24/11/2020	**G0-OBC**	Initial Business Case (update)

Project / Programme Name:	Housing Infrastructure Fund (HIF2) - A40 Smart Corridor Programme
Total Capital Budget:	£102,011,499
Sponsoring Director:	Owen Jenkins
Strategic Professional Lead:	Hannah Battye
Delivery Project Lead:	Dominic Donnini
Divisions Affected:	**Eynsham Division, Kidlington South Division**
Project Approval No:	C.AT00333.01, C.AT00334.01, C.AT00335.01, C.AT00353.01

Threshold Levels

Threshold(s) Exceeded:	Requires Approval from:
1. Cost	S151 Officer & Strategic Director Communities
2. Time	Within Threshold
3. Scope / Benefits	Within Threshold
4. Reputational / Political Risk	Within Threshold

Decision(s) required:

Approve an extension to the Stage 0 (Initial) Business Case, to conclude the Feasibility Design (DfT Webtag stages 1 and 2) and commence Preliminary Design, within a £4m development budget funded through the grant agreement with Homes England.

Record of Decision / Final Approval [as per Financial Procedure Rules]

Decision	Approved by
APPROVED	Lorna Baxter & Paul Feehily 01/12/2020

Contents

Sign-off

Sign-offs	Name	Date
***Director / Assistant Director** *Sign-off by Senior Responsible Officer from Author's area.*	Eric Owens	24/11/20
***Service Manager: Strategy / Delivery**	Hannah Battye	24/11/20
Programme Lead: *Sign-off by the Author's Line Manager*	Dominic Donnini	24/11/20
Delivery Professional Lead *Author of the Business Case*	Arjen Bouwmeester (HIF2 Programme Manager)	24/11/20
***Finance Team** *Sign-off of all Capital / Financial elements*	Graham Clare	25/11/20
Confirmation of Consultation with / Input from	Name	Date
Strategy / Delivery Team (Transport, Property, or other)	Jacqui Cox / Cathy Champion	
Service Area / Key Stakeholder	Tim Shickle (Highways, Communities) Charles Maxlow (Property, Communities) Simon Wanklyn (Engineering and Assurance Team Leader, Growth Capital Programme)	

1. Executive Summary

This business case provides the justification for the extension and completion of the Stage 0 of the A40 HIF 2 Smart Corridor scheme, originally approved in December 2018. This will enable the conclusion of the feasibility process which started in January 2019 leading to the announcement of a preferred route for the scheme in March 2021. This business also provides justification for commencement of Preliminary Design and request for budget for all work required to be carried out up to the end of March 2021.

Full funding for the scheme is £102m and was announced by the Chancellor on the 1st November 2019 following the successful consideration of a business case submitted by Oxfordshire County Council to Homes England in March 2019.

To enable the compilation of the Scheme Outline Business Case (SOBC) and the start of the feasibility process, in December 2018 - after the approval of a Stage 0 business case - OCC's cabinet authorised forward funding of £0.800m for the scheme. These funds have been used to undertake initial feasibility assessments on the scheme, testing the technical, commercial, and regulatory viability of the scheme and concluding the Initial Business Case (IBC) used to support the successful submission to Homes England in the spring of 2019.

The current submission rests within the same gateway phase for which authority has already been obtained but is now required to be extended to complete the feasibility process and select a preferred option by March 2021.

Further funding of £3.0m (including 0.26m contingency) is required to finalise the feasibility process and select a preferred route in accordance with the Department of Transport's Transport Appraisal guidance. The programme for the feasibility design was originally intended to end in December 2020, and is now due to be completed in March 2021.

In addition, a further £0.15m is requested to enable commencement of some elements of the Preliminary Design to maximise the Programme's ability to deliver against demanding funding milestones and recover some of time lost due to protracted contract negotiations with the design company Aecom.

The development budget (to complete feasibility and commence preliminary design) requested will require an uplift to a total of £4.0m (which is an increase of £3.2m).

The Grant Determination Agreement (GDA) with Homes England was signed at the end of August 2020 and Homes England has agreed to fund up to £5m for preparation and design services. The GDA was granted based on deliverables produced during the initial stages of the feasibility design.

The main programme delivery risk is associated with the land acquisition process which could lead to a CPO process or challenges, and subsequent potential delays to the construction programme impacting on the delivery against the Homes England delivery milestone of March 2024. This in turn will result in a financial liability to OCC for any costs incurred after March 2024. Another key financial risk is that OCC may need to forward fund part of the Preliminary Design as well as the Detailed Design procurement

as, to meet the demanding programme, costs may have to be incurred above £5m before Homes England releases the full funds after DfT Business Case approval.

2. Background and Context Setting

The A40 Road Corridor

2.1. The A40 east-west single carriageway road forms the Primary Route between Oxford and Cheltenham as well as being part of the long-distance route between London and south-west Wales. The road passes close to Witney and Carterton as well as the smaller settlements of Eynsham and Burford. The A40 is signed as the advisory route for HGV traffic between Oxford and Eynsham to encourage these vehicles to avoid the Air Quality Management Area in Chipping Norton. The A40 corridor is a key commuting route into Oxford with 7,500 commuters travelling to Oxford per day from West Oxfordshire (2011 Census).

