



Thames Valley Berkshire Local Enterprise Partnership

Final - Independent Assessment Summary Report: Burnham Station and Access Improvements

Business Case Independent Assessment

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Appendices

Appendix A – Business Case Checklist

1 Executive Summary

- 1.1 This technical note provides an independent review of the Burnham Station and Access Improvements Business Case submission to the Thames Valley Berkshire Local Enterprise Partnership.

SCHEME SUMMARY

- 1.2 The Burnham Station and Access Improvements scheme provides a series of interventions with the intention of improving station facilities at Burnham and enhancing accessibility to the station from the western part of the Borough, including Slough Trading Estate, and the neighbouring areas of South Buckinghamshire.
- 1.3 The scheme has one scenario: the core scenario, which comprises Station Road one-way north bound, Burnham Lane reconfiguration and public realm improvements.

REVIEW FINDING

- 1.4 On the 7th March 2016, a draft of this report was issued with a conditional approval. The conditions, which are shown in the body of this report, have now all been met.
- 1.5 The different components of the Business Case have been reviewed with the following conclusions:
- i) All of the outstanding issues regarding the Option Assessment Report were addressed in the previous submissions. Therefore, it is possible to recommend the Option Assessment Report;
 - ii) All of the outstanding issues regarding the Appraisal Specification Report were addressed in the previous submissions. Therefore, it is possible to recommend the Appraisal Specification Report;
 - iii) The Transport modelling issues were addressed in the previous submissions;
 - iv) All of the outstanding issues regarding the Updated Business Case (2016 03 08 - Burnham Business Case) were addressed in the resubmission. Therefore, it is now possible to recommend the Option Assessment Report;

- 1.6 The Value for Money assessment has been conducted using the NPV and NPV/Capital Cost as recommended in WebTAG and the report conclusion shows a High value for Money, which is acceptable.
- 1.7 In conclusion, it is now possible to fully recommend the Business Case as submitted.

2 Submitted Information

2.1 The Business Case independent assessment was carried out based upon the following reports and appendices submitted by Slough Borough Council and their consultant team (ATKINS). Here follow the lists of the documents as we received in two steps (in order to address WYG's first requirements).

1. Burnham Station and Access Improvements - Business Case (5143213-DOC-001-2.1 Burnham.pdf); inclusive of

- Appendix A - Scheme Designs - updated (supplied separately);
- Appendix B - OAR (supplied separately);
- Appendix C - ASR - Revised (supplied separately);
- Appendix D - Modelling Report (supplied separately);
- Appendix E - AST - Feb (supplied separately);
- Appendix F - AAWT - updated (supplied separately);
- Appendix G - AADT Changes - FEB (supplied separately);
- Appendix H - Flooding (supplied separately);
- Appendix I - PERS and VURT Methodology (supplied separately);
- Appendix J - Risk Register and QRA (supplied separately);
- Appendix K - Programme of works - updated (supplied separately).

2. Burnham Station and Access Improvements - Business Case (2016 03 08 - Burnham Business Case); inclusive of

- Appendix C - ASR - Revised (supplied separately);
- Appendix E - AST - Mar (supplied separately);
- Appendix G - AADT Changes - Mar (supplied separately);

Previous Comments

- 2.2 In November 2015, WYG reviewed the first Business Case submission for the Burnham Station and Access Improvements scheme. The November review found and reported upon a number of shortcomings in the documents that was submitted at that time.
- 2.3 This March 2016 report reviews the updated Business Case and newly submitted documents and takes into account of the previous reviews.
- 2.4 During the process of reviewing, further queries were brought to the consultant team (Atkins) responsible for the production of the Business Case. These were presented through the following list via email (24/02/2016):

Burnham Station and Access Improvements - Updated Business Case

- In the assumption regarding the Railway Revenue in the Assessment of economic impacts paragraph (4.55.), it has been stated "The scheme has been assessed to be revenue neutral for train operating companies (TOCs) in that any increase in passenger generated revenue will be recovered through amendments to franchise agreements. Revenue is therefore included in the PVC"; this is not consistent with what reported in the TEE, PA, AMCB and AST tables. As we understand it WebTag Unit A5.3 paragraph 3.4 should be applied. This is likely to mean a better treatment of revenues and revenue-transfer pre- and post-refranchising needs to be seen in the economics. The TEE and PA tables should be amended accordingly.
- Note that, with the above configuration a negative or significantly low BCR is expected. Therefore, the Value for Money evaluation would be accomplished using other criteria. In that case, the NPV and NPV/k (NPV/capital cost) should be utilized for the assessment, as suggested in WebTag Unit A1.1 paragraph 2.8.
- The calculation of the Railway Revenue has been assessed using the PDFH and the results presented in Table 4.2 and 4.3. However, the total demand, in terms of number of passengers involved, has not been presented. We would like further details regarding the demand and the calculation that has lead to the Total Annual Benefit. (The quantification of the demand is necessary to demonstrate the assumptions

regarding the non-interference with the Highways static model and the other supply components such as the car park and the cycle facilities).

