

## **BERKSHIRE LOCAL TRANSPORT BODY (BLTB)**

**REPORT TO:** BLTB

**DATE:** 31 January 2019

**CONTACT OFFICER:** Joe Carter, Director of Regeneration, Lead Officer to the BLTB

### **PART I**

#### **Item 7: Financial Approval for 2.32 Maidenhead: Housing Sites Enabling Works Phase 1**

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

1. To consider giving financial approval to scheme 2.32 Maidenhead: Housing Sites Enabling Works Phase 1.
2. This scheme consists of a package of traffic management measures to deliver additional capacity at key junctions around Maidenhead where modelling has indicated that severe peak hour congestion is likely to occur as a result of planned development and regeneration activity. It will facilitate economic growth by unlocking major housing and commercial development. It will also improve journey times for passengers accessing the Great Western Main Line / Elizabeth Line. The works will be progressed in phases in order to minimise the impact on the local road network.

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

3. You are recommended to give scheme 2.32 Maidenhead: Housing Sites Enabling Works Phase 1 conditional financial approval in the sum of £2,123,200 in 2019/20 and £2,090,000 in 2020/21 on the terms of the funding agreement set out at paragraph 12 step 5 below, subject to meeting the following conditions:
  - 3.1. The supply of further evidence which supports the conclusions reached in the Full Business Case in respect of:
    - Additional detail outlining the approach adopted to determine the dependent development sites and preferred junction enhancements.
    - Further detail on how the package of junction improvements will address the secondary objectives relating to accidents, air quality and accessibility for walking & cycling.
    - Additional detail on the RBWM-HM2 model, its baseline calibration and validation, and how it reflects current junction performance.
    - Detailed workings to support the outputs of the quantified economic assessment.
    - Inclusion of sensitivity tests to understand the impact of any variability in the benefits and costs of the scheme.

- Full assessment of environmental and social impacts of the scheme and inclusion of an Appraisal Summary Table.
- Further detail around scheme costs, contingency (linked to a quantified risk assessment), and levels of cost inflation.
- Clarifications to the Commercial Case in relation to the procurement processes.
- Provision of a full project programme, risk register and Quantified Risk Assessment
- That the scheme retains high or better value for money once these conditions have been met.

## ***Other Implications***

### *Financial*

4. Scheme 2.32 Maidenhead: Housing Sites Enabling Works Phase 1 is a replacement scheme being funded from the [Thames Valley Berkshire Growth Deal 3](#)<sup>i</sup> announced on [2 February 2017](#)<sup>ii</sup>.
5. In July 2018, you re-allocated some previously approved Local Growth Deal schemes for funding from the Business Rates Retention Pilot. This scheme was submitted as part of the process to reallocate Local Growth Deal allocations.
6. This report recommends that the Royal Borough of Windsor and Maidenhead be authorised to draw down the capital sum £4,213,200 from the Local Transport Body funding for this scheme.
7. 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*

8. The risk management arrangements already put in place by the Local Transport Body are as follows:
  - The [Assurance Framework](#)<sup>iii</sup> has been drafted following DfT guidance and has been approved by the DfT for use in allocating capital funds for transport schemes
  - Hatch Regeneris 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 11, 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. Slough Borough Council will provide legal support for the BLTB should any questions arise.

### **Supporting Information**

10. The scheme will be carried out for the Royal Borough of Windsor and Maidenhead.
11. The full details of the scheme are available from the [Royal Borough of Windsor and Maidenhead](#)<sup>iv</sup>. A summary of the key points is given below:

Task	Timescale
Procurement	July 2019
Contractor appointed	As above
Construction	August 2019
Open to public	March 2020

Activity	Funder	Cost (approx)
Scheme development	Royal Borough of Windsor and Maidenhead	£0.657m
Major scheme funding	Berkshire Local Transport Body	£4.213m
Section 106 agreements	Developers etc	£0.396m
<b>Total</b>		<b>£5.267m</b>

