

Initial Business Case (Stage 0b Commit to Investigate)

Project/Programme Name:	A40 – A44 Strategic Link Road (Loop Farm) Northern Gateway (City Deal)
Total Capital Budget:	£11,809,000
Divisions Affected:	Yarnton, Wolvercote
Purpose of this report:	This report requests approval to enter this project into the capital programme and release a project/programme development budget of £676,000 to proceed to preliminary design including environmental and planning appraisal.
Approval No:	--

Sign-off & Approval

In preparing this report input must be obtained from the following:

Responsible Owner	Name	Date
Service Manager/ Client / Project Sponsor (Author)	Daniel Round	10/02/15
Delivery Team Representative / Project Lead (Contributor)	Phil Eddy	09/02/15
Service Finance Business Partner or Senior Financial Adviser (Contributor)	Rob Finlayson/Matt Barlow	
The Capital Finance Team (Contributor)	Bill Evershed	11/02/15

Final approval as per the Financial Procedure Rules must be obtained from:

Approval Level Required	Name	Date
£25k and £500k - Director for Environment & Economy and the Chief Finance Officer	Sue Scane Lorna Baxter	
Over £500k - Cabinet / Leader of the Council on behalf of Cabinet	Cllr Ian Hudspeth	

1 Description & Objectives of the Proposal / Desired Outcomes & Business Benefits

The north Oxford area is identified for significant growth in travel demands brought about by a potential development at Northern Gateway, wider housing and employment growth in west and north Oxfordshire, and also a new rail station next to Water Eaton park & ride (Oxford Parkway). However, the area is already under significant pressure with peak period congestion already experienced on the A40, A44 and A34. As well as congestion, the area has a number of challenges – it is serviced by several major routes, the site is located at the juncture of an administrative boundary and there are concerns with environmental issues such as noise, air pollution and existing greenbelt designation.

City Deal funding has been awarded to deliver the following schemes, which taken together, will help ease congestion and help to better manage and coordinate the flow of traffic through the junctions and along the wider A40 and A44 corridors:

- Cutteslowe roundabout improvements
- Wolvercote roundabout improvements
- A40-A44 strategic link road (via Loop Farm)

The package of schemes are a priority for both the county council and the Local Enterprise Partnership, and following a Cabinet meeting on 15th April 2014, the package of schemes above were approved for inclusion into the Capital Programme (http://mycouncil.oxfordshire.gov.uk/documents/s25045/CA_APR1514R08%20City%20Deal.pdf).

This business case is concerned only with the A40-A44 strategic link road. Separate business cases have been prepared for the Cutteslowe and Wolvercote roundabout projects.

Non-Financial Benefits (include intangibles) & Owners	Financial Benefits (include any savings & realisation times) & Owners	Targets / KPIs (Improvement in or contribution to)
Wider Economic Benefits - The scheme will have agglomeration benefits by supporting enhanced connectivity between West Oxfordshire-Oxford city-A40/A44, this will mean: a) increasing the pool of labour able to access jobs in Oxford/Oxfordshire, and b) supporting more efficient business working between individual sites and areas.	Journey Time Savings – As stipulated in the original City Deal business case, it is predicted that there will be a 35% reduction in journey times from Cassington (to the west of the A34) to the Pear Tree Park and Ride (via the A40-A44 Loop Farm Link)	
Air Quality - The adjoining Oxford administration is within an AQMA. The reduction of traffic flows entering the pinch-points of north Oxford will help reduce traffic pollution in the city.		

Non-Financial Benefits (include intangibles) & Owners	Financial Benefits (include any savings & realisation times) & Owners	Targets / KPIs (Improvement in or contribution to)
Network Resilience – Improved accessibility between A40/A44 will facilitate new and improved bus services along the A40 and support existing services which use the A44 corridor. Measures will also reduce traffic flows entering the Wolvercote roundabout pinch-point. More widely, the project will support growth linked to Northern Gateway and wider planned housing and employment.		
Vehicle and general journey time benefits are attributable to the provision of a new strategic road which both provides additional highway capacity and relieves pinch point congestion on the existing network.		
Wider transport benefits, resulting from improved public transport options		

2 Results of Option Appraisal and Project/Programme Scope

The 'Access to Oxford' study undertaken by Oxfordshire County Council in 2007 identified seven potential schemes for Oxford's Northern Approaches. A preferred package based on modelling using the SATURN based Central Oxfordshire Traffic Model included;

- Creation of a link between an enlarged Loop Farm roundabout near the Pear Tree Interchange, on the A34, and a new roundabout on the A40;
- Reconfiguration of the Wolvercote Roundabout junction, including the addition of signalisation;
- Signalisation of Cutteslowe junction.