- In the Value for Money paragraph, the qualitative assessment carried out using table 4.14, presents also the sub-impacts Physical Activity and Journey Quality which appear to result in double counting since a monetised evaluation has also been carried out; we think it should be excluded from the qualitative assessment and removed from table 4.14 as well as from the Appraisal Summary Table.
- The quantified cost estimate has been carried out in paragraph 5.14. However, the figures related to the Risk and the Total in the Table 5.2 seem to be inconsistent with what reported above in the same paragraph (regarding Risk) and in the AMCB and AST (regarding PVC); could you please provide more clarification? (Also the next table 5.3, regarding funding package, presents values slightly different from the ones in the PA table).
- Paragraph 4.5 regarding traffic modelling appears not to be updated; therefore, could you address paragraph 4.9 with the new core scenario characteristics. Furthermore, given that the modelling report has not been updated, could you express this disambiguation in the paragraph?
- With regard to the Air Quality assessment, residential properties are present within the 200m from the link where the 1000 AADT threshold has been exceeded; therefore, according to the DMRB, the Air Quality Assessment has to be fulfilled. Furthermore, we noticed that the criterion regarding the daily average speed change by 10% has not been applied as requested in the DMRB - Volume 11, section 3, Part 1, HA 207/07; this should be accomplished because further links could be identified. To carry out the Air Quality Assessment, you could also use WebTag spreadsheet method.

Appendix C - ASR Report

- In the ASST, the sub-impacts regarding reliability in the Economy and Social fields have been considered "Not Assessed". Could you please change them to address what reported in the AST?

Appendix E - AST (Appraisal Summary Table)

- The monetised assessment regarding Physical Activity appears to be inconsistent with what reported in the Updated Business Case document; could you provide clarification?

3 Option Assessment Report - Review

The Appraisal Specification Report (ASR) has been submitted for assessment

FIRST REVIEW

- 3.1 The processes of sifting and evaluation of the generated options has been correctly conducted using a multi-criteria analysis. However, the criteria utilized are related to the objectives and are not the same considered in the EAST table as recommended in the WebTAG guidance. It is required that the sifting process be accomplished by using EAST table or same multi-criteria.

SECOND REVIEW

- 3.2 After receipt of the first review detailed above, all of the outstanding issues were addressed in a resubmission.
- 3.3 Therefore, it is now possible to recommend the Option Assessment Report.

4 Appraisal Specification Report - Review

The Appraisal Specification Report (ASR) has been submitted for assessment.

FIRST REVIEW

- 4.1 From Para 3.19 and from the documents included in the Business Case, it is understood that Burnham Lane is going to be One-Way Southbound for both scenarios (Core and Alternative). In the email received the 22nd of July 2015, the core scenario sees Burnham Lane retained One-Way Northbound. We wondered whether any amendments have been made to the assessed options.
- 4.2 In the paragraph regarding Revenue, it has been stated that that it will be included in the PVC; this is inconsistent with what has been reported in the Appraisal Summary Table report.
- 4.3 With regard to the Air Quality Assessment, the procedure indicated in DMRB for those links in which the values exceed the threshold has not been followed; in particular, specification regarding neutral/non neutral conditions is supposed to be accomplished. We required that the assessment be conducted following the guidance.
- 4.4 Regarding Noise, specification regarding the thresholds and method utilized is required.
- 4.5 Explanations regarding the sub-impacts which are not going to be assessed and regarding distributional effects should be reported in the Appraisal Specification Report. In particular, the sub-impact Reliability has not been considered in the document. We wondered whether the extra pressure mentioned in the AST could interfere with any Buses route and the new traffic affect buses timetable.

SECOND REVIEW

- 4.6 After receipt of the first review detailed above, all of the outstanding issues were addressed in a resubmission.
- 4.7 Therefore, it is now possible to recommend the Appraisal Specification Report.

5 Transport Modelling and Saturn Modelling Summary - Review

FIRST REVIEW

- 5.1 It is not clear how the zones including train stations (in particular, the one including Burnham Station) have been treated in terms of O/D demand. Specifically, we wondered whether and how the demand exchanged with the mode train has been comprised, whether the car park has been used for this purpose and whether other trips (e.g. Kiss & Ride) have been considered.
- 5.2 In the computation of the benefits, the highest contribution is represented by the Revenue and Journey Quality improvement derived from the new demand generated in relation to the new train station; this new demand appears to be completely disconnected from the traffic demand represented by the SATURN model. Consideration regarding how this new demand will be related to the actual mode specific demand in the network is required since a fixed assignment has been adopted.
- 5.3 As stated in the paragraph regarding validation, the model appears not to be robust enough given the Journey Times comparison, which underestimates existing conditions. This means that the model could well be significantly underestimating congestion and therefore significantly underestimating the highway disbenefits of the scheme. We recommend local revalidation of the model, a robust sensitivity test or a strong cogent argument.

SECOND REVIEW

- 5.4 After receipt of the first review detailed above, all of the outstanding issues were addressed in a resubmission.

