


Stonehouse A419 Improvements: Full Business Case and Due Diligence Assessment Report

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Cinderford Spine Road Phase 1: Full Business Case and Due Diligence Assessment Report

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Executive Summary

Executive Summary

The £4.36m Stonehouse A419 Improvements project consists of a number of highway and junction improvements on the A419 between M5 Junction 13 and Stroud. The improvements seek to future proof this link to support planned growth on the corridor and address current congestion issues.

AECOM have been appointed by Gloucestershire County Council, as the Accountable Body to the LEP to undertake an independent assessment of the Business Case for the scheme, as well as undertaking a series of Due Diligence checks required ahead of any decision to fund the scheme. These assessments have followed the requirements of the GFirst LEP Transport Business Case Guidance and the GFirst LEP Assurance Framework on the Due Diligence process.

The criteria of the Business Case appraisal guidance required scheme promoters to complete five different 'cases' as part of each stage in the Business Case process, namely:

- Strategic Case;
- Economic Case;
- Financial Case;
- Commercial Case; and,
- Management Case.

Findings

The information provided under each of these headings has been reviewed, with a Red/Amber/Green assessment undertaken on each criterion to establish whether the requirements have been fully met (green), partially met (amber) or failed (red). The table overleaf summarises the assessments made for each of these cases. It can be seen that all criteria within the Financial were considered to have been satisfactorily addressed, considering the nature of the scheme. Two criteria within the strategic case were only partially met. Four criteria within the economic case were also only partially met relating to issues with some of the scoring given within the appraisal summary table. One criterion within the commercial case and six within the management case were also only partially met. None of these issues were considered to affect the overall case for the scheme presented by the business case.

Summary of Full Business Case Assessment

Case	Assessment
Strategic Case	Passed 2/4 criteria – 2 Criteria had some issues identified, but not considered critical
Economic Case	Passed 5/9 criteria – 4 Criteria had some issues identified, but not considered critical
Financial Case	Passed 5/5 criteria
Commercial Case	Passed 3/4 criteria – 1 Criteria had some issues identified, but not considered critical
Management Case	Passed 11/17 Criteria – 6 Criteria had some issues identified, but not considered critical

In terms of the value for money of the scheme the Benefit Cost Ratio (BCR) presented within the business case is 18/1, indicating that the scheme represents Very High value for money. The scheme represents value for money primarily due to the travel time savings it would achieve associated with business and non-business users of the corridor, who will benefit from the scheme reducing levels of congestion on the A419.

Congestion such as that experienced on the A419 acts as an economic dis-benefit to Gloucestershire due to its impacts on productivity. Every hour spent in traffic congestion is time that could otherwise be spent achieving productive outputs. According to Atkins estimates the cost of delays on roads in Gloucestershire in 2005 were equivalent to £50m-£100m per year in GVA equivalence¹.

In transport economic appraisal the economic value of journey time savings achieved by a proposal can be calculated using standard values of time (calculated by the Department for Transport), which separately consider the values of time spent doing different activities, such as on work business, commuting or making a leisure trip. These values of time are further split based upon the transport mode used. These values of time allow the total time saved as a result of a scheme for all users to be quantified. The calculation of journey time savings for the users of this scheme equated to a present value of £63m to the local economy over a 60 year appraisal period

The stated economic benefits for this scheme are however considered to be somewhat overstated as the methodology used does not consider the potential for traffic to reroute away from the congestion identified in the Do Minimum scenario or for additional traffic to be induced to the corridor in the Do Something scenario, which would potentially reduce the journey time savings currently modelled and hence the economic benefits. Despite this issue and considering the scale of benefits predicted it is considered that the scheme will continue to achieve High value for money.

Please see Appendix A for further discussion of how transport impacts including journey time savings can translate into economic benefits for the local economy.

¹ Atkins. 2008. Economic Costs of Congestion in the Regions.

A series of Due Diligence Checks have also been undertaken against the criteria set out as part of the GFirst LEP Assurance Framework on the Due Diligence process. This included information on the Strategic, Financial and Economic Case for the scheme, as well as the planned processes for the delivery and management of the scheme.

Across all criteria it was considered that the planned scheme and its intended delivery and management processes were sufficient to ensure the intended project outputs and outcomes are delivered.

Recommendation and Conditions of Approval

Based on the AECOM assessment of the Final Business Case and the Due Diligence checks undertaken it is recommended that the scheme can be approved for LEP Growth Fund funding and that funding can be released in 2017/18. The following Funding Conditions are recommended to ensure the scheme delivers the outcomes intended:

- To ensure an appraisal approach proportionate to the scale and nature of this scheme it was agreed at the appraisal specification stage that some elements of the environmental appraisal of this scheme could be deferred until after the Final Business Case alongside the development of final designs as long as any risks associated with this were considered and costed within the risk assessment. It is recommended that this environmental appraisal (to be completed by June 2018), as well as any subsequent permits or approvals (if required) will be included as milestones in the funding agreement. It is also recommended that a condition is included within the funding agreement so that funding can be clawed back as required should such approvals be rejected.
- GCC Cabinet approval is needed to confirm GCC commitment to the funding of any cost increases and future ongoing maintenance. GCC will seek cabinet approval in November 2017.

1 Introduction

1 Introduction

1.1 Introduction

AECOM has been appointed by Gloucestershire County Council (GCC) as the Accountable Body to the GFirst Local Enterprise Partnership (LEP) for Gloucestershire to undertake an independent assessment of the Business Case materials of schemes seeking funding via the Local Growth Fund (LGF).

This report summarises the AECOM independent assessment of the Full Business Case (FBC) for the Stonehouse A419 Improvements scheme, currently earmarked for LGF funding.

It is a requirement of the Local Assurance Framework (LAF) that GCC and the LEP undertake a Due Diligence process before Government funds can be made available to scheme promoters. This report therefore examines the information provided in the Final Business Case and Due Diligence submissions and subsequent information, drawing attention to any risks, omission or inconsistencies within the planned approach in relation to the LGF funding of the project.

The intended audience of this report is the LEP Board, as well as GCC as the Accountable Body. This report provides AECOM's independent assessment of the FBC documentation and subsequent information provided to allow these organisations to make an informed decision with regard to the planned funding of the scheme.

This report is formatted as follows:

- The remainder of Section 1 briefly outlines the scope of the Stonehouse A419 Improvements scheme;
- Section 2 outlines the AECOM assessment of the Full Business Case Document against the requirements of the GFirst LEP Transport Business Case Guidance, indicating the independent assessment of each of the required criteria within the FBC document.
- Section 3 outlined the additional information requested as part of the Due Diligence process, highlighting any specific criteria or conditions that it is recommended are put in place in relation to any potential funding agreement.
- Section 4 summarises the key project inputs, outputs and milestones and summarises the findings of this assessment.