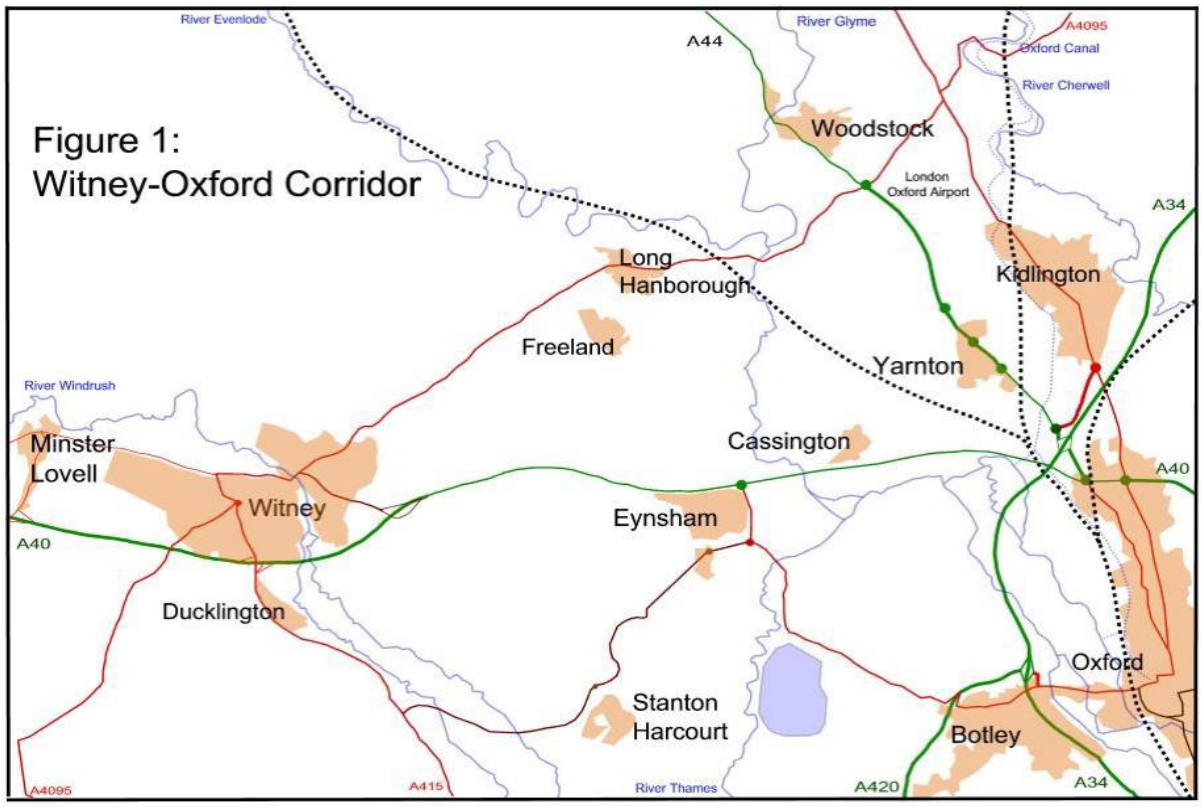


Figure 1: Witney-Oxford Corridor

2.2. East of Witney the traffic flow along the A40 exceeds the capacity of the road. This causes severe congestion at peak times with low journey speeds and high journey time unpredictability. This problem has been longstanding and was the cause for previous unsuccessful schemes to improve the route in the 1970s and 1990s. There has been no investment in transport infrastructure capacity on this road section in 50 years. With the additional Housing growth in the area the pressure on the corridor is due to increase and therefore cause a severe impact on the environment and communities without some interventions.

Housing and Economic Growth Objectives

2.3. Oxfordshire Housing and Growth Deal (HGD) sets out the County's bold housing and economic developed ambitions via sustainable growth objectives to be unlocked through appropriate investments in the county's strategic and local infrastructure. The West Oxfordshire Local Plan 2031 (WOLP, adopted September 2018) seeks to provide for around 10,000 new homes along the A40 corridor in West Oxfordshire including Strategic Development Areas at East Witney (450 homes), North Witney (1400 homes), Oxfordshire Cotswolds Garden Village (2200 homes) and West Eynsham (1000 homes).

2.4. However, the heavy traffic congestion on the A40 represents a critical constraint to inward investment as well as a great inconvenience for all users. The WOLP states:

"Relieving congestion through investment in transport infrastructure is not only important in terms of public amenity and air quality, it is also essential to unlocking future housing provision and sustainable economic growth."

A40 Corridor Improvement Programme

2.5. The individual elements of the 10.8km stretch of A40 improvements between Witney and the Dukes Cut, shown in Figure 1, are:

- **A40 Park and Ride (Eynsham)** – A new park and ride site for 800 cars to the north of the A40, located to the west of the A40/Cuckoo Lane junction at Eynsham. Planning consent is currently being sought for this scheme.
- **A40 Eastbound Bus Lane** - An eastbound bus lane and cycle path improvements along the A40 from the proposed new park and ride to Duke's Cut bridges west of the A34 viaduct. This scheme will improve eastbound bus journey times and reliability along the A40. Planning consent is also currently being sought for this scheme.
- **A40 Westbound Bus Lane** – A westbound bus lane and cycle path improvements along the A40 from west of Duke's Cut bridges to the proposed new park and ride. This scheme will improve westbound bus journey times and reliability.
- **A40 Eastbound Bus Lane over the Duke's Cut Bridges** – Widening of the existing A40 bridges over the railway and canals and/or provision of new pedestrian/cycle bridges adjacent to these existing A40 bridges. These works will create space for a new eastbound bus lane and an improved cycleway along this section of the A40. A new cycle path from the A40 to the Oxford Canal tow path is also proposed.
- **Cycling and Walking Provision** – improved and fit for purpose shared use pathway along the A40 from Witney to Oxford North.
- **A40 Dualling** – Widening of the existing single carriageway to dual carriageway along the A40 from just east of Witney to Eynsham. This scheme will increase

highway capacity for all modes of transport and improve bus journey times and reliability along the A40 between Witney and the proposed Eynsham Park & Ride.