6 Assessment of economic impacts (Full Business Case document, including Appendices I and J) - Review

FIRST REVIEW

- 6.1 Regarding the Station facilities improvements (from Para 4.63. to 4.77.), it is not clear how the value in Table 4-4 has been obtained; specifically, we do not understand whether the cyclists demand considered for the calculation is the same utilized for the HEAT calculation (Physical Activity sub-impact), that is 22 (of which 15 new demand), and also how the increase in passenger demand (both commuters and business/leisure) has been used in the calculation (whether and how it is related to the statement in Para 4.61). It is also not understood the rationale under the assumption of a full daily occupancy (if the assumption is of 100% of occupancy, the number of provided spaces can be considered insufficient and hence a missed opportunity for future sustainable growth).
- 6.2 With regard to the Public Realm Benefits (from Para 4.80. to 4.89.), Table 4-5 VURT Output reports values different from the ones found at the end of the Appendix J (PERS and VURT Methodology - Technical Note); we wondered which ones are to be taken into consideration.
- 6.3 Among the assumptions presented in Para 1.4 and Para 1.5. of the Appendix I (Station facilities benefits methodology), the average distance cycled per cycling trip has been based on the value reported in the *Table NTS0306: Average trip length by main mode: England, 1995/97 to 2014*, for the year 2014. Given that the assessment considers specifically trips to the Railway Station and given that the distance from Burnham Station to Slough Station and Taplow Station is around 5 and 3.2km respectively, we believe that the average value of 5km is overestimated. Also the average number of cycling trips per person per year is over evaluated, considering annual leave and bad weather as factors which contribute in the final computation.
- 6.4 As regards sub-impacts Physical Activity and Journey Quality assessments, given also the comments above, we do not understand how the values found in the AST have been obtained; further explanation regarding these calculations is required.

SECOND REVIEW

6.5 After receipt of the first review detailed above, most of the outstanding issues were addressed in a resubmission. However, with regard to the assumption related to the Rail Revenue and the consequent way in which it has been considered in the Economic Case, we believe that these have not been presented correctly. In fact, we believe they should represent the two different situations in pre- and post-refranchising as we previously requested via email (24 February 2016 - see 2.4). Therefore, the part of the Revenue to be considered among the Present Value of Costs should be the one representing the post-refranchising period, while the other part (before 2019) should be included among the Present Value of Benefits, as a Private Sector Benefit. As a consequence, only the former is to be subtracted from the Private Sector Provider Impacts field in the TEE table; and also the Public Accounts table has to be amended accordingly.

6.6 Furthermore, we request that the following minor issues be corrected:

- In the Appraisal Summary Table, the summary of the key impacts regarding Business Users and Transport Providers and Coast to Broad Transport Budget appear not to be updated.
- The Monetary Value regarding Business Users and Transport Providers presented in the Appraisal Summary Table appears to be inconsistent with all the other tables and Business Case documents.
- Wider Public Finances (Indirect Tax revenue) sign appears incorrect in the PA and AMCB tables (they have to be negative and positive respectively).

FINAL REVIEW (after the required updating as object of the conditional approval)

6.7 After receipt of the revised report, all of the outstanding issues were addressed, corrected or clarified in a resubmission.

6.8 Therefore, it is now possible to recommend the Full Business Case.



Appendix A – Business Case Checklist

Project Number: A087383
 Scheme: Burnham Station and Access Improvement
 Submitted by: Slough Borough Council

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	Updated correctly	Introduction	Y		Introduction/Outline approach	Y		Introduction	Y		Introduction	Y	
Problem Identified	Y		Options appraised	Y		Costs	Y		Output based specification	Y	Updated correctly	Evidence of similar projects	Y	
Impact of not changing	Y		Appraisal Specification Report	Y	Updated correctly	Budgets / Funding Cover	Y		Procurement Strategy	Y	Updated correctly	Programme / Project dependencies	Y	
Drivers for change	Y	Updated correctly	Assumptions	Y	Updated correctly	Accounting Implications	Y	Updated correctly	Sourcing Options	Y		Governance	Y	
Objectives	Y		Sensitivity and Risk Profile	Y	Updated correctly				Payment Mechanisms	Y		Programme / Project Plan	Y	Appendix L
Measures for success	Y	Updated correctly	Appraisal Summary Table	Y	Updated correctly				Pricing Framework and charging mechanisms	Y		Assurances and approvals	Y	
Scope	Y		Value for Money Statement	Y	Updated correctly				Risk allocation and transfer	Y		Communication & Stakeholders	Y	
Constraints	Y								Contract length	Y		Programme / Project Reporting	Y	
Inter-dependencies	Y								Human resource issues	Y	Updated correctly	Implementation of work streams	Y	Updated correctly
Stakeholders	Y								Contract management	Y	Updated correctly	Key Issues for implementation	Y	Updated correctly
Options	Y	All options are set and the objectives' impacts are given in table 3-3 appendix B										Contract Management	Y	
												Risk Management	Y	Updated correctly
												Benefits realisation	Y	Figure 7-2
												Monitoring and evaluation	Y	
												Contingency	Y	Updated correctly
												Options	Y	Updated correctly