



Thames Valley Berkshire Local Enterprise Partnership

Independent Assessment Summary Report A4 Corridor Cycle Scheme

Business Case Independent Assessment

Report No. RT-A087383-12

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1 Executive Summary

1.1 This technical note provides an independent review of the A4 Corridor Cycle Scheme Business Case submission to the Thames Valley Berkshire Local Enterprise Partnership by Slough Borough Council (SBC) and The Royal Borough of Windsor & Maidenhead (RBWM) via their consultants WSP | Parsons Brinckerhoff (WSP PB).

1.2 This report has been updated to account for additional information supplied by WSP PB on 09/11/15.

SCHEME SUMMARY

1.3 The scheme is intended to provide an improved cycle route along the A4 corridor between Slough, Taplow and Maidenhead. The scheme proposes a continuous route, connecting residential areas with rail stations, retail centres and employment areas. Connections are also made to existing local cycle routes and the National Cycle Network.

1.4 The A4 corridor scheme covers the following sections:

- Burham Lane to Huntercombe Lane within SBC's area;
- Huntercombe Lane to Maidenhead Bridge within South Bucks District Council (SBDC)/ Buckinghamshire County Council (BCC) highway authority area; and
- Maidenhead Bridge to Maidenhead centre on Bridge Road/ High Street within RBWM's area.

1.5 It should be noted that the section within Buckinghamshire is not included within the Business Case submitted by WSP PB. This section is subject to a separate design process, business case and funding framework assessment. This technical note therefore purely assesses the SBC and RBWM sections of the proposed corridor, rather than making any assumptions about the corridor in its entirety.

REVIEW FINDINGS

1.6 The approach to assessing the scheme is considered to be appropriate and proportional for the type and complexity of the scheme in question whilst also taking into account the value of the scheme (with a total scheme cost of less than £5,000,000).

- 1.7 The predicted overall Benefit to Cost Ratio (BCR) of the scheme is detailed within the submitted Business Case as 1.73, which represents a 'Medium' Value for Money scheme. However, this BCR is reduced to 1.51 (a 'Medium' Value for Money scheme) when optimism bias is included within the scheme cost. This is based upon a 10 year scheme life assessment.
- 1.8 There are deemed to be limited constraints to the scheme delivery, although it should be noted that this review is not intended to provide an assessment of the proposed scheme design.
- 1.9 A key issue for assessment of the A4 Corridor Cycle Scheme as a whole is to understand the design and feasibility of the Buckinghamshire section of the route, which is excluded from the submitted Business Case, as this lies within the Buckinghamshire Thames Valley Local Enterprise Partnership area. WSP PB has provided clarification on the impact of this issue in an Addendum to the Business Case. This states that:
- "the Buckinghamshire section is considered within the overall scheme review, as the implementation of the Buckinghamshire scheme section will deliver additional benefits to cyclists using both the SBC and RBWM sections of the scheme. It is considered that sufficient information has therefore been submitted in relation to this specific submission to the TVBLEP. As demonstrated within the Business Case, both the SBC and RBWM scheme sections would provide positive net present values if undertaken independently, with greater returns predicted if delivered in combination. Whilst the successful delivery either the SBC or RBWM sections of the overall scheme is not dependent on the parallel delivery of the Buckinghamshire section, it is evident that further benefit would accrue and that some further confidence can be taken that the case for the proposal would be further reinforced. It is also noted that a separate Business Case was not deemed to be required to support a successful bid made to the DfT through the Local Growth Fund for the Buckinghamshire section of the scheme. Taken together, both independent submissions can be taken as further support for the principles of introducing these improvements."*
- 1.10 Based upon this clarification, WYG is satisfied that this potential issue of concern has been considered by the scheme promoters.

- 1.11 A checklist has been produced by WYG and is contained in **Appendix A** to review the Business Case against the guidance contained in the Department for Transport's "The Transport Business Cases" document.
- 1.12 In light of the additional information received it is our view that this Business Case has been completed correctly. The only item preventing sign off for approval is the Medium Value for Money. It is expected that schemes will normally have at least a High Value for Money.