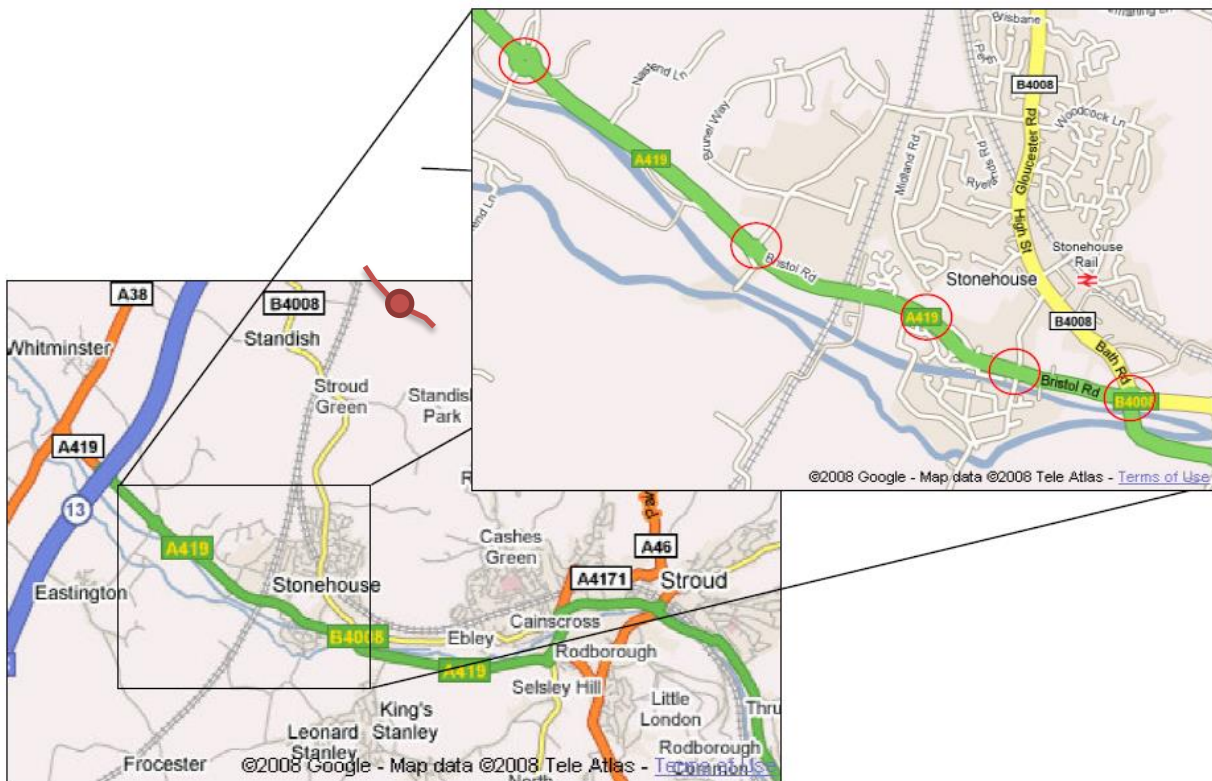
1.2 Applicant

The applicant for the LGF funding for the project is Gloucestershire County Council as the Highway Authority.

1.3 The Study Area

The project area covers the A419 between the M5 Junction 13 and Stroud and specifically the section between Chipmans Platt Roundabout and Horsetrough Roundabout, as shown in **Figure 1**.

Figure 1: Scheme Location



1.4 The Project

The Stonehouse A419 Improvement project consists of improvements at a number of roundabouts, signalised junctions and other locations along the A419 between Stroud and the M5 Junction 13 which have been identified as pinchpoints within the existing network. These improvements are required to facilitate anticipated traffic growth on the corridor in the future. The scheme has been modelled based upon anticipated levels of future traffic growth. This indicates that the scheme will achieve journey time savings of ca. 2 minutes for traffic travelling westbound and 1 minute 20 seconds for traffic travelling eastbound during the AM peak.

2 Full Business Case Assessment

2 Full Business Case Assessment

2.1 Introduction

The GFirst LEP Transport Business Case Guidance² outlined the process utilised by the LEP for the development and assessment of Business Cases. This guidance applies to all transport schemes seeking funding via the Single Local Growth Fund. A pro-forma was also provided to each scheme promoter to fill in to ensure that appropriate information was provided under each of the below assessment areas.

A detailed assessment has been undertaken of the content of the Business Case submission and associated appendices for the A419 Stonehouse Improvements project. This considered the comprehensiveness, robustness and realism of the information contained against the requirements specified in guidance.

The criteria of the Appraisal Guidance required scheme promoters to complete five different ‘cases’ as part of each stage in the Business Case process, namely:

- Strategic Case;
- Economic Case;
- Financial Case;
- Commercial Case; and,
- Management Case.

A number of key questions/requirements were also set under each of these headings aligned to the DfT WebTAG guidance for transport appraisal³. The AECOM assessment of the Business Case submissions has been based upon whether each of these questions/ requirements has been addressed satisfactorily. A traffic light system (shown below) was used to identify responses that pass (green) or fail (red) each criterion, alongside those where some issues were identified, but these were not considered critical to the overall Business Case of the scheme (amber). Any scheme passing all criteria would be recommended for approval to the next stage. Schemes with some amber elements may be recommended to approve, depending upon the number of issues identified and their impact upon the overall Business Case for the scheme. Submissions with red ‘fail’ criteria are considered insufficient in robustness, realism or comprehensiveness of detail to approve at this stage.

Fail
Some issues identified, but not considered critical
Pass

² http://www.gfirstlep.com/doc_get.aspx?DocID=305

³ <https://www.gov.uk/guidance/transport-analysis-guidance-webtag>

This section outlines the AECOM assessment of each area of the business case. The A419 Stonehouse Improvement Scheme Full Business Case Document and associated appendices should be consulted for further details of the scheme and the appraisal undertaken.

2.2 Strategic Case

Table 1 presents the assessment of the Strategic Case for the scheme. Please see the Strategic Case section of the full business case document for the full details of the evidence presented. It is considered that the scheme passes two of the four criteria within the strategic case. Some evidence was missing in relation to demonstrating that all of the previously identified objectives would be delivered by the scheme, however as discussed below some of these are not relevant to this specific scheme. Additionally the methodology for assessing the economic benefits of the scheme, which relies on a corridor assessment only was considered to potentially overstate some of the benefits of the scheme as traffic potentially rerouting onto the corridor has not be considered. These issues were not considered critical to the overall case for and value for money of the scheme however.

Table 1: Assessment of the Strategic Case for the Scheme

Criteria	RAG Status	Assessment
Have they indicated what changes have been made to the scheme since that described in the SOC, OBC or Growth Deal Business Case Proposal?	Pass	Document discusses the options that have been considered, the modelling undertaken on these and the preferred option identified.
Does the scheme still deliver the objectives stated at the previous stage?	Some issues identified, but not considered critical.	Objectives from the growth deal pro-forma SEP proposal are discussed. These were established for a package of schemes and not all of these are relevant to this specific scheme. Although the business case does not clearly evidence how the scheme contributes towards all of the identified objectives, e.g. facilitating the delivery and growth of the GREEN initiative at Berkeley we are satisfied that the scheme contributes to the objectives relevant to it.
Have they indicated the approach that has been taken to modelling the economic and financial impacts of the scheme?	Pass	The approach to modelling is discussed. Approach to economic appraisal is discussed within Economic Case.
Is the approach utilised considered appropriate to the impacts and scale of impacts anticipated?	Some issues identified, but not considered critical.	Approach is considered appropriate. Trip distribution and growth is fixed, therefore any additional trips which may in reality be generated by the additional capacity created are not assessed, which may understate some elements of the environmental appraisal and overstate some of the benefits. However, as discussed in relation to the economic case we are satisfied that the benefits achieved still represent value for money.

2.3 Economic Case

The economic case for the scheme is assessed within **Table 2**. The assessment of the economic case indicates that five of the nine criteria for the scheme have been passed. Some evidence was lacking to back up some of the scores within the appraisal summary table and there was some inconsistency between this table and the supporting text, but this was not considered critical to the overall economic case for the scheme.