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

Assurance Framework Check list	<b>2.32 Maidenhead: Housing Sites Enabling Works Phase 1</b>			
	<p>The scheme was originally developed by the Royal Borough of Windsor and Maidenhead as a package of traffic management measures to deliver additional capacity at key junctions around Maidenhead where modelling has indicated that severe peak hour congestion is likely to occur as a result of planned development and regeneration activity. It will also unlock major housing and commercial development and improve journey times for passengers accessing the Great Western Main Line / Elizabeth Line.</p> <p>The SEP assessment process was used and the scheme was given 28 points and ranked joint 1<sup>st</sup> equal of 16 schemes submitted in July 2018 as part of the Growth Deal 3 reallocation process.</p>			
	<b>Factor</b>	<b>Raw score</b>	<b>Weighting</b>	<b>Weighted score</b>
	Strategy	3	1.5	4.5
	Deliverability	3	2.0	6.0
	Economic Impact	3	4.0	12.0
	TVB area coverage	2	1.5	3.0
	Environment	2	0.5	1.0

Assurance Framework Check list	2.32 Maidenhead: Housing Sites Enabling Works Phase 1			
	Social	3	0.5	1.5
			Total	28.0
<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>Programme Entry status was given by the BLTB on <a href="#">19 July 2018</a>.</p> <p>The <a href="#">Royal Borough of Windsor and Maidenhead website</a><sup>vi</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 or Royal Borough of Windsor and Maidenhead 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 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>			
<p>Step 3: Conditional Approval</p>	<p>The Independent Assessor has recommended that in this case Conditional Approval is appropriate. This is on the basis that further evidence is supplied which supports the conclusions reached in the Full Business Case in respect of:</p> <ul style="list-style-type: none"> <li>• Additional detail outlining the approach adopted to determine the dependent development sites and preferred junction enhancements.</li> <li>• Further detail on how the package of junction improvements will address the secondary objectives relating to accidents, air quality and accessibility for walking &amp; cycling.</li> <li>• Additional detail on the RBWM-HM2 model, its baseline calibration and validation, and how it reflects current junction performance.</li> <li>• Detailed workings to support the outputs of the quantified economic assessment.</li> <li>• Inclusion of sensitivity tests to understand the impact of any variability in the benefits and costs of the scheme.</li> </ul>			

Assurance Framework Check list	2.32 Maidenhead: Housing Sites Enabling Works Phase 1
	<ul style="list-style-type: none"> <li>• Full assessment of environmental and social impacts of the scheme and inclusion of an Appraisal Summary Table.</li> <li>• Further detail around scheme costs, contingency (linked to a quantified risk assessment), and levels of cost inflation.</li> <li>• Clarifications to the Commercial Case in relation to the procurement processes.</li> <li>• Provision of a full project programme, risk register and Quantified Risk Assessment</li> <li>• That the scheme retains high or better value for money once these conditions have been met.</li> </ul>
<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 3.2.</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>Step 5: Formal Agreement</p> <ul style="list-style-type: none"> <li>- roles</li> <li>- responsibilities</li> <li>- implementation</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>- consequences of change to the design or specification of the scheme</li> <li>- claw back,</li> <li>- evaluation one and five years on</li> <li>- other conditions of Local Growth Funds</li> </ul>	<p>The capital grant of £4,213,200 is a maximum figure which cannot be increased, but may be reduced if savings are achieved during implementation. In the event that Royal Borough of Windsor and Maidenhead wishes to alter the profile of the grant payments, it must seek prior written permission from TVB LEP, having first raised the matter with the BLTB. The grant is made subject to the following:</p> <p>Roles: TVB LEP is a part funder of the scheme. Royal Borough of Windsor and Maidenhead is the scheme promoter, and is the relevant highway and planning authority.</p> <p>Roles: TVB LEP is a part funder of the scheme. Royal Borough of Windsor and Maidenhead is the scheme promoter, and is the relevant highway and planning authority.</p> <p>Responsibilities: TVB LEP is responsible for allocating the capital finance in accordance with its Assurance Framework. Royal Borough of Windsor and Maidenhead is responsible for all aspects of the design, risk management, insurance, procurement, construction and implementation of the scheme, including its responsibilities as highway and planning authority, any other statutory duties, and any financial or other liabilities arising from the scheme.</p> <p>Implementation: In addition to any reporting requirements within Royal Borough of Windsor and Maidenhead, the scheme promoter will use the pro forma supplied by TVB LEP to make reports on progress of the implementation of the capital scheme to each meeting of the BLTB until the build is complete. In particular, Royal Borough of Windsor and Maidenhead 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>Reporting: The scheme promoter must provide accurate, timely, verified and quality assured quarterly monitoring and forecast data, which relate to defined output and outcome indicators agreed between TVB LEP and government as a condition of the Growth Deal. This scheme will not be required to participate in an evaluation as set out in the Growth Deal Monitoring and Evaluation Plan.</p> <p>Auditing: Royal Borough of Windsor and Maidenhead will keep financial records such that the expenditure on the scheme is readily identifiable, and if and when BEIS, DfT or other government department or the accountable body for TVB LEP requests access to financial or other records for the purposes of an audit of the accounts, Royal Borough of Windsor and Maidenhead will co-operate fully.</p> <p>Timing and Triggers for payments: Payments will only be made against an invoice and accompanying certificate of work completed, along with proof of planning consent.</p> <p>Contributions from Other Funders: Royal Borough of Windsor and Maidenhead capital programme will contribute £534,100 in 2019/20 and £123,000 in 2020/21; in addition, there were £396,200 of s.106 contributions secured by Royal Borough of Windsor and Maidenhead £236,100 in 2019/20 and £160,100 in 2020/21. In the event that the scheme experiences or it is anticipated that the scheme will experience a shortfall in these contributions, Royal Borough of Windsor and Maidenhead will be required to notify TVB LEP of these developments. The provisions of clauses 8, Consequences of Delay; 9, Consequences of Change to the Design or Specification of the Scheme; or 10, Consequences of Failure will then be applied.</p> <p>Consequences of Delay: In the event that the scheme experiences minor delays to its overall Business Case programme (no more than 10 weeks), Royal Borough of Windsor and Maidenhead 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 overall Business Case programme (11 weeks or longer) Royal Borough of Windsor and Maidenhead will be required to seek permission from TVB LEP to reschedule any payments that are due, or may be delayed in falling due because of the delay to the overall Business Case programme.</p> <p>Consequences of Change to the Design or Specification of the Scheme: In the event that Royal Borough of Windsor and Maidenhead wishes to change the design or specification of the scheme such the scheme delivered will vary in any material aspect from the description given in the overall business case, Royal Borough of Windsor and Maidenhead will be required to seek prior written consent from TVB LEP. Failing this permission, no further monies will be paid to Royal Borough of Windsor and Maidenhead after the change becomes apparent to TVB LEP. In addition, consideration will be given to recovering any monies paid to Royal Borough of Windsor and</p>

