

## Outline Business Case (Stage 1 Commit to Invest)

<b>Project/Programme Name:</b>	Eastern Arc Phase 1: Access to Headington
<b>Total Capital Budget:</b>	£11,165,000
<b>Divisions Affected:</b>	Headington, Headington Quarry, Churchill, Lye Valley & Wood Farm, Marston
<b>Purpose of this report:</b>	<p>This report requests approval of</p> <ul style="list-style-type: none"> <li>- the revised project budget to the above value</li> <li>- the release of £350,000 to complete the detailed design</li> </ul>

### Sign-off & Approval

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

Responsible Owner	Name	Date
Client / Project Sponsor (Contributor)	Martin Kraftl / Stewart Wilson	8/2/16
<b>Delivery Team Representative / Project Manager (Author)</b>	Isaac Webb	8/2/16
Service Finance Business Partner or Senior Financial Adviser (Contributor)	Rob Finlayson/Matt Barlow	1/2/16
The Capital Finance Team (Contributor)	Kathryn Goldsby-West	10/2/16
Developer Funding	Karen Howe	8/2/16
Deputy Director	Mark Kemp	14.02.16

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

Approval Level Required	Name	Date
Total budget over £500k– Cabinet	Cabinet	23 February 2016

## **1 Description & Objectives of the Desired Outcomes & Business Benefits**

The desired outcomes of the project are to reduce congestion and improve the overall accessibility of the area by enabling conditions for a more comprehensive bus service to operate and encourage greater uptake in walking and cycling. The specific project objectives are therefore to:

- Manage growth in car traffic – planning for more walking, cycling and use of public transport by providing new and improved amenity along the network.
- Support jobs growth in health, innovation and education by improving access to major sites such as hospitals and universities
- Improving access to the major employment sites using sustainable modes by improving accessibility and journey times.
- Promote health and wellbeing by reducing transport's environmental impact

The County Council latest Local Transport Plan (LTP4) includes the Oxford Transport Strategy. The strategy puts forward ambitious proposals for public transport – including greater orbital connections across East Oxford – and walking and cycling within and beyond the city, the first phase of which will be implemented as part of the Access to Headington project.

## **2 Results of feasibility study and Updated Project Scope**

A list of interventions that have come out of the feasibility work are included in Appendix B.

In response to feedback received during consultation on feasibility proposals, the following changes are now being incorporated into the next stage of the design:

- Alternatives to providing a bus lane on Cherwell Drive
- Segregated cycle lanes throughout the project area, and additional cycle priority at junctions
- Additional landscaping and other measures to mitigate the loss of any trees and/or grass verges
- Additional pedestrian crossings
- Alternative access improvements/bus priority measures at the Old Road/Churchill Drive junction
- A cycle and pedestrian signage strategy

These changes provide alternative solutions which still assist in the delivery of the scheme objectives. Further consultation will take place in late February/March 2016 including consultation on Traffic Regulation Orders.

To mitigate against the risk of exceeding the budget, a priority list has been identified where de-scoping can be focussed to the least detriment of the scheme objectives.

This list will inform any future de-scoping if necessary to contain within the overall project budget.

A detailed and more extensive list will be included in the Stage 2 business case but will focus on savings either from delivering a “lite” version or removing the scheme element altogether in the following order:

1. Eastern Bypass / Horspath Driftway
2. Old Road / The Slade / Windmill Road
3. London Road / Headley Way
4. Cherwell Drive public realm scheme

### **3 Estimated Cost & Proposed Funding Plan**

Since the stage 0b business case was approved in June 2014, a bid for Local Growth Funding has been confirmed as successful. The forward funded project development budget of £0.349m can therefore be repaid into OCC capital reserves.

The overall project budget (as per the LGF grant bid) is £12.5m, which is funded as follows:

- £8.2m central government (LGF) funding for infrastructure
- £2.965m in local s106 contributions for infrastructure
  - £1.319m held, £1.646m secured but not received
- £1.25m in local s106 contributions for local bus services

The £1.25m local contribution has been secured for bus service improvements associated with the Barton Park development. These services are complimentary to Access to Headington, and will specifically make use of the schemes proposed.

Therefore, excluding this, the budget available for infrastructure on the Access to Headington project is £11.165m.

The majority of the £1.646m secured s106 funding is not expected to be received within the timeframe of the delivery of this project, therefore, forward funding will be required for an estimated 2 years. This can be accommodated with the forecast cashflow of the capital programme, however does pose a risk if receipt of funds is delayed.

Summary of capital budget requirement:

	<i>Bid Stage</i> £000	<i>Stage 0b</i> £000	<i>Stage 1</i> £000
A: Cost of feasibility and preliminary design (previously released at stage 0b)	349	349	302
<b>B: Estimated cost of detailed design, procurement &amp; enabling works (requested to be released at stage 1)</b>	354	354	<b>350</b>
C: Estimated delivery/ construction cost (to be requested to be committed at stage 2)	5,052	5,052	9,700

D: Contingency (25% of construction cost)	3,590	3,590	2,425
E: Estimate of construction savings to be identified (part of de-scoping exercise)	-	-	(1,612)
<b>Total</b>	<b>9,345</b>	<b>9,345</b>	<b>11,165</b>

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

Year	Previous Years	2015/16	2016/17	2017/18	Contingency
£000	49	603	4,131	3,957	2,425

#### Revenue Implications:

- Some widening, particularly at junctions, will increase long-term maintenance liability but this can be offset by re-surfacing in the short term extending the current life of the road surface in many areas.
- Additional / upgraded signal installations will increase maintenance liability by approximately £20,000/year based on £2k per new/renewed installation.
- Additional maintenance for signage and roadmarkings.

More detail will be available in the Stage 2 Full Business Case and a summary of savings and additional costs can be found in the resource appraisal, Appendix E.

#### **4 Project Delivery Timetable & Procurement Plan**

The programme has moved to align to a construction start in Summer 2016. Completion date for the work remains as March 2018.

Activity	Start Date	Finish Date	Milestone/decision point & scheduled technical gateways
Feasibility