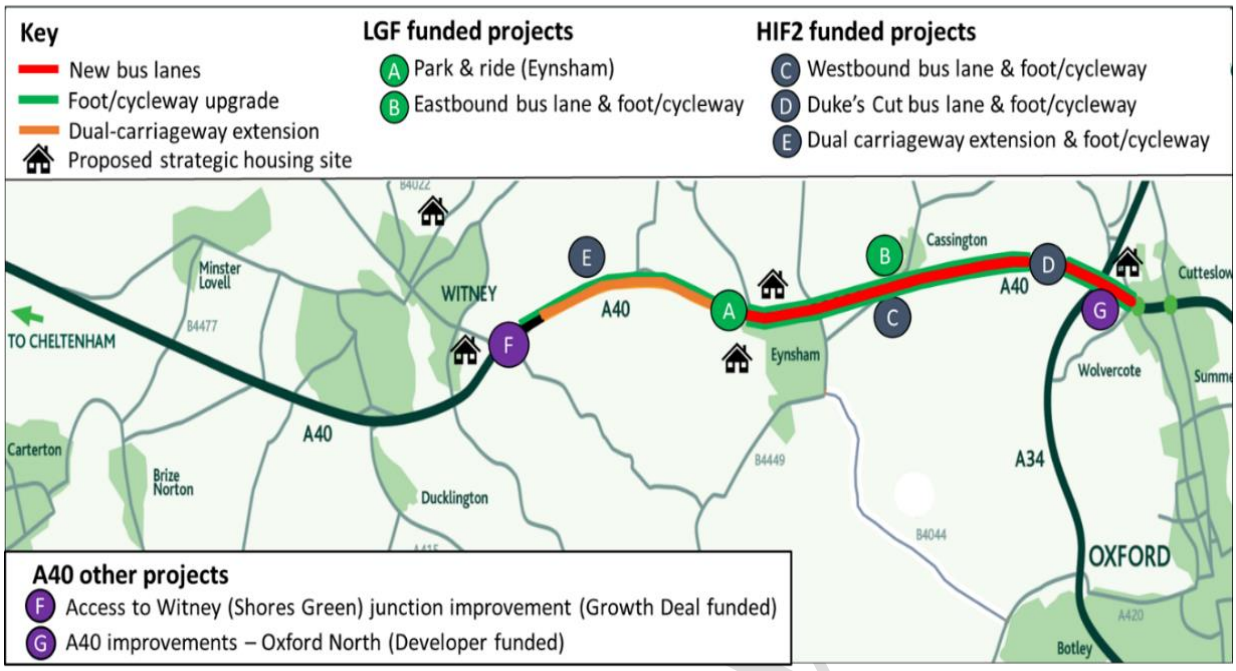


Figure 2: A40 Corridor Programme Extent and Project Locations

2.6. The transport infrastructure elements will combine with planned bus service improvements to deliver faster and more frequent bus services from Witney to Oxford, including services to/from the new Park and Ride Interchange on the A40 at Eynsham. The bus services will provide improved connectivity from Carterton, Witney and Eynsham to Oxford North, Oxford City Centre and employment centres and healthcare facilities (including John Radcliff Hospital) in east Oxford.

3. Scheme Description & Objectives, Desired Outcomes & Business Benefits

A40 Smart Corridor – Scheme Description

3.1. Element 1: Dual Carriageway between Winey and Eynsham (3.2km)

Widening of A40 to two lanes in each direction, separated by a central reservation, between Hill Farm east of Shores Green and Eynsham Park & Ride. It generally lies within the current corridor but includes some significant alterations to junctions. This element will involve considerable land acquisition and heavy clearance of verge-side trees. It is designed to overcome capacity constraints, increase accessibility, and improve journey times between Whitney and the Park & Ride Site. It will also enhance the current shared footway and cycleway on the north side of the carriageway. It is within 5km of the Oxford Meadows Special Area of Conservation (SAC) and therefore will also include measures to mitigate the impact on the local environment.

3.2. Element 2: Westbound bus priority lane (7.0km)

Provision of a westbound bus priority lane between Eynsham Park & Ride and the Duke's Cut bridges just west of Wolvercote by extending the two short sections of the west bound bus lane, being delivered as part of the Science Transit Phase 2 scheme.

This element includes features (such as traffic signal prioritisation) that are designed to improve bus journey times and reliability. It will also improve the current shared footways and cycleways on the north and south sides of the A40 carriageway. The overall objective of this element is to improve public transport provision along the route, while providing safe and attractive facilities for pedestrian and cyclists.

3.3. Element 3: A40 capacity and connectivity Improvements at Duke's Cut canal and railway bridges (0.6km)

Extension of the eastbound bus priority lane by widening the A40 across Duke's Cut canal and railway bridges "pinch points". This is designed to improve bus journey times and reliability. With the planned A40 eastbound bus lane as part of the Oxford North precinct development, there will be a continuous bus lane through to Wolvercote roundabout. It also includes cycling infrastructure, which will provide a safe and easy connection for cyclists between the A40 Eynsham-Oxford cycleway to access the Oxford Canal towpath on National Cycle Network (NCN Route 5) from the, providing a direct, off-road cycling route between Oxford city centre and Witney.