<b>Assurance Framework Check list</b>	<b>2.32 Maidenhead: Housing Sites Enabling Works Phase 1</b>
	<p>Maidenhead in respect of this scheme.</p> <p>Consequences of Failure: As soon as it becomes apparent to Royal Borough of Windsor and Maidenhead that it will not be possible to deliver the scheme at all, written notice shall be given to the accountable body for TVB LEP. No further monies will be paid to Royal Borough of Windsor and Maidenhead after this point. In addition, consideration will be given to recovering any monies paid to Royal Borough of Windsor and Maidenhead in respect of this scheme.</p> <p>Claw back: If the overall scheme achieves savings against budget, these savings will be shared by TVB LEP and the other funders noted above in proportion to the amounts set out in the Financial Profile. The accountable body for TVB LEP reserves the right to claw back any amounts of grant that have been spent on purposes other than the scheme as approved and any repayments due as a consequence of changes to the design or specification of the scheme or scheme failure.</p> <p>Evaluation One and Five Years On: Royal Borough of Windsor and Maidenhead will produce scheme evaluations One and Five years after practical completion that comply with DfT guidance.</p> <p>Other Conditions of Local Growth Funds: Royal Borough of Windsor and Maidenhead will acknowledge the financial contribution made to this scheme through Local Growth Funds and follow the '<a href="#">Growth Deal Identity Guidelines</a>'<sup>vii</sup>. It will also give due regard to the Social Value Act, particularly through the employment of apprentices across the scheme supply chain.</p>

## Conclusion

- The scheme will improve traffic flow through critical junctions in Maidenhead, thus supporting the expected increase in housing.

## Background Papers

- 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/589268/170202\\_Thames\\_Valley\\_Berkshire\\_LEP\\_GD\\_factsheet.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/589268/170202_Thames_Valley_Berkshire_LEP_GD_factsheet.pdf)

<sup>ii</sup> <https://www.gov.uk/government/news/multi-million-pound-cash-boost-to-help-create-local-jobs-and-growth>

<sup>iii</sup><http://www.thamesvalleyberkshire.co.uk/berkshire-strategic-transport-forum>

<sup>iv</sup>

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

<sup>v</sup><http://www.thamesvalleyberkshire.co.uk/berkshire-strategic-transport-forum>

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

<sup>vii</sup> <http://www.thamesvalleyberkshire.co.uk/documents?view=files&folder=230>