2 Submitted Information

2.1 The Business Case independent assessment was carried out on the following documents submitted by Slough Borough Council (SBC) and The Royal Borough of Windsor & Maidenhead (RBWM) by their consultants WSP | Parsons Brinckerhoff (WSP PB):

- A4 Corridor Cycle Scheme Business Case (Draft, dated 14/09/15);
- A4 Corridor Cycle Scheme Business Case (Revision 1, dated 09/11/15);
- A4 Corridor Cycle Scheme Options Assessment Report (Revision 1, dated 31/08/15);
- A4 Corridor Cycle Scheme Appraisal Specification Report (Revision 1, dated 31/08/15);
- Slough Borough Council Section Current Design Proposals; and
- Royal Borough of Windsor & Maidenhead Section Current Design Proposals.

3 Review

3.1 OPTIONS ASSESSMENT REPORT

3.1.1 An Options Assessment Report (OAR) was appended to the Business Case report. The OAR covers the following aspects.

Purpose of the Report

3.1.2 The OAR provides a useful analysis of the existing situation and discusses various future scenarios. The report states that the overall objective of the scheme is for "*the provision of a safer and more convenient, direct cycle route between Slough and Maidenhead along the A4 corridor*". Scheme objectives are provided as follows:

- Encourage a mode shift towards cycling for a range of journey purposes; i.e. work, education and leisure;
- Reduce the necessity to undertake journeys by private motor vehicle;
- Address the existing gender inequality in cycle use;
- Improve perceived cycling amenity on the A4 corridor; and
- Minimise cycling personal injury accidents on the A4 corridor.

3.1.3 The geographical area to be impacted by the scheme is clearly described in Section 5 of the OAR.

3.1.4 The proposed option development process is detailed in Section 6 of the OAR.

Strategic Context of the Transport Intervention and Impact of No Change/ Without Scheme

3.1.5 A number of future scenarios are described, relating to whether all three local authority sections of the corridor are delivered or whether only two or one of the sections are delivered.

Strategic Option Appraisal

- 3.1.6 The tables at the end of the report comprehensively appraise each design option in line with National, Regional and local transport and planning policies and consider initial option deliverability issues.

Conclusion Indicating Why the Scheme is the Preferred Option

- 3.1.7 The finalised option includes the provision of 2m wide cycle lanes on both sides of the A4. The proposed cycle route would be a combination of off carriageway foot/ cycleways and on-carriageway segregated with-flow cycle lanes. This is deemed to be the most feasible scheme to meet the objectives identified.

OAR Review Conclusion

- 3.1.8 The OAR provides an appropriate introduction to the scheme and an excellent appraisal of options in line with transport and planning policies.

3.2 APPRAISAL SPECIFICATION REPORT

- 3.2.1 An Appraisal Specification Report (ASR) was appended to the Business Case report. Consistent with WebTAG Unit 2.1.1, an ASR should identify a proportionate approach to appraisal, consistent with the scale and severity of impacts identified in the OAR, the level of uncertainty about estimated impacts; and the focus of the local objectives, reflecting the need for intervention.

Introduction and Challenges and Issues

- 3.2.2 The Introduction and Challenges and Issues sections provide full detail of the background to scheme, current stage of the proposals, objectives, outcomes, options considered (by cross reference to the OAR, although this does not consider doing nothing) and an introduction to risks and mitigation for delivery.

Modelling Methodology

- 3.2.3 The proposed 'transport model' has been based on an assessment of existing cycling conditions, from a proportionate and appropriately described data collection exercise, as well

as the potential for changes in the levels of cycling following the implementation of the scheme.

- 3.2.4 The outcomes of the scheme will be evaluated using changes in journey time for cycle users following the implementation of the scheme and average journey distance for cyclists. An introduction sensitivity testing is also given.