Following this, work for the City Deal bid confirmed there is a strong economic case for an A40 – A44 Strategic Link Road, which as part of a wider package of measures will help reduce congestion, improve network reliability and benefit the local community through improved air quality.

It is the county council's responsibility to manage and improve transport within Oxfordshire. Currently, the northern approaches encounter severe congestion, with long queues observed along the A40 in particular. The scheme will therefore reduce existing queuing and journey delay, and as well as this, it will support further employment and housing growth in the local area and across the county. The latter is a key priority for the county council.

Modelling results showed that the proposed highway schemes create the required extra capacity and are capable of satisfying future growth demands. The improvements will result in less queuing in the area with resultant improvements in air quality.

The objectives are to implement the A40-A44 strategic link road to and within the agreed DfT budget and funding period. The desired outcomes includes a scheme that: reduces journey times for general traffic on A40 and A44; no negative impact on A34 journey times or safety; improves bus connectivity and reduce bus journey times, reduces noise and vehicle emissions.

The need for the schemes has already been identified as per the 15 April 2014 Cabinet report (see above) and Oxford and Oxfordshire City Deal Northern Approaches business case.

Project deliverables will be a new link road to the west of the A34 and junctions that link the new road with the A40 and A44.

Exclusions: funding is for a new road that connects the A40 to the A44, west of the A34.

Dependencies: land required for the new link road is greenbelt and within Cherwell District Council boundary, so planning permission will be required.

Dependencies: A funding gap for the project of £4.4m has emerged. A 2012 cost estimate for the project of £7.3m has subsequently been revised upwards to £11.8m.

3 Estimated Cost & Proposed Funding Plan

This project is part of the overall City Deal programme that is funded by City Deal Government Grant, S106 and borrowing repaid by the retained business rates from the Enterprise Zone. All other funding sources will be used before the balance of funding required is met from borrowing.

Summary of capital budget requirement:

	£000
A: Estimated cost of preliminary design requested to be released	676
B: Estimated cost of detailed design, procurement & enabling works (to be requested to be released at stage 1)	667
C: Estimated delivery/ construction cost (to be requested to be committed at stage 2)	9,821
D: Contingency	643
Total	11,809

The estimated annual expenditure profile for the project is as follows:

Year	2014/15	2015/16	2016/17	2017/18	2018/19	Contingency
£000	113	657	1,627	7,375	1,394	643

4 Project Delivery Timetable & Procurement Plan

Outline project programme is at Appendix C for information.

Project delivery timetable as follows:

Activity	Start Date	Finish Date	Milestone/decision point & scheduled technical gateways
Environmental and planning appraisal	March 2015	April 2015	
Preliminary Design	October 2014	February 2016	Gateway 2 Approval of stage 1 BC
Detailed Design	February 2016	August 2016	Gateway 3
Consultation			tbc
Planning Application	February 2016	July 2016	
Enabling Works	tbc	tbc	Advance SU diversion works
Procurement	September 2016	January 2017	Gateway 4 Approval of stage 2 BC
Construction	May 2017	June 2018	
Post Completion	June 2018	June 2019	Gateway 5 Approval of stage 3 BC

5 Risks, Constraints, Dependencies and Exclusions

A copy of the current project risk register is at Appendix B.