The key economic benefits for the scheme derive from journey time savings for users of the corridor as a result of the scheme reducing levels of congestion that are predicted to severely affect the A419 in the future. The scheme will reduce journey times by ca. 2 minutes westbound and 1 minute 20 eastbound during the AM peak, with equivalent benefits at the PM peak. These impacts result in a Benefit Cost Ratio (BCR) for the scheme calculated by the scheme promoters to be 18/1. This value indicates that the scheme represents Very High value for money, although as indicated within the strategic case assessment this value is considered to be somewhat overstated as it does not include the impacts of traffic rerouting to the corridor due to the additional capacity unlocked. The whole life (maintenance) costs of the scheme were also not included within this assessment. The potential scale of impact of these factors has been considered against the scale of benefits predicted, indicating that the scheme would continue to represent high value for money despite these issues.

Some negative impacts resulting from the scheme are predicted in relation to noise, local air quality and the loss of vegetation, but mitigation will be considered within the final designs to limit or neutralise these impacts.

Table 2: Assessment of the Economic Case for the Scheme

Criteria	RAG Status	Assessment
Has an Appraisal Summary Table been provided?	Pass	An AST table has been provided
Is sufficient evidence presented to justify the scores given, considering the scale of benefits anticipated and the importance of these for the strategic case for the scheme?	Some issues identified, but not considered critical.	There is sufficient evidence to justify the key elements making up majority of the benefits of the scheme. Other elements are less well evidenced and there is some inconsistency between the scores given in the AST table and supporting text.
Are the scores given considered accurate and appropriate?	Some issues identified, but not considered critical.	Scores are generally considered accurate and appropriate. Some inconsistency existing between the AST table and supporting text.
Does the scheme score positively against the majority of AST categories?	Pass	Currently scores positively against 10 criteria, neutral against 10 and negative against 3 criteria, indicating that more beneficial impacts are predicted than negative ones.
What negative impacts are predicted and	Some	Negative impacts include noise impacts for some

Criteria	RAG Status	Assessment
what are the consequences of these?	issues identified, but not considered critical.	sensitive receptors, some worsening of local air quality, but at imperceptible levels, some loss of vegetation at Chapman's Platt Rdbt and at Downton Rd to Horsetrough Rdbt some tree loss would occur. A reduction in indirect tax revenues is anticipated to result from the reduction in vehicle operating costs predicted.
Are any additional negative consequences predicted that have not been included within the AST assessment?	Pass	Further discussions are planning regarding the most appropriate approach to the relocation of the horse trough. The relocation of this may not be well received by local people, although the scheme promoters will seek to minimise this impact as part of the development of final designs.
Have they included a calculation of the BCR for the project?	Pass	Yes
Is the BCR calculation considered accurate, robust and appropriate to the scale and nature of the project?	Some issues identified, but not considered critical.	The BCR calculation is considered accurate based upon the modelling methodology adopted, which does not account for released travel demand effects or the rerouting of traffic. This may lead to the stated benefits being somewhat over stated. Project lifetime costs have been assumed as a net zero impact in this calculation.
Does this indicate that the scheme represents value for money?	Pass	Current BCR indicates that the scheme represents very high value for money, but benefits may be somewhat overstated as discussed above. The potential scale of impact of these factors has been considered against the scale of benefits predicted, indicating that the scheme would continue to represent high value for money despite these issues.

2.4 Financial Case

Table 3 presents the assessment of the Financial Case for the scheme as presented within the Business Case materials. This indicates that all of the criteria of the Business Case Guidance are considered to have been met in relation to the Financial Case for the scheme. The funding is in place to deliver the scheme via LEP funds alone and adequate contingencies are in place to manage financial risks, with GCC responsible for funding any cos over-runs.

Table 3: Assessment of the Financial Case for the Scheme

Criteria	RAG Status	Assessment
Have the latest financial costs been provided? Are these presented in current prices?	Pass	A financial case breakdown is provided. Costs are in current prices.
How do these costs compare to previous estimates?	Pass	Costs have reduced slightly from that previously stated.
Have they outlined the additional elements which make up the whole life costs of the scheme?	Pass	Traffic related maintenance costs are included.
Have they included the expected non-LEP funding sources and the status of these contributions	Pass	The project would be fully funded with the LEP contribution only. GCC would be responsible for financing any cost over-runs.
Is sufficient certainty provided regarding the funding of the scheme?	Pass	As LEP funds are the only indicated source of funding sufficient funding certainty exists. GCC cabinet approval should be sought (including Section 151 officer sign off) for potential cost over-runs. This should be set as a condition of funding release.

2.5 Commercial Case

The commercial case for the scheme is presented within **Table 4**. It can be seen that three of the four criteria required within the Business Case Guidance are considered to have been met. No income is generated by the scheme and none is required to ensure its long-term viability. A procurement strategy is in place and a contractor will be appointed via an open tender process. The current indication is that GCC as scheme sponsor would cover any future cost increases. Future consideration should be given to whether the appointed contractor should take on some of this risk as part of the future tendering arrangements to ensure an appropriate balance of risk is achieved between the scheme promoter and contractor.

Table 4: Assessment of the Commercial Case for the Scheme

Criteria	RAG Status	Assessment
Have they indicated the income that is predicted to be generated by the scheme? How does this compare to previous predictions?	Pass	No income is anticipated to be generated directly by the scheme.
If income is generated sufficient to ensure the long-term viability of the scheme?	Pass	Maintenance costs would be covered by existing GCC budgets, ensuring the long-term viability of the scheme.
Has a procurement strategy been provided?	Pass	Three options have been considered for procurement of the scheme, the preferred of which is through open tender.
Is the procurement strategy appropriate to the nature of the scheme? Does it ensure the correct balance of risk is allocated between the scheme promoter and contractor?	Some issues identified, but not considered critical.	Currently indicates that GCC as scheme sponsor would be responsible for any cost increases. Consideration should be given for whether it would be appropriate for the contractor to take on some of this risk within the chosen tender arrangements.

2.6 Management Case

Table 5 presents the assessment of the Management Case for the scheme. This indicates that 11 of the 17 criteria are considered to have been met in their entirety. A further six criteria were considered to have some issues which do not affect the overall case for the scheme. These issues included the potential for additional environmental permits or approvals to be required due to further environmental assessment work being required post funding approval, as agreed at the Appraisal Specification Report (ASR) stage. Caveats will need to be included within the LEP funding legal agreement to cover this issue.

The identified programme for delivery of the scheme was considered realistic and viable, but did not indicate the timescales associated with potential further environmental approvals, which could have an impact on the wider programme. The benefit realisation strategy and monitoring and evaluation approach could both benefit from further work post scheme approval to ensure that the anticipated benefits of the scheme are realised and that the lessons from the project can inform future schemes. These issues were not however considered critical to the overall assessment of the scheme however.

