_economic_plan)

<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>