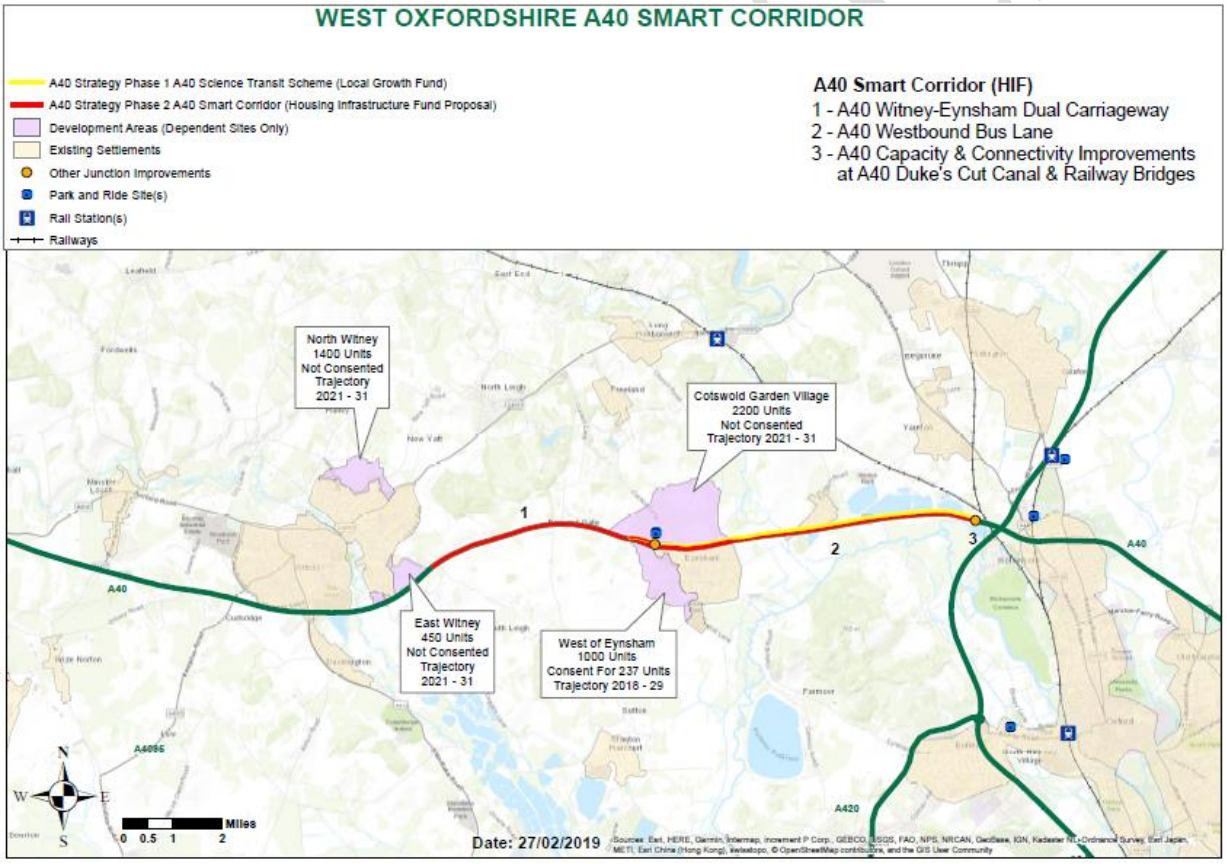


Figure 3: HIF2 Schemes and Dependent Housing Sites

The Need for the Scheme

3.4. The A40 Smart Corridor HIF2 funded infrastructure package is essential to enable the delivery of housing and support employment growth in the West Oxfordshire area in line with the WOLP and Oxfordshire's HGD. 4,813 new homes are dependent on the HIF2 infrastructure (see table 1). The investment can manage growth and promote sustainable travel in order enable residential and commercial development to progress.

3.5. The HIF scheme will mitigate the increase transport demand generated by housing growth by increasing the highway capacity of the route between Witney and Eynsham, while providing a high-quality, congestion-free public transport alternative for travel between Witney, Eynsham and Oxford. The transport improvements will ensure an efficient and safe highway network that can accommodate the additional travel demands through enabling significant shifts to public transport and active travel.

Table 1. Dependent Development Sites on Smart Corridor Scheme

Site Name	No of Units	Local Authority	Current Ownership
North Witney	1,400	West Oxfordshire	Meridian Strategic Land Ltd (promoter) Taylor Wimpey, Gallagher Estates, Vanderbilt Strategic LTD.
East Witney	450	West Oxfordshire	The Mawle Trust represented by Carter Jonas
Oxfordshire Cotswold Garden Village	2,200	West Oxfordshire	Grosvenor Britain & Ireland
West Eynsham	763	West Oxfordshire	Berkeley Strategic Land, Vanderbilt Strategic LTD, Oxfordshire County Council, Jansons Property.

Scheme Objectives

3.6. The objectives of the A40 Smart Corridor transport scheme are to:

a) increase transport capacity along the A40 in West Oxfordshire;
b) provide greater travel choice and encourage more use of bus, cycling and walking;
c) deliver faster and more reliable bus journey times;
d) improve safety and reduce environmental impacts such as air pollution and noise;
e) improve accessibility and connectivity to employment and public services;
f) support housing delivery in West Oxfordshire;
g) promote economic growth in Oxfordshire and creation of new jobs.

Implications of not Undertaking

3.7. Without intervention, the County Council cannot ensure an efficient and safe highway network and it will not be possible to accommodate travel demands with the A40 already operating significantly beyond capacity and providing no priority to public transport. There will also be an impact to the economy due to delays to freight movement along the A40 Corridor.

3.8. Should funding not be received, then many of the dependent developments outlined in above will not be able to proceed. WODC have strongly indicated that planning permissions will be refused on the grounds that the current highway network is heavily constrained and cannot accommodate additional demand, thus leading to a severe impact on the highway network.