Table 5: Assessment of the Management Case for the Scheme

Criteria	RAG Status	Assessment
Are plans provided for how the scheme will be designed and constructed?	Pass	Detailed designs and a discussion of the design and construction methodology is provided.
Are these plans considered appropriate to the scheme?	Pass	The scheme will be designed to design standards and using standard construction methods which are appropriate to the scheme.
Have they included information on the legal powers that are needed to construct the scheme?	Some issues identified, but not considered critical.	The scheme is located entirely within highway land and no approvals are therefore anticipated to be required at this point. Environmental assessment work is not currently finalised, therefore there is a potential for additional permits or approvals to be required within this area, which have been factored into the risk assessment and will need to be caveated as part of the legal agreement.
Have they stated how will these powers be obtained?	Pass	None anticipated to be required at this time.
Have they indicated the results of public and stakeholder consultation activities?	Pass	The outcome of public share events and stakeholder consultation undertaken in July 2017 are discussed.
Has the scheme been altered to satisfactorily reflect the consultation responses received?	Pass	A table is provided indicating the modifications that have been made or will be considered in the final design of the scheme. Some consultees were concerned that the scheme will not go far enough in addressing the problems, but this is constrained by available budgets.
Have they detailed the key risks in terms of impacts on delivery timescales?	Pass	A detailed risk register has been provided which indicates the potential timescale impacts of identified risks.

Criteria	RAG Status	Assessment
Have they detailed how the risks will be managed / mitigated?	Pass	Current controls are discussed
Has a Quantified Risk Assessment (QRA) been provided?	Pass	The expected, maximum and minimum cost of identified risks is discussed. Anticipated risk exposure is less than the contingency identified.
Have all key risks been identified, sufficiently mitigated and quantified?	Pass	Risk register includes risk related to S106 agreements which does not seem relevant to this project. Risk register appears comprehensive.
Have they included the governance arrangements that will enable the scheme to be delivered including the key named individuals and their roles?	Some issues identified, but not considered critical.	A project management structure is provided with named individuals. Project governance arrangements are discussed, although additional details regarding responsibilities and approvals processes would have been beneficial.
Have they outlined the planned project programme for delivery of the scheme including a GANTT chart	Pass	A GANTT chart is provided as an appendix with key milestones reported within the main document.
Is the programme considered realistic and viable?	Some issues identified, but not considered critical.	The programme for detailed design and construction appears realistic and deliverable. It is not clear whether any required environmental mitigation would be delivered within these timescales. The programme assumes no further approvals; however there is a possibility of further environmental approvals being required. This should be caveated within the funding agreement.
Does the programme facilitate completion of the project within the LEP funding period?	Pass	Programme assumes completion of the project by the end of November 2019, well within the LEP funding period
Have they included the proposed Benefits Realisation strategy?	Some issues identified, but not considered critical.	A basic benefit realisation strategy is provided. Additional details would have been beneficial on the actions that will be undertaken external to the project to ensure that the benefits of the scheme are realised - i.e. avoiding any other negative impacts on the network in the area, particularly in relation to planned development.
Have they identified how the benefits be monitored and evaluated?	Some issues identified, but not considered critical.	Some monitoring activities have been identified associated with identified project benefits, however further consideration should be given to how these align with the objectives of the scheme to ensure that sufficient monitoring is in place to evaluate whether the objectives have been achieved.

Criteria	RAG Status	Assessment
Are monitoring and evaluation activities considered appropriate to the scale and nature of the project?	Some issues identified, but not considered critical.	Further consideration should be given to the precise metrics that will be used to monitor the impacts of the scheme and the baseline conditions against which the scheme will be assessed post completion.

3 Due Diligence Checks

3 Due Diligence Checks

3.1 Introduction

It is a requirement of the Local Assurance Framework (LAF) that GCC and the GFirst LEP are required to undertake a Due Diligence process before Government funds can be made available to scheme promoters. The GFirst LEP Assurance Framework provides guidance in the process to be followed in this regard⁴.

This section of the report examines the information provided in the Final Business Case submission and subsequent information provided by the scheme promoter across a number of criteria to ensure an appropriate level of due diligence has been given to the scheme ahead of any final decision on the funding of the project.

Table 6 outlines the assessment of the scheme against these criteria.

Table 6: Due Diligence Assessment

Strategic	
Rationale	<p>What is the rationale for the project – is this clearly set out in the Business Case and has anything changed since?</p> <p>The rationale is to address current congestions along A419, specifically between Chipman’s Platt Roundabout and Horsetrough Roundabout. The aims of the project are clearly defined within the Business Case. No significant changes have been made to the scheme since its original identification in Gloucestershire’s Strategic Economic Plan (SEP).</p> <p>Why is public funding in the form of Growth Funds necessary?</p> <p>The value for money case presented within the business case indicates that the project will result in significant economic benefits to the public as a result of journey time savings that will benefit all users of the corridor, as discussed within the Strategic Case section of the Full Business Case. The scheme is estimated to achieve a value for money category of Very High, indicating that it represents very good use of public funds.</p> <p>Due to the capital cost of the project, GCC are not able to fully fund the project without funds from the LEP..</p>
Need/Demand	<p>Does the Business Case adequately address the need and demand for the project?</p> <p>The Business Case indicates that without the project the existing route will continue to see increases in traffic delays. The Business Case quantifies the demand for future the scheme through traffic modelling and economic appraisal.</p>

⁴ http://www.gfirstlep.com/doc_get.aspx?DocID=302

<p>Aims</p>	<p>Which LEP objectives does the project address?</p> <p>The project seeks to contribute towards the following objectives:</p> <ul style="list-style-type: none"> • To reduce peak period congestion on the A419 and A38; • To support strategic housing and employment growth sites at Stonehouse, Stroud and Berkeley; • To increase capacity, optimise the efficiency of the corridor and reduce delays for general traffic, HGV's and buses, whilst also providing adequate provision for pedestrians and cyclists; • To support planned growth (including on land near to the corridor), improve access to jobs and support the efficient movement of goods.
<p>Fit</p>	<p>What other local strategies does the project fit e.g. LA local plan, Economic Strategies etc.?</p> <p>The Gloucestershire Local Transport Plan 2015 – 2031 identified this section of the A419 as a congestion hotspot which is only expected to worsen in the future as new housing and developments come online in the future. As a result, the A419 improvement scheme has been identified as a short term capital project (2015 – 2021) within the Local Transport Plan.</p>