Appraisal Methodology

- 3.2.5 This section provides a methodology for assessing the 5 cases associated with Business Cases; strategic, economic, financial, commercial and management cases. Detail commensurate to the size and type of project is provided.

Appraisal Specification Summary Table

- 3.2.6 Table 5-1 of the ASR is an Appraisal Specification Summary Table. WYG's review is contained in **Table 1** below.

Table 1 – Appraisal Specification Summary Table

Category	Sub-category	Estimated Impact in OAR	Agree / Disagree with Assessment	Notes
Economy	Business users & transport providers	Negligible	Agree	
	Reliability impact on Business users	Neutral	Agree	
	Regeneration	Slight benefit	Agree	Urban realm/ town centre improvement benefit
	Wider Impacts	Slight benefit	Agree	Health benefits
Environmental	Noise	Neutral	Agree	Scoped out of assessment by WSP PB at ASST stage
	Air Quality	Neutral	Agree	Scoped out of assessment by WSP PB at ASST stage. Business Case states 'noise' as second variable, however it is assumed this should read 'air quality'?
	Greenhouse gases	Positive monetary benefit	Agree	Evidenced in the Business Case
	Landscape	Negligible	Agree	Scoped out of assessment by WSP PB at ASST stage
	Townscape	Negligible	Agree	Scoped out of assessment by WSP PB at ASST stage

	Historic Environment	Neutral	Agree	Scoped out of assessment by WSP PB at ASST stage
	Biodiversity	Neutral	Agree	Scoped out of assessment by WSP PB at ASST stage
	Water Environment	Neutral	Agree	Scoped out of assessment by WSP PB at ASST stage
Social	Commuting and Other users	Beneficial	Agree	
	Physical activity	Beneficial	Agree	
	Journey quality	Beneficial	Agree	
	Accidents	Beneficial	Agree	
	Security	Neutral	Agree	
	Access to services	Neutral	Agree	
	Affordability	Neutral	Agree	
	Severance	Slight Positive	Agree	
	Public Accounts	Cost to Broad Transport Budget	Not assessed	N/A
Indirect Tax Revenues		Revenue reduction	Agree	Method is based on the forecast reduction in car journeys as a result of the scheme

3.2.7 The Appraisal Specification Summary Table is deemed to provide an appropriate, accurate summary of the issues associated with the scheme.

3.3 BUSINESS CASE

Document Review

3.3.1 A Business Case checklist has been produced by WYG and is contained in **Appendix A** of this note. The checklist reviews that sufficient information for each of the subsections of the 5 cases has been provided for the A4 Corridor Cycle Scheme Business Case in line with Department for Transport (DfT) guidance.

The Strategic Case

3.3.2 The Strategic Case is a comprehensive section of the Business Case. The Business Strategy makes it clear that the document relates to the SBC and RBWM sections of the A4 corridor only, with the BCC section excluded. Previous exclusions regarding Constraints and Interdependencies have been satisfactory clarified in Revision 1 of the Business Case (dated 09/11/15).

The Economic Case

- 3.3.3 The Business Case details Assumptions, provides a Sensitivity and Risk Profile and a Value for Money Statement in the form of Benefit to Cost Ratios. The Economic Case is strong in its forecast of potential demand, user benefits (journey time savings), business benefits (reduced absenteeism), health benefits and accident savings.

Options Appraised

- 3.3.4 More details have been provided regarding the Options Appraised in Revision 1 of the Business Case (dated 09/11/15).

Appraisal Summary Table

- 3.3.5 Appropriate Appraisal Summary Tables (for the SBC section, the RBWM section and the combined scheme) have been provided in Revision 1 of the Business Case (dated 09/11/15). WYG agrees with the findings of these summaries.