3.9. The immediate consequence of these planning refusals will mean that many of the 4,813 homes, including 2,222 affordable homes, will not be delivered on the A40 Smart Corridor, particularly in Eynsham and Witney. This would also risk undermining the Oxfordshire Housing and Growth Deal's objective to deliver 100,000 new homes by between 2011 and 2031, which would place a risk upon the terms of the signed Housing and Growth Deal and the commitments within this, such as those established within the Oxfordshire 2050 Joint Statutory Spatial Plan.

Scheme Benefits and Measures of Success

3.10. The overall aims of the A40 Smart Corridor are to mitigate the transport impact arising from the Local Plan housing development along the A40 Corridor. The scheme will by delivering increased highway capacity through widening the road from Witney to Eynsham to a dual carriageway. Providing improved journey times and journey time reliability for all modes of traffic including bus services directly serving the planned housing sites, enabling public transport journey times to be improved. The existing cycle route will be improved to encourage greater levels of cycling and sustainable travel. Scheme benefits, and success measures are set out in Table 2 below.

Table 2: Dependent Development Sites on Smart Corridor Scheme

	Success Factor	Benefit Description	Success Measures
1.	Strategic fit	Supports Oxfordshire's strategies, policies and ambitions for housing and employment growth, as well as decarbonization and low emissions. The scheme will be considered a success if it fully supports the wider strategic vision for the area and provides the quality of the environment and choice of homes needed to support economic growth and capitalise upon the exceptional quality of life, vibrant economy and the dynamic urban and rural communities of the county.	Successful at County level if: • Helps meet identified local housing and transport needs, as articulated in Oxfordshire Housing and Growth Deal, Oxfordshire Strategic Economic Plan and England's Economic Heartland's Successful at District level if: • Enables housing needs to be met while supporting local planning policies.

	Success Factor	Benefit Description	Success Measures
2.	Transport Case	The discrete benefits from the transport infrastructure investment will include: • Reduced congestion, queuing and less journey time variability for both public transport and private modes. • Improved journey times to key destinations and services bringing a greater number of people within easier range of greater number of opportunities. • Increased bus use and cycling with the provision of priority dedicated space • Reduced vehicle operating costs • Accident reduction • Infrastructure benefits • Local air quality improvement • Noise reductions • Greenhouse gas reductions	• Decreased general journey times and variability in journey times due to increased capacity and bus priority on the network (public transport user and private travel) • Decreased fuel & maintenance costs of operating a vehicle due to decreased congestion. • Increased cycling due to cycle infrastructure improvements • Lower accident rate due to network safety improvements and decreased congestion • Lower rate of infrastructure deterioration due to decreased congestion on the network. • Improved air quality levels • Measured decrease in noise emissions • Measured decrease GHG emissions
3.	Housing Delivery Enabled	The benefits to be realised by the scheme will be measured by the housing units enabled through and the land value uplift realised	• Number of housing units delivered. • Calculation of the land value uplift realised
4.	Value for Money/ Economic Case	Monetised valuation for the transport, housing and land value uplift weighed against the costs of delivering the scheme.	• The VfM assessment at HIF funding submission indicates an NPV of £555m and BCR of 3.4:1. • The risk and sensitivity analysis provides high confidence that high VfM will be secured. Note: above values are based on the original business (March 2019) submitted to Homes England (not updated for this update to the Initial Business Case)

	Success Factor	Benefit Description	Success Measures
5.	Deliverability	• Assurance that OCC has the right skills and capacity to specify, procure, contract and manage the delivery of the scheme. • This scheme will be considered a success if it delivers the proposed highway scheme within the time, cost and quality requirements, as detailed in its specification. These requirements include allowances for risk and contingency to ensure that they are realistic	• Scheme is fully resourced with all organisational, procedural, plans and procurement & contractual arrangements in place. • Measure of actual v planned cost and programme and to specification.
6.	Sustainable Mobility	Supports the growth of a sustainable settlements along the A40 Smart Corridor and encourages modal shift to public transport and active travel.	• Measure level of bus service increase service frequency and number of destinations serviced • Increase in volume of cyclists along A40 • Overall modal split by bus and active travel increases progressively, over time is significantly greater than prior to scheme.

4. Scheme Options and Appraisal & Next Steps

HIF2 Smart Corridor Economic Appraisal

4.1. Initial feasibility work was carried out on the three HIF2 scheme elements to scope and cost the work in order to prepare the funding submission to Homes England

4.2. The full economic case for the Preferred Option provides results for two scenarios:

- The first considers the land value uplift and the transport user benefits against the scheme's cost, transport user disbenefits, and marginal external costs ("Housing and transport").
- The second considers the land value uplift and scheme's cost only ("Housing only").

4.3. The Economic Appraisal results for the Preferred Option are:

- **NPV of £555m and BCR 3.4 : 1 for the housing only; and**
- **NPV of £362m and BCR 2.5 : 1 for housing and transport.**

4.4. The economic assessment reinforces the case for the full scheme and in line with *DfT's Value for Money Framework* the Preferred Option represents high value for money for the taxpayer.

Next Steps

4.5. Within each of the three scheme elements there are a range of sub-options that will be assessed through the feasibility design stage to arrive at a single preferred option to take forward into design.

4.6. In selecting a single preferred option for each of the three schemes within the A40 Smart Corridor, the feasibility study will be guided by the twelve steps within the DfT's WebTAG transport appraisal process.

4.7. The WebTAG is divided into twelve steps over two stages:

Stage 1 – Option development (steps 1 to 9)

Stage 2 – Further development of selected options (steps 10 to 12)

4.8. Further base line surveys (ecological, noise, air quality, traffic, topographical etc) are being undertaken to inform further option design work, traffic modelling and impact appraisals that required to inform the next stage of option assessment.