Financial																																																																																											
Cost profile	<p>What is the latest cost profile with elemental breakdown.</p> <p>The overall cost of the scheme is £4.36m. A breakdown of the costs is provided below.</p> <table border="1"> <thead> <tr> <th colspan="7">Scheme Cost Breakdown and Profile</th> </tr> <tr> <th rowspan="2">Project Cost Components</th> <th rowspan="2">Capital Cost Items</th> <th rowspan="2">* Cost Estimate Status (O/P/D/T)</th> <th colspan="4">Costs by year (£)</th> </tr> <tr> <th colspan="4">Year of Estimate:</th> </tr> <tr> <th></th> <th></th> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Design & Management</td> <td>Design fees</td> <td>P</td> <td>£320,000</td> <td>£33,855</td> <td>£33,856</td> <td>£387,711</td> </tr> <tr> <td>Site surveys</td> <td>P</td> <td>£30,000</td> <td>-</td> <td>-</td> <td>£30,000</td> </tr> <tr> <td>Construction supervision</td> <td>P</td> <td>-</td> <td>£120,000</td> <td>£120,000</td> <td>£240,000</td> </tr> <tr> <td>Sub Total</td> <td></td> <td>£350,000</td> <td>£153,855</td> <td>£153,856</td> <td>£657,711</td> </tr> <tr> <td rowspan="3">Construction including Traffic-Related Maintenance</td> <td>Construction</td> <td>P</td> <td></td> <td>£535,404</td> <td>£1,146,252</td> <td>£1,681,656</td> </tr> <tr> <td>Utility Diversions</td> <td>O</td> <td></td> <td>£475,000</td> <td>£805,000</td> <td>£1,280,000</td> </tr> <tr> <td>Sub Total</td> <td></td> <td>£350,000</td> <td>£1,010,404</td> <td>£1,951,252</td> <td>£2,961,656</td> </tr> <tr> <td rowspan="3">Contingency</td> <td>(As appropriate)</td> <td rowspan="3">P</td> <td rowspan="3"></td> <td rowspan="3"></td> <td rowspan="3"></td> <td rowspan="3"></td> </tr> <tr> <td>Including Risk Adjustment at 15%</td> </tr> <tr> <td>Including optimism Bias at 10%</td> </tr> <tr> <td>Total Cost</td> <td>(NB - Not Base Cost with Real Cost Adjustment)</td> <td>P</td> <td>£350,000</td> <td>£1,416,985</td> <td>£2,592,921</td> <td>£4,359,906</td> </tr> </tbody> </table>						Scheme Cost Breakdown and Profile							Project Cost Components	Capital Cost Items	* Cost Estimate Status (O/P/D/T)	Costs by year (£)				Year of Estimate:							2017/18	2018/19	2019/20	TOTAL	Design & Management	Design fees	P	£320,000	£33,855	£33,856	£387,711	Site surveys	P	£30,000	-	-	£30,000	Construction supervision	P	-	£120,000	£120,000	£240,000	Sub Total		£350,000	£153,855	£153,856	£657,711	Construction including Traffic-Related Maintenance	Construction	P		£535,404	£1,146,252	£1,681,656	Utility Diversions	O		£475,000	£805,000	£1,280,000	Sub Total		£350,000	£1,010,404	£1,951,252	£2,961,656	Contingency	(As appropriate)	P					Including Risk Adjustment at 15%	Including optimism Bias at 10%	Total Cost	(NB - Not Base Cost with Real Cost Adjustment)	P	£350,000	£1,416,985	£2,592,921	£4,359,906
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			Year of Estimate:																																																																																								
			2017/18	2018/19	2019/20	TOTAL																																																																																					
Design & Management	Design fees	P	£320,000	£33,855	£33,856	£387,711																																																																																					
	Site surveys	P	£30,000	-	-	£30,000																																																																																					
	Construction supervision	P	-	£120,000	£120,000	£240,000																																																																																					
	Sub Total		£350,000	£153,855	£153,856	£657,711																																																																																					
Construction including Traffic-Related Maintenance	Construction	P		£535,404	£1,146,252	£1,681,656																																																																																					
	Utility Diversions	O		£475,000	£805,000	£1,280,000																																																																																					
	Sub Total		£350,000	£1,010,404	£1,951,252	£2,961,656																																																																																					
Contingency	(As appropriate)	P																																																																																									
	Including Risk Adjustment at 15%																																																																																										
	Including optimism Bias at 10%																																																																																										
Total Cost	(NB - Not Base Cost with Real Cost Adjustment)	P	£350,000	£1,416,985	£2,592,921	£4,359,906																																																																																					

	*O = Outline estimate, P= Preliminary estimate, D = Detailed estimate, T = Tender price,																																																																					
Funding	<p>What is the funding profile that matches the cost profile – indicate the source of all funding both public and private; indicate the status of funding e.g. spent/committed, approved, application submitted, TBA etc.</p> <p>The £4.36m scheme is to be fully funded via the LEP Growth Fund bid to which this document relates. A breakdown of this funding profile is provided below.</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">2017/18</th> <th colspan="2">2018/19</th> <th colspan="2">2019/20</th> <th colspan="2">2020/21</th> <th>Totals</th> </tr> <tr> <th></th> <th>Capital</th> <th>Revenue</th> <th>Capital</th> <th>Revenue</th> <th>Capital</th> <th>Revenue</th> <th>Capital</th> <th>Revenue</th> <th></th> </tr> </thead> <tbody> <tr> <td>LEP</td> <td>£350k</td> <td>n/a</td> <td>£1,416k</td> <td>n/a</td> <td>£2,593k</td> <td>n/a</td> <td>-</td> <td>n/a</td> <td>£4,360k</td> </tr> <tr> <td>S106</td> <td>-</td> <td>n/a</td> <td>-</td> <td>n/a</td> <td>-</td> <td>n/a</td> <td>-</td> <td>n/a</td> <td>-</td> </tr> <tr> <td>GCC</td> <td>-</td> <td>n/a</td> <td>-</td> <td>n/a</td> <td>-</td> <td>n/a</td> <td>-</td> <td>n/a</td> <td>-</td> </tr> <tr> <td>Total</td> <td>£350k</td> <td>n/a</td> <td>£1,416k</td> <td>n/a</td> <td>£2,593k</td> <td>n/a</td> <td></td> <td>n/a</td> <td>£4,360k</td> </tr> </tbody> </table>											2017/18		2018/19		2019/20		2020/21		Totals		Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue		LEP	£350k	n/a	£1,416k	n/a	£2,593k	n/a	-	n/a	£4,360k	S106	-	n/a	-	n/a	-	n/a	-	n/a	-	GCC	-	n/a	-	n/a	-	n/a	-	n/a	-	Total	£350k	n/a	£1,416k	n/a	£2,593k	n/a		n/a	£4,360k
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Total	£350k	n/a	£1,416k	n/a	£2,593k	n/a		n/a	£4,360k																																																													
Accounting	<p>Set out the accounting arrangements e.g. how payments made (invoices or claims), who certifies for payment, where records are held, treatment of VAT etc.</p> <p>The Contract for the works will be tendered through the South-West Pro-contract Portal. This will be implemented and overseen by Amey.</p> <p>The form of contract will be an NEC3 Option A Contract. Tenders will be submitted as an Activity Schedule with the options for lump sum payments.</p> <p>Payments will be made in instalments to the appointed Contractor.</p> <p>Applications will be made through the scheme NEC3 Project Manager to the GCC Project Manager. Amey will review the payment request and if in agreement pass to the GCC Project Manager Promoter to authorise /certify the payment.</p> <p>VAT will be paid to the appointed Contractor and subsequently re-claimed by GCC. It is considered that the use of this existing arrangement will ensure proper accounting for costs and spending.</p>																																																																					
Audit	<p>Set out internal and independent audit arrangements</p> <p>Both GCC and their consultants Amey have robust audit procedures that have been applied to other successful projects, including the current major scheme at Elmbridge Court.</p> <p>The Business Management Directorate's Audit and Financial Standards section (AFS) carries out the Council's internal audit. Its work plan is compiled in consultation with Executive Directors based on a detailed risk assessment of the key financial</p>																																																																					

	<p>activities. Typically the annual plan comprises:</p> <ul style="list-style-type: none"> • Routine audits - a series of regular reviews of the various financial systems. These are a mixture of establishment and central system reviews. • Ad hoc reviews of specific systems - where the approach is not just to ensure compliance with financial regulations but to comment on the overall efficiency of the system and to suggest improvements. • Irregularity investigations - to investigate any suspicions or allegations of misuse of Council monies. <p>Internal Audit is responsible for evaluating both financial and operational controls; taking into account the risks facing the organisation and assess how effective and reliable the controls are in helping to minimise those risks.</p> <p>These general arrangements used by the Council are considered to provide the appropriate level of internal audit oversight of this contract.</p>
<p>Post Project</p>	<p>Are there on-going cost implications and if so how will these be funded?</p> <p>Ongoing maintenance of new carriageway and signals will be funded through the County Council’s budget. This is indicated to cost £1933 per year. GCC Section 151 Officer approval should be sought for this additional maintenance liability via GCC Cabinet Approval</p>
<p>Viability</p>	<p>Is the project viable? Is there a reliance on income to support the project and if so are the forecasts reasonable?</p> <p>There is no reliance on income to support the project. Cost estimates have been calculated with an appropriate margin of contingency and are considered robust. However, there are still some unknowns regarding potential issues identified at detailed design such as confirmation of the exact cost of utility diversions. If costs are above estimates, GCC Section 151 approval should be sought via a Cabinet Report to confirm that GCC accepts they would be responsible for funding the shortfall.</p>
<p>Economic</p>	
<p>Options</p>	<p>What options were considered as part of the Business Case?</p> <p>A number of options have been considered for each junction over the life of the project. These have been tested within a local traffic model to identify the main options for each junction outlined in the FBC.</p>