The key areas of risk are as follows:

Description of areas or sources of risk and impact on project	Mitigation	Owner
The project is dependent on land acquisition	Engage with landowners as early as possible.	Project Leader
Lack of funding for the measures identified in the project brief	Robust cost estimate produced for GW2 submission. Value engineering exercise to identify cost reduction measures (if any).	Project Leader
The project is at risk of additional costs due to unknown environmental factors	Conduct early environmental studies and site surveys to identify mitigation measures	Project Leader
The project is at risk from additional costs or delays due construction problems such as statutory undertakers plant diversions and inaccuracies in topographical surveys.	Conduct investigations as early as possible, issue notices as soon as appropriate,	Project Leader
Objections received during consultation	Particularly around development in the greenbelt. As part of the feasibility and preliminary design work, environmental and planning work will be undertaken to ensure scheme can be justified. Early consultation will be undertaken, but as per above, the schemes will be designed within the existing highway boundary which should reduce the potential for objections.	Project Sponsor
The project is at risk from fluctuations in rates used in cost estimates	Make an allowance of budget increases at this stage, so as not to increase budget requirement later.	Project Leader
Future revenue costs as a result of the scheme such as highway maintenance costs, verge maintenance, street lighting costs have not been defined.	Future costs to be robustly examined during detailed design and be reported at Stage 2 business case.	Project Leader

6 Communication & Consultation

Following completion of environmental and planning appraisal work, stakeholder engagement will be undertaken. Proposals will also be subject to public consultation at an appropriate time.

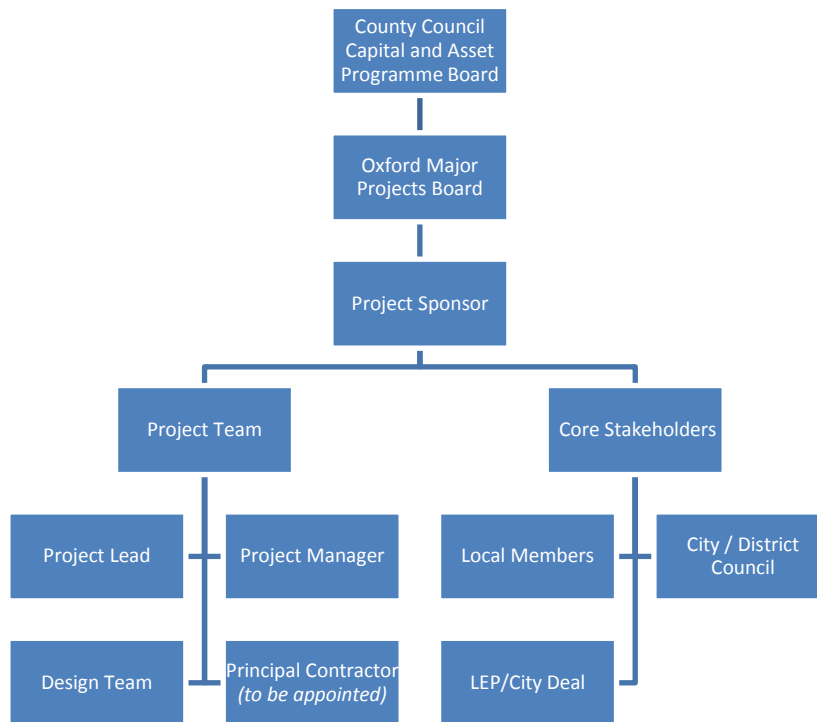
7 Programme/ Project Governance

The current best case scenario programme shows that works could be progressed to start construction in Q1 of 2017/18. The full programme is available in Appendix C.

The governance of the scheme is managed by Oxfordshire County Council’s Capital and Asset Management Board (CAPB).

The management and quality control of the scheme comes through a system of 6 Gateway checks on the continued design of the scheme (project initiation, feasibility, preliminary design, final design, procurement and construction) and a 4-stage approval process for the developing business case for the scheme (Concept Development/Commit to Investigate, Project Development/Commit to Invest, Project Delivery/Commit to Spend, and Project Closure/Client Acceptance).

A design team has been identified with resources made available as programmed. The main critical path relates to the structure design and the associated Highways Agency approval process. The outline delivery structure is proposed as follows:



The project team comprises of:

Senior Responsible Owner (SRO)
 Project Sponsor
 Project Leader
 Design Team
 Project Assurance
 Construction

Daniel Round
 Martin Krafft
 Phil Eddy
 The technical support is being provided through Oxfordshire County Council’s contract with Skanska.
 Will be managed by the County Council’s Commercial Team
 To be confirmed

8 Supporting Documents

Attach as available/appropriate

Appendix A – Initial Cost Plan



SobBC - Loop Farm -
Cost Plan v01.pdf

Appendix B – Project Risk Register



NGS Risk
Register.pdf

Appendix C – Headline Project programme



Loop Farm - Headline
Programme.pdf