4.9. Transport and traffic modelling will be undertaken to support the scheme feasibility and assessment work, including using the Oxfordshire Strategic Model (OSM), an A40 corridor highway model and local junction models.

4.10. The project will engage with all relevant statutory and non-statutory stakeholders, transport operators, developers, local residents and the wider public in further developing and assessing the design options, securing any required scheme consents and then in any construction activity.

4.11. Public consultation will be undertaken for the various schemes between end of January 2021 and end of May 2021 and certain elements of preliminary design will commence early 2021.

4.12. The Outline Business Case will be produced after completion of the Feasibility Stage.

5. Financials and Funding: Estimated Final Costs & Funding Plan

Table 3: Estimated costs per stage

BUDGET	G0(IBC -update)	G1 (OBC) (baseline)	G2 (FBC)	G3 (PC)	G4 (FC) Final Close	THRESHOLD CHANGE
Stage 0 Options Appraisal	£ 0.5m					
Stage 1 Feasibility Design	£ 3.0m					
Stage 2 Design & Procurement	£ 11.6m					
Stage 3 Delivery / Construction	£ 62.3m					
Stage 4 Close Out	£ 1.0m					
Financial Risk	£ 6.2m					
Contingency	£ 8.7m					
Inflation	£ 8.6m					
TOTAL	£ 102m					
THRESHOLD CHANGE						
Reported in Stage						
Date of Change / Update						

Table 4: Estimated expenditure per (financial) year

EXPENDITURE	G0 – IBC Budget	G1 – OBC baseline	G2 – FBC	G3 - PC	G4 - Final Close	THRESHOLD CHANGE
Previous Years	£ 0.5m					
2020/21	£ 3.4m					
2021/22	£ 12.4m					
2022/23	£ 27.5m					
2023/24	£ 52.0					
2024/25	£ 6.2m (risk/contingency/ inflation and internal resources)					
Financial Risk	£ 6.2m (included in above values)					
Contingency	£ 8.7m (Included in above values)					
Inflation	£ 8.6m (included in above figures)					
TOTAL	£ 102m					

5.1. Full funding for the scheme (£102m) was approved by the Chancellor on the 1st of November 2019. This was following a successful funding request and business case by OCC in March 2019. Of this value, the value of work done to date (end of October 2020) is just over £1.9m.

5.2. A funding agreement (Grant Determination Agreement (GDA) was subsequently signed with Homes England in August 2020. The GDA was granted based on deliverables produced during the initial stages of the feasibility design. Several pre-contract and post contract conditions have been set by Homes England which OCC will have to meet to enable the release of funding at specific phases of the scheme's development.

5.3. Key conditions are securing planning approval for the interdependent Science Transit scheme (this scheme will introduce an east bound bus lane between

Eynsham and Dukes Cut to complement the west bound bus lane to be introduced by the Smart Corridor scheme) funded by the DfT, approval of the Full Business Case for the Science Transit Scheme by the DfT to release full funding up to end of construction, and the expenditure of all HIF2 funds by end of March 2024.

5.4. To enable the compilation of the Scheme Outline Business Case (SOBC) and the start of the feasibility process, the OCC's cabinet authorised forward funding of £0.800m for the scheme - after the approval of a Stage 0 business case - in December 2018.

5.5. Further funding of £3.0m is required to finalise the feasibility process and select a preferred route in accordance with the Department of Transport's Transport Appraisal guidance. The additional costs include costs associated with expanded scope (e.g. integrated bus lanes design), acceleration of bus lane to align with the Science Transit schedule and programme extension costs associated with delay to Aecom contract signature and expanded scope. The programme was originally intended to end in December 2020, and feasibility is now expected to complete in March 2021.

5.6. The feasibility assessment for the scheme has been built around the Department for Transport's 12 Step WebTag Appraisal process which represents best practice within the industry for the generation, sifting assessment and selection of technically, commercially, environmentally and socially viable options for the design and delivery of major highway schemes. It is expected that this process will be completed for the A40 HIF Smart Corridor in March 2021.

5.7. In addition, a further £0.15m is requested to enable commencement of some elements of the Preliminary Design to maximise the Programme's ability to deliver against demanding funding milestones and recover some of the time lost due to protracted contract negotiations with the design company Aecom. Not commencing some elements of the Preliminary Design before the end of the Feasibility Stage will result in delays to the planning applications for the projects and the CPO process, and will increase the risk of not meeting the March 2024 deadline for completion of the construction works.

5.8. Risk of abortive costs associated with early start of the Preliminary Design will depend on political and public comments and acceptance of the preferred options, however this risk will be minimized by only progressing with elements of preliminary design that will not be significantly impacted by the consultation. The scope and risks associated with start of Preliminary Design will however be reviewed and presented to the Programme Board for approval before any preliminary design is commenced/instructed.

5.9. The total development budget (to complete feasibility and commence preliminary design) requested will require a budget uplift to a total of £4.0m (increase of £3.2m).

5.10. Homes England has agreed to release up to £5m for preparation and design services (Historic Expenditure and Preliminary Costs) prior to sign-off of the LGF Full Business Case by DfT (which is currently scheduled for the end of August 2021). It is to be noted however that the Homes England forecast as included in the GDA only shows £2.7m costs up to the end of March 2020. An update to the

HE forecast will be submitted and agreed with Homes England to allow for recovery of costs in a timely manner. Initial discussions have commenced to discuss updating of the Homes England forecast. If Homes England cannot refund above £2.7m within this financial year, additional costs will be recovered in April/May (to be confirmed with Homes England). If Homes England confirms that costs incurred during 2020/2021 above the HE forecast value cannot be recovered in the next financial year, this issue will be discussed at the Programme Board meeting and appropriate action will be taken.