<p>Outputs</p>	<p>Are there clear and reasonable assumptions underpinning identified outputs?</p> <p>A summary of the outputs is as follows:</p> <table border="1" data-bbox="392 618 1481 1368"> <thead> <tr> <th data-bbox="392 618 850 656">Output</th> <th data-bbox="850 618 1481 656">Measurement</th> </tr> </thead> <tbody> <tr> <td data-bbox="392 656 850 689">Total length of Corridor (Km)</td> <td data-bbox="850 656 1481 689">3km</td> </tr> <tr> <td data-bbox="392 689 850 891">Total length of newly built roads (km)</td> <td data-bbox="850 689 1481 891">Chipmans Platt (lane widening on A419): 0.2km Oldends Lane (Additional lane): 0.1km Horsetrough to Downton Road (dedicated left hand lane): 0.45km</td> </tr> <tr> <td data-bbox="392 891 850 992">Total length of new cycle ways (km)</td> <td data-bbox="850 891 1481 992">Chipmans Platt: 0.2km Horsetrough to Downton Road (including widening of footway to 4m shared use) 0.8km</td> </tr> <tr> <td data-bbox="392 992 850 1193">Number of lanes created</td> <td data-bbox="850 992 1481 1193">1 x dedicated left lane from Horsetrough roundabout to Downton Road 4 x widened approaches Chipmans Platt 1 x widened Oldends Lane approach to roundabout 1 x exit lane to Downton Road Junction</td> </tr> <tr> <td data-bbox="392 1193 850 1227">Number of junctions Improved</td> <td data-bbox="850 1193 1481 1227">5</td> </tr> <tr> <td data-bbox="392 1227 850 1368">Total length of resurfaced roads (km)</td> <td data-bbox="850 1227 1481 1368">0.55km (Value stated includes length of resurfacing where full width of road may not all be resurfaced).</td> </tr> </tbody> </table>	Output	Measurement	Total length of Corridor (Km)	3km	Total length of newly built roads (km)	Chipmans Platt (lane widening on A419): 0.2km Oldends Lane (Additional lane): 0.1km Horsetrough to Downton Road (dedicated left hand lane): 0.45km	Total length of new cycle ways (km)	Chipmans Platt: 0.2km Horsetrough to Downton Road (including widening of footway to 4m shared use) 0.8km	Number of lanes created	1 x dedicated left lane from Horsetrough roundabout to Downton Road 4 x widened approaches Chipmans Platt 1 x widened Oldends Lane approach to roundabout 1 x exit lane to Downton Road Junction	Number of junctions Improved	5	Total length of resurfaced roads (km)	0.55km (Value stated includes length of resurfacing where full width of road may not all be resurfaced).
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<p>Outcomes</p>	<p>Are there clear and reasonable assumptions underpinning identified outcomes?</p> <p>Key outcomes of the project include:</p> <ul style="list-style-type: none"> • Improving journey times along the A419 corridor • Minimising accidents along the A419 • Facilitating and accommodating planned housing and employment proposals along the corridor <p>These outcomes are discussed within the Monitoring and Evaluation section of the Full Business Case document and the scheme monitoring pro-forma. Further work is required including the setting of targets they are considered appropriate and measurable, with indicators and data sources identified within the MEP to monitor their outcome.</p>														
<p>Impacts</p>	<p>Are there clear and reasonable assumptions underpinning identified impacts?</p> <p>The AST table provided within the Business Case document indicates the anticipated impacts of the scheme. The key positive impact relates to the journey time savings achieved for road users. Negative impacts are anticipated in relation to noise, local air quality and vegetation loss. Further work will be undertaken to quantify and</p>														

	<p>mitigate these impacts as part of the identification of final designs.</p> <p>Have distributional and social effects been taken into account? A social and distributional impacts assessment has not been undertaken. The impact on pedestrians and cyclists and car commuters are considered within the economic case.</p>																		
VFM	<p>Summarise the VFM indicators and results for the preferred option/project Has a Value for Money Statement been completed?</p> <p>A Value for Money Statement has been completed for the project and has been included in the FBC. The Economic Case indicates a BCR value of 18 which corresponds to Very High Value for Money. This is primarily as a result of future journey time savings on the corridor. This benefit is considered likely to be somewhat over stated as it does not consider the potential for traffic to reroute onto the corridor in the future and does not include the costs associated with ongoing maintenance. The likely scale of impacts of these issues has been considered alongside the very high quantified benefits to confirm that the value for money of the scheme is still considered to be high.</p>																		
Delivery																			
Timetable	<p>Attach the latest project timetable identifying key milestones Is there a Gantt chart showing timescales for detailed elements?</p> <p>See below key milestones. A detailed GANTT chart was also provided as an appendix to the business Case</p> <table border="1" data-bbox="512 1368 1386 1977"> <thead> <tr> <th data-bbox="512 1368 1038 1435">Activity</th> <th data-bbox="1038 1368 1386 1435">Target Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="512 1435 1038 1503">*Submit Full Business Case for Approval</td> <td data-bbox="1038 1435 1386 1503">1st August 2017</td> </tr> <tr> <td data-bbox="512 1503 1038 1570">LEP Board Decision</td> <td data-bbox="1038 1503 1386 1570">10th October 2017</td> </tr> <tr> <td data-bbox="512 1570 1038 1637">Detailed Design Start</td> <td data-bbox="1038 1570 1386 1637">11th October 2017</td> </tr> <tr> <td data-bbox="512 1637 1038 1704">GCC Cabinet Approval</td> <td data-bbox="1038 1637 1386 1704">November, 2017</td> </tr> <tr> <td data-bbox="512 1704 1038 1771">*Issue Supplier Engagement Notice</td> <td data-bbox="1038 1704 1386 1771">7th May 2018</td> </tr> <tr> <td data-bbox="512 1771 1038 1839">Detailed Design End</td> <td data-bbox="1038 1771 1386 1839">25th May 2018</td> </tr> <tr> <td data-bbox="512 1839 1038 1906">Completion of outstanding environmental appraisal</td> <td data-bbox="1038 1839 1386 1906">1st June 2018</td> </tr> <tr> <td data-bbox="512 1906 1038 1977">Achievement of environmental consents (if required)</td> <td data-bbox="1038 1906 1386 1977">1st June 2018</td> </tr> </tbody> </table>	Activity	Target Date	*Submit Full Business Case for Approval	1st August 2017	LEP Board Decision	10th October 2017	Detailed Design Start	11th October 2017	GCC Cabinet Approval	November, 2017	*Issue Supplier Engagement Notice	7th May 2018	Detailed Design End	25th May 2018	Completion of outstanding environmental appraisal	1 st June 2018	Achievement of environmental consents (if required)	1 st June 2018
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	Start construction of Horsetrough Rdbt and Downton Road Signals	26 th March, 2019
	Completion of Horsetrough Rdbt	15 th November, 2019
	Completion of Downton Road Signals	15 th July, 2019
	Construction End	15th November 2019
Site	<p>Confirm ownership of the site and detail arrangements to ensure unfettered access e.g. covenants, rights of way, easements etc.</p> <p>The general arrangement drawing for each junction improvement (shown in the business case Appendix A) have been produced on the basis that no land take is required. However, between Horsetrough and Downton Road a change to the highway boundary may be required within Gloucestershire County Council owned Land. As GCC is the sole land owner of said land, there is no permission required to dedicate land as highway. In normal circumstances GCC would require a dedication agreement with the landowner concerned, but where GCC is landowner, this is not possible. The change of highway boundary is therefore solely an internal administrative process, whereby GCC confirm the dedication by updating its highway records and its internal land terrier (record of land holdings).</p>	
Planning	<p>Does the project have planning permission? Are there planning conditions that still need to be satisfied e.g. s106, ecology etc.?</p> <p>The proposed scheme does not require planning permission as all works would be within highway land. Gloucestershire County Council only requires planning permission when constructing a new road which is 'remote' from another, which is not the case for this scheme.</p> <p>There is potential for additional environmental permissions and permits to be required. This potential will be determined as part of the finalisation of the design</p>	