Value for Money Statement

- 3.3.6 The A4 Corridor Cycle Scheme Business Case details a Benefit to Cost Ratio (BCR) of 1.59 (1.39 when 15% optimism bias is included) for the SBC section and 1.18 (1.03 when 15% optimism bias is included) for the RBWM section.
- 3.3.7 WebTAG categorises schemes with BCRs of between 1.0 and 1.5 to have low Value for Money and schemes with BCRs of between 1.5 and 2.0 to have medium Value for Money.
- 3.3.8 The BCR figure for the SBC and RBWM sections combined is 1.73 (1.51 when 15% optimism bias is included) indicating a medium Value for Money for the overall scheme.
- 3.3.9 The value for money calculation stems from a 10 year scheme life assessment.

The Financial Case

- 3.3.10 The Financial Case provides cost estimates for the two local authority sections and a combined cost estimate of £1,854,000. Funding sources are described and compliance with national guidance on accounting for the appropriate use of public funds.

Costs

- 3.3.11 Scheme costs have been provided for the SBC and RBWM sections, using established methods of cost estimation used by the Engineering staff at each authority. The cost estimate is split between capital costs, land acquisition costs, optimism bias (at 15%, which seems low for a civil engineering project) and design fees. Risks are briefly described and the potential for diversion or protection of utility apparatus during the construction phase is identified as the greatest risk to the project's cost estimate.
- 3.3.12 The DfT guidance states that the costs should also consider whole life costs, when they will occur, a breakdown of costs by which parties on whom they fall and risk allowances. WSP PB have clarified that there are no ongoing whole life costs beyond completion of the scheme's construction.

The Commercial Case

- 3.3.13 The Commercial Case is brief and provides details of the Procurement/ Delivery Strategy and Risk Allocation and Transfer.
- 3.3.14 Output Based specification, to outline of the approach taken to assess the commercial viability of the scheme has been included, in in Revision 1 of the Business Case (dated 09/11/15), as are Payment Mechanisms, Pricing Framework and Charging Mechanisms, Contract Length and Contract Management issues.

The Management Case

- 3.3.15 The Management Case is a comprehensive section, with project programmes produced for the SBC and RBWM sections, along with resource plans, risk management, benefits realisation and stakeholder/ communication management all covered appropriately. All previous outstanding items have been satisfactorily considered in Revision 1 of the Business Case (dated 09/11/15).

Business Case Review Summary

- 3.3.16 The submitted Business Case report (Revision 1) provides a satisfactory assessment of the strategic, economic, financial, commercial and management cases associated with the A4 Corridor Cycle Scheme.

4 Summary and Conclusions

- 4.1 Based upon the information submitted to date, as detailed in Section 3 of this review, it is considered that the underlying case for the scheme is reasonable, with a 'Medium' scheme Benefit to Cost Ratio.
- 4.2 Information submitted also demonstrates that the scheme is deliverable, with no identified constraints in terms of land requirements, limited risks and demonstration of ongoing development of options with stakeholders throughout the development of design options up to this point in time.
- 4.3 The Business Case provides an assessment of the sections within Slough Borough Council (SBC) and The Royal Borough of Windsor and Maidenhead (RBWM) separately and combined. This is potentially a project assurance benefit, as one authority's stretch of scheme is not necessarily reliant upon the others. If delays/ risks are encountered this is unlikely to impact upon the other section's programme.
- 4.4 In light of the additional information received it is our view that this Business Case has been completed correctly. The only item preventing sign off for approval is the Medium Value for Money. It is expected that schemes will normally have at least a High Value for Money.