6. Project Delivery Timetable & Procurement Plan

Below table indicates indicative start dates for each of the stages, reported on at each of the gateways, with target Approval Dates for each of the Gates.

Table 5: Project Delivery Timetable

	G0	G1 (base line)	G2 (FBC)	G3 (PC)	G4	THRESHOLD CHANGE
Stage 0 Options Appraisal	26/02/20					
IBC(Update) Approval	31/10/20					
Stage 1 Feasibility	01/09/20					
OBC Approval	March/April 2021					
Stage 2 Design& Procurement	August 2021					
FBC Approval	September 21 (Initial) September 22 (Update)					
Stage 3 Delivery/ Construction	September 2022					
Project Close	March 2024					
Stage 4 Close Out	April 2024					
Final Close	May 2025					
THRESHOLD CHANGE						
Months deviation (**PC**)						
Date reported						

6.1. The procurement strategy for the scheme has been developed to secure best value from the supply chain by aligning the appropriate procurement framework to the specific needs of the scheme at each phase of the lifecycle. To deliver the completion of the feasibility phase for the three HIF2 elements, Aecom have been

procured under the existing MHA contract. This fits in with the agreed delivery strategy that requires the joint development of the three separate elements of the scheme to secure a preferred design solution for each of the elements that can be taken forward to preliminary design. Preliminary design for the scheme is likely to also use the existing MHA and obtain cost efficiencies from the using the same supplier (Aecom) who also delivered the initial design for the interdependent Science Transit scheme and its planning application.

6.2. The current identified approach to procuring a construction contract for the scheme is using an OJEU compliant framework to secure a Design and Build contract that will enable early procurement of a contractor to provide detailed design services and final construction to save time in a tight programme and maximise cost efficiencies. If this approach changes due to Brexit negotiations, the approach may be adjusted however OCC will still need to demonstrate best value.

7. Risks, Constraints, Dependencies & Exclusions

Risks

7.1. The key project risks are shown in Table 6

Table 6 : Key Project Risks (Extracted from A40 Risk Register Version October 2020)

Risk Ref.	Description of the risk	Mitigation Action	Owner
	If HE does not agree with the revision of the expenditure forecast to the end of the financial year (currently limited to GBP2.7m), OCC will carry financial risk for the additional costs spent in 2020-2021.	OCC to confirm with HE that costs can be recovered in the next financial year. This will then only be a temporary cash flow issue. If HE will not agree to OCC recovering additional costs from the 2020-2021 year, this issue will be discussed at the Programme Board and appropriate action will be take (this could include slowing down the design process).	OCC Programme Manager
HIF2/A005	Covid 19 Pandemic leads to major programme delays and cost increases	Continuing survey and land engagement work in adherence to national Covid-19 related health measures, e.g. social distancing, use of virtual medium where possible, working around specific land owner requirements/circumstances. Consideration of longer term impacts of changes to demand to be considered in traffic modelling. Assessment was undertaken with Aecom and covid related mitigation were put in place including ensuring it was accounted for in all our letters to land owners.	OCC Programme Manager & Project Manager
HIF2/A010	If there is Stakeholder opposition to the scheme particularly around Witney and Eynsham it could threaten the schemes progress through the regulatory process	Regular and robust engagement with Stakeholders across the affected communities and the development and implementation of a stakeholder engagement plan and communications plan to guide and inform engagement with stakeholders. Initial round of meetings held with councillors across the route in March to introduce the scheme further meetings planned in the run up to consultation	OCC Programme Manager & Project Manager

HIF2/A008	Poor / late engagement with land owners and implementation of land acquisition process leads to a CPO process or challenges - Temporary and Permanent Land take which would delay the construction programme. The CPO/Public enquiry has very tight timescales for delivery to meet the key delivery milestone as set by Homes England.	Risk is being mitigated through early engagement to secure permission for the surveys which started in May and opened up relationship with the landowners	OCC Programme Manager & Project Manager
HIF2/B001	Unknown condition of the existing structures along the A40 (i.e. culverts, drains, bridges, etc.) with respect to the additional load when widened (dualling and bus lane sections) may required additional strengthening works	Surveys to be carried out (desk top surveys) - assessment of adequacy of information available	OCC Programme Manager & Project Manager
HIF2/A006	Intrusive structural assessments of the Dukes Cut bridges, especially Wolvercote (Over the railway line) results in major cost and programme implications for the scheme overall	1Additional intrusive surveys to be carried out to assess condition- scope awaiting 2. Commence discussions with OCC to establish release of funds for remediation if needed to strengthen existing structure (vs increased load) 3. Clarification of surveys to be carried out on 17/10 during possession	OCC Programme Manager & Project Manager
HIF/D0010	Potential requirement to carry out works to Gas Main on the eastern side for the Dualling scheme could significant cost and time increases	1.Expanded C3 enquiry to cover what potential options around relocation would be acceptable to owner	OCC Programme Manager & Project Manager

Contraints

7.2. The GDA with Homes England requires the construction to be completed by March 2024. The overall delivery programme is considered tight for a March 2024 delivery.

7.3. The impacts of the Covid – 19 pandemic has generated difficulties in engaging with land owners particularly on land acquisition.

7.4. LGF funding must be approved by DfT before full HIF2 funding will be released.

Dependencies

7.5. Housing developments build out – funding is dependent on bringing these development forward.

7.6. This programme is strongly dependent on the delivery of the A40 Science Transit 2 Local Growth Fund scheme, since the A40 Smart Corridor scheme has very limited benefits if it were to go ahead in isolation. The ST2 scheme must secure planning consent before DfT can sign the Full Business Case and give final approval for its delivery.