	work. A caveat should be included within the funding agreement related to achievement of any such permissions that are determined as being required.
Environmental Sustainability/ Social Value	<p>What aspiration is set out in the Business Case and to what quality standard? How evidenced?</p> <p>The aspiration in the Business Case is for nil or minimal impact of the scheme in terms of environmental and sustainability. The Business Case has been undertaken in line with the proportionate application of best practice guidance. The findings from these assessments are contained within the appendices accompanying the Business Case.</p> <p>As Detail Design will be completed after approval of the scheme to allow for best use of funds and reflecting a proportionate approach to the FBC the identification of the need for and design of appropriate environmental mitigation measures has not yet been determined. This has been adequately accounted for within the risk register and risk contingency to be maintained for the project.</p> <p>What contribution is the project likely to make to social value?</p> <p>The social impacts of the scheme are assessed in the FBC, and summarised in the AST. Impacts that are predicted to be positive (slightly or significantly beneficial) are Commuting, Physical Activity, Commuting, Journey Quality, Accidents, Access to Services, Severance. If the scheme was not undertaken, congestion on the corridor will continue to deteriorate, and will have a negative impact on journey times for all vehicles, including an adverse effect on Businesses.</p>
Procurement	<p>Outline the procurement strategy – is this State Aid compliant?</p> <p>GCC's procurement strategy is detailed in the Full Business case. Due to the value of this scheme it will be procured as an Open tender via the South-West Pro contract portal. This approach is State Aid Compliant.</p> <p>Basis for contractor selection: is this best VFM?</p> <p>The contracts will be procured as NEC Option A, (lump sum contract) with activity schedule. The 5 lowest priced tenders will have their quality submissions assessed to ensure they pass the quality threshold criteria. The lowest priced submission, successfully passing the quality threshold, will be awarded the contract.</p> <p>This approach will ensure Value for Money.</p> <p>Contractor checks including collateral warranties</p> <p>GCC require tenderers to provide evidence to substantiate suitability for schemes including evidence of collateral warranties.</p>
State Aid	Does the investment provide a benefit to an undertaking in a way that is not

	<p>recognised through an appropriate contribution? Is the investment covered by General Block Exemption Rules or any other EU approved notification? Confirm the investment of Growth Funds is State Aid compliant.</p> <p>The investment will provide benefits to all travellers. Some of these will be undertakings in the sense of EU State Aid law. However there will be no selectivity in the way these benefits are given so no State Aid will arise. In any event, the benefit enjoyed by any individual firm will be well below the €10,000 threshold.</p>
Risk	<p>Set out Risk management strategy including allocation/transfer Confirm Risk register in place and arrangements for maintaining</p> <p>A project risk register is to be maintained throughout the scheme duration and a copy is attached to the Full Business Case in Appendix D.</p> <p>A Construction risk register will be developed with the selected contractor and proactively managed during the construction phase.</p> <p>The financial risks associated with the project would be held by GCC, however consideration will be given to whether some of these risks could pass to the contractor in the future.</p>
Management	
Organisation	<p>Set out the Status of the organisation receiving funds for State Aid purposes Undertake general finance check e.g. credit rating, KYC, money laundering etc.</p> <p>The project will be delivered by Gloucestershire County Council, who are experienced in undertaking capital projects of this nature. As a public body GCC are governed by rules for public organisations including public procurement and freedom of information. Annual Statement of Accounts is made publically available as are external audit results.</p> <p>Additional financial checks are therefore not considered appropriate or necessary for this organisation.</p> <p>GCC is also the accountable body to the LEP.</p>
Capability	<p>Does the delivery team possess the necessary skills and resources to deliver the project?</p> <p>The scheme is intended to be delivered using a collaborative approach between GCC staff and their appointed support organisation Amey, with a contractor procured for construction of the project. GCC have identified appropriately trained and experienced staff that will be the responsible for the management of the scheme. The identified staff, fulfilling the GCC Project Manager and Amey Project Manager roles, has been ring-fenced to support the scheme throughout its duration, from design through scheme procurement and onto construction supervision. They will</p>

	<p>have more junior staff available to support them as required.</p> <p>GCC will utilise dedicated Amey resource through an existing contract to undertake design and also provide early contractor involvement (ECI), where appropriate, to the design process to ensure best value.</p> <p>Are there multiple projects that are the responsibility of the same team, and if so how managed with the project?</p> <p>GCC have a successful track record of managing multiple projects and delivering major transport schemes within the county. The most recent of which was the Walls G&G Roundabout Contract (WC&G).</p> <p>The WC&G scheme, completed in October 2014, was designed to support economic development, job creation and social regeneration, improving access with high quality connections between the urban centres, transport hubs and development sites.</p> <p>The scheme was successfully delivered within budget and on programme through the adoption of a robust management approach. The total value of the scheme was £3.1M of which £0.5M was funded by Central Government. The scheme was procured through a full OJEU tender process.</p> <p>GCC and Amey are also working in partnership with Griffiths Contractors Ltd on the Elmbridge Court Roundabout major scheme. This is a £6.4m contract to improve capacity and reduce journey times at the busiest roundabout in the County. This scheme follows the management strategy set out in this business case and is on course to finish on time (C. Sept 17) and on budget.</p>
<p>Governance</p>	<p>Are there clearly defined role responsibilities including authorisation and delegation levels? What are the reporting arrangements?</p> <p><u>Project Governance</u> GCC have set up a clear and robust structure to provide accountability and an effectual decision making process for the management of the LEP funded schemes. Each scheme will have a designated project manager who will be an appropriately trained and experienced member of GCC staff. A detailed breakdown of meetings (along with the attendees, scope and output of each) which make up the established governance process is set out below.</p> <p><u>Project Board Meetings (PBM)</u> PB meetings are held monthly to discuss individual progress on each scheme and are chaired by Amey Project Managers (PMs). Attendees include representatives for different aspects of LEP management (i.e. Communication, Traffic, Risk</p>