Appendix A – Business Case Checklist

Strategic Case	Addressed within Business Case	Notes	Economic Case	Addressed within Business Case	Notes	Financial Case	Addressed within Business Case	Notes	Commercial Case	Addressed within Business Case	Notes	Management Case	Addressed within Business Case	Notes
Business Strategy	Y	Identifies that scheme is for SBC and RBWM sections only and BCC section is not included	Options appraised	Y	Detailed in paras 3.25 and 3.2.6	Costs	Y	The scheme costs have been prepared by engineers at SBC and RBWM. This includes the expected whole life costs and any risk allowance that may be needed. The costs provided are split by local authority area to identify responsibility but only detail Capital Costs, Land Acquisition, Optimism Bias and Scheme Design & Development Fees	Output based specification	Y	An outline to the approach taken to assess commercial viability has been included	Introduction	Y	No outline of the approach taken to assess if the proposal is deliverable
Problem Identified	Y	Existing options for cycling are sporadic and lead to cycling on the footways and focus on male, commuter trips. Cycling accidents recorded on corridor	Assumptions	Y	Detailed in Section 3.2	Budgets / Funding Cover	Y	Financial risks and funding sources are briefly discussed in this section	Procurement Strategy	Y	Procurement strategies for both authorities are detailed clearly	Evidence of similar projects	Y	No evidence of similar projects that have been successful, to support the recommended project approach
Impact of not changing	Y	Suppressed demand, cyclists will continue to use footways through safety concerns	Sensitivity and Risk Profile	Y	Sensitivity Testing contained in Section 3.14	Accounting Implications	Y	All funding sourced for the project will be obtained and managed in full compliance with the guidelines set out by the UK Government to ensure that all public funds are used appropriately	Sourcing Options	Y	The contract threshold will be below the OJEU threshold of £4,348,350 and therefore a formal tender process using the electronic tendering procedure and at least three tenders to be evaluated	Programme / Project dependencies	Y	Tables 6-1 and 6-2 provide programmes for each local authority area
Drivers for change	Y	Local/ National Policy supports increase in cycling - Table 2.8 in Business Case summarises Policy Alignment	Appraisal Summary Table	Y	Agree with assessment				Payment Mechanisms	Y	Provided	Governance	Y	Resource plans identify outline responsibilities
Objectives	Y	Objective is the provision of a safer and more convenient, direct cycle route	Value for Money Statement	Y	BCRs provided				Pricing Framework and charging mechanisms	Y	Provided	Programme / Project Plan	Y	Tables 6-1 and 6-2 provide programmes for each local authority area
Measures for success	Y	SMART Targets provided Encourage a mode shift towards cycling for a range of Journey purposes (Work, Education, Leisure), Reduce the necessity to undertake journeys by private motor vehicle, Address the existing gender inequality in cycle use, Improve perceived cycling amenity on the A4 corridor, Minimise cycling personal injury accidents on the A4 corridor							Risk allocation and transfer	Y	Briefly discussed in Section 5.3 of the Business Case	Assurances and approvals	Y	Resource plans identify outline responsibilities
Scope	Y	Clear that Bucks section is excluded and proposed cycling contraflow scheme being progressed by RBWM which connects High Street to the west end of Bridge Street falls outside of the scope for the A4 Cycle Scheme Business Case							Contract length	N	Scenarios for contract length and proposed key contractual clauses are not detailed by construction timetable is considered in Management Case	Communication & Stakeholders	Y	Stakeholder Management section produced
Constraints	Y	Provided							Human resource issues	N/A	HR issues will lie with the contractor not the promoters as one off project	Project Reporting	Y	Sections 6.5.3 to 6.5.5
Inter-dependencies	Y	Provided							Contract management	N	No high level view of implementation timescales, although construction timetable is considered in Management Case	Implementation of work streams	N	No information provided but this is not mandatory in the DfT guidance at any Business Case stage
Stakeholders	Y	Comprehensive information on stakeholder workshops on design options										Key Issues	Y	Considered in Risk Summary Tables 6-3 and 6-4
Options	Y	Option generation, risks and sifting process explained										Contract Management	Y	Project Resource Plans state who are involved and arrangements for continuity between those involved in developing the contract and those who will subsequently manage it as per DfT guidance
												Risk Management	Y	Considered in Risk Summaries Tables 6-3 and 6-4
												Benefits realisation	Y	Go No Go Points of reference are provided, although there is little detail
												Monitoring and evaluation	Y	Section 6.5.6 to 6.5.7
												Contingency	Y	Briefly referred to in both Risk Summary Tables but this needs more information
												Options	Y	Project Management outline provided in Section 6.5