7.7. It is the intention that the west bound bus lane, currently within the HIF2 programme, is delivered at the same time as the east bound bus lane which is currently within the Science Transit project (funded through LGF).

7.8. Aecom has been commissioned to carry out a Joint/Integrated Bus lane Design also incorporating the scope of the eastbound bus priority lane current funded through the LGF. The physical implementation of both bus lane projects is likely to be by one contractor delivering under either the Science Transit scheme or under the HIF2 scheme – the final procurement route for the implementation is to be confirmed at the end of the feasibility stage.

8. Communication & Consultation (Internal & External)

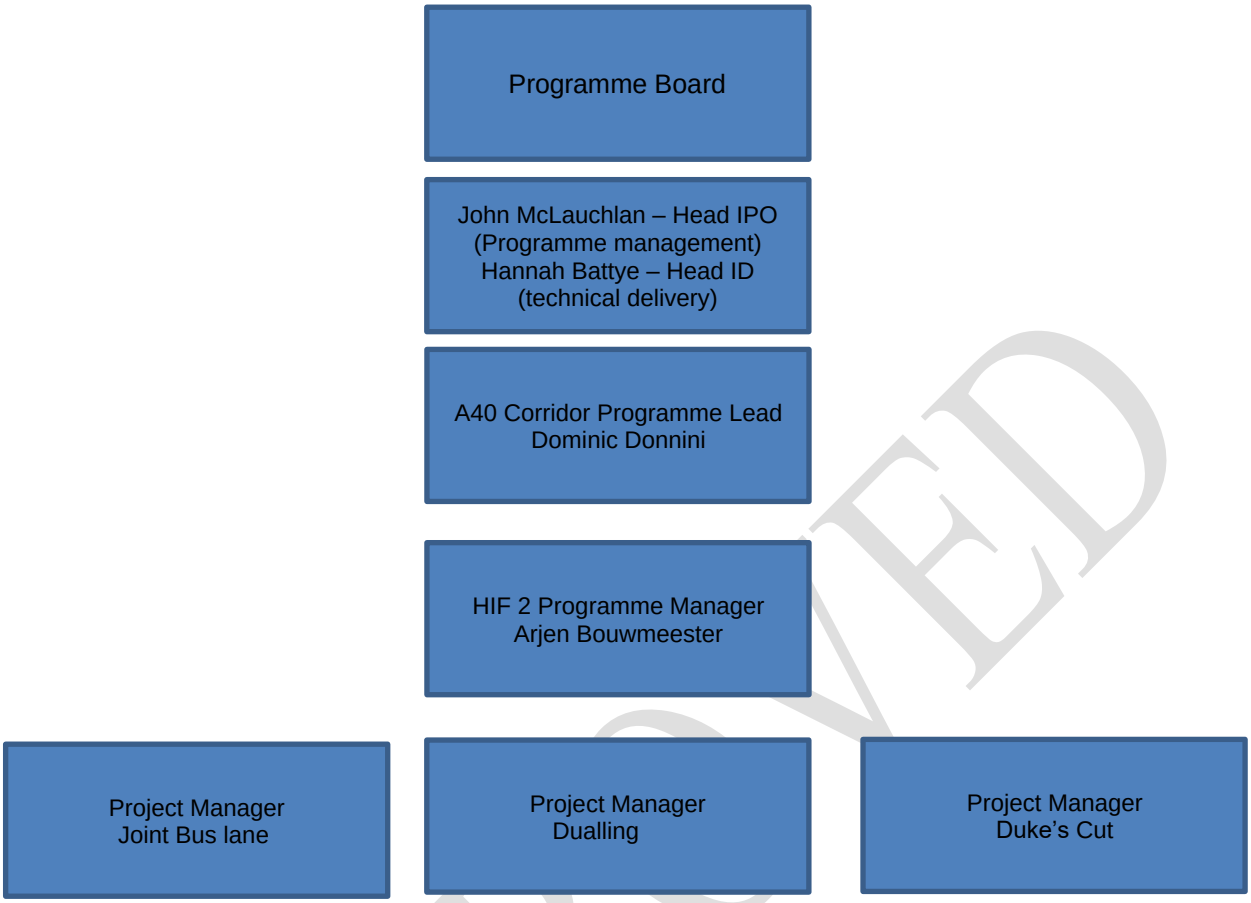
8.1. In line with OCC guidance a stakeholder identification and mapping exercise (influence, impact etc) has been completed for the programme and a stakeholder strategy was produced. Internal OCC communication and consultation continues on a regular basis. Key external stakeholders have been engaged and a timetable for communication has been set down.

8.2. Stakeholder engagement with local communities has proceeded in line with the HIF 2 stakeholder engagement plan. The stakeholder engagement plan is based on a 3-phase approach with introduction to the scheme, option development and option selection being the 3 stages around which stakeholders would be engaged throughout the feasibility phase. Introductory meetings have been held with local councillors and parishioners in Kidlington, Hanborough, Eynsham and Witney.

8.3. The A40 Corridor Programme has recently commissioned Aecom to develop and deliver a corridor wide Communications and Public Consultation Strategy. The strategy is being designed to account for the current Covid health emergency in the country, for example through the use of virtual consultation facility.

8.4. Public Consultation on Preferred Options for the three projects is targeted for end of January 2021 to early March 2021. The Public Consultation Exhibitions for Planning / EIA are due to take place in May 2021.

9. Project Governance



10. Appendices

N/A