	<p>Management, Amey design and/or construction team). Progress is also discussed in technical detail raising any issues or concerns for all to action. A progress report, minutes of meeting and an update on programme dates are provided ahead of the meeting for collation and production of the LEP progress and highlight Report.</p> <p><u>LEP Progress and Highlight Report</u> The Progress and Highlight Reports sent by the GCC PMs comprise of the following updates; general progress, project finances, issues, risks and meeting dates. The report also identifies any areas of concern or where decisions are required by the PB meeting. An agreed version of the latest Progress and Highlight Report is issued to the PB meeting attendees during the meeting.</p> <p>The project management structure is detailed in the FBC.</p>
<p>Communication</p>	<p>How will the project communicate with stakeholders, client base, public? Is there a marketing strategy?</p> <p><u>Communications and Engagement Management</u> GCC have a tried and tested Communication and Engagement Management Plan which is used on all major projects. The plan outlines the approach but is flexible and can be adapted to suit the needs of each specific project. Effective use of the plan has resulted in limited adverse feedback from the public and ensured successful delivery of schemes both from a project management and public relations perspective. This section of the Full Business Case provides further information on how stakeholders are identified, how they are communicated to and the methods / techniques used to communicate.</p> <p><u>Stakeholder Communication Plan</u> The Full Business Case summarises the strategy for managing engagement with stakeholders for the scheme. It itemises the relevant stakeholders and interests and indicates the stakeholder category with which each is associated.</p> <p>There is no marketing strategy for this project.</p>
<p>Monitoring</p>	<p>What are the arrangements for monitoring for both finance and economic benefits?</p> <p>GCC will use standard Highway Contract and Procurement monitoring procedures to check progress during and post contract.</p> <p>Monthly Programme and Financial Review Meetings will be held where the Client, the Clients Representative and the Principle Contractor will be present.</p> <p>A Monitoring and Evaluation Pro-forma has been completed with indicators identified to monitor the financial and economic performance of the project. Further work will be required to specify in detail what indicators should be monitored and how and</p>

	when this should be undertaken.
Evaluation	<p>How will the completed project be evaluated?</p> <p>Post scheme review meetings will take place where the Client, the Clients Representative and the Principle Contractor will be present. The meetings will allow key lessons learnt and best practice from the project to be recorded, to inform future projects.</p> <p>A Monitoring and Evaluation Pro-forma has also been completed, and is included as an appendix to the Full Business Case. This indicates the proposed monitoring and evaluation activities which will be undertaken following completion of the project. Further work will be required to specify in detail what indicators should be monitored and evaluated and how and when this should be undertaken.</p>

4 Summary

4 Summary

4.1 Introduction

This section of the report summarises the key project inputs, outputs and milestones. It also summarises the findings of the Final Business Case assessment and Due Diligence checks undertaken on the proposed project.

4.2 Summary of project inputs, outputs and outcomes

4.2.1 Total Cost

The total scheme cost is £4.36m; this is broken down by task in **Table 7** below:

Table 7: Planned Construction Costs

Task	Cost
Design and Management	£657,711
Construction including traffic related maintenance	£2,961,656
Contingency	£740,439
Total	£4,359,906

The LEP contribution covers all of the above costs of the project and relates to capital expenditure only.

4.2.2 Funding

A LEP Growth Fund contribution of £4.36m is sought. **Table 8** shows the planned funding profile for the scheme broken down by task. This is considered a feasible level of spend on the project and would ensure that all LEP funds are spent within financial year 2019/20.

Table 8: LGF Funding Profile

	2017/18		2018/19		2019/20		2020/21		Totals
	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	
LEP	£350k	n/a	£1,416k	n/a	£2,593k	n/a	-	n/a	£4,360k
S106	-	n/a	-	n/a	-	n/a	-	n/a	-
GCC	-	n/a	-	n/a	-	n/a	-	n/a	-
Total	£350k	n/a	£1,416k	n/a	£2,593k	n/a		n/a	£4,360k

4.2.3 Milestones

The milestones outlined within the FBC for delivery of the scheme are outlined below:

Activity	Target Date
*Submit Full Business Case for Approval	1st August 2017
LEP Board Decision	10th October 2017
Detailed Design Start	11th October 2017
GCC Cabinet Approval	November, 2017
*Issue Supplier Engagement Notice	7th May 2018
Detailed Design End	25th May 2018
Completion of outstanding environmental appraisal	1 st June 2018
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Completion of Horsetrough Rdbt	15 th November, 2019
Completion of Downton Road Signals	15 th July, 2019
Construction End	15th November 2019

4.2.4 Outputs

The following are the key outputs of the project:

Output	Measurement
Total length of Corridor (Km)	3km
Total length of newly built roads (km)	Chipman's Platt (lane widening on A419): 0.2km Oldends Lane (Additional lane): 0.1km Horsetrough to Downton Road (dedicated left hand lane): 0.45km
Total length of new cycle ways (km)	Chipman's Platt: 0.2km Horsetrough to Downton Road (including widening of footway to 4m shared use) 0.8km
Number of lanes created	1 x dedicated left lane from Horsetrough roundabout to Downton Road 4 x widened approaches Chipmans Platt 1 x widened Oldends Lane approach to roundabout 1 x exit lane to Downton Road Junction
Number of junctions Improved	5
Total length of resurfaced roads (km)	0.55km (Value stated includes length of resurfacing where full width of road may not all be resurfaced).

4.2.5 Outcomes

The following are the key project outcomes:

- Improving journey times along the A419 corridor
- Minimising accidents along the A419
- Facilitating and accommodating planned housing and employment proposals along the corridor

4.3 Summary of Final Business Case Assessment

Table 9 summarises the AECOM assessment of the FBC for the Stonehouse A419 Improvements project. It can be seen that all criteria within the Financial are considered to have been satisfactorily addressed, considering the nature of the scheme. Some of the criteria within the other Cases were not entirely addressed, but none were considered critical to the overall business case for the scheme.

Table 9: Summary of Full Business Case Assessment

Case	Assessment
Strategic Case	Passed 2/4 criteria
Economic Case	Passed 5/9 criteria
Financial Case	Passed 5/5 criteria
Commercial Case	Passed 3/4 criteria
Management Case	Passed 11/17 Criteria

4.4 Summary of Due Diligence Checks

A series of Due Diligence Checks have also been undertaken against the criteria set out as part of the GFirst LEP Assurance Framework on the Due Diligence process. This included information on the Strategic, Financial and Economic Case for the scheme, as well as the planned processes for the delivery and management of the scheme.

Across all criteria it was considered that the planned scheme and its intended delivery and management processes were sufficient to ensure the intended project outputs and outcomes are delivered. One condition of approval was identified as part of this process, which is discussed below.

4.5 Recommendation and Conditions of Funding

Based on the AECOM assessment of the Final Business Case and the Due Diligence checks undertaken it is recommended that the scheme is approved for LEP Growth Fund funding and that funding can be released in 2017/18. The following Funding Conditions are recommended to ensure the scheme delivers the outcomes intended:

- To ensure an appraisal approach proportionate to the scale and nature of this scheme it was agreed at the appraisal specification stage that some elements of the environmental appraisal of this scheme could be deferred until after the Final Business Case alongside the development of final designs as long as any risks associated with this were considered and costed within the risk assessment. It is recommended that this environmental appraisal (to be completed by June 2018), as well as any subsequent permits or approvals (if required) will be included as milestones in the funding agreement. It is also recommended that a condition is included within the funding agreement so that funding can be clawed back as required should such approvals be rejected.
- GCC Cabinet approval is needed to confirm GCC commitment to the funding of any cost increases and future ongoing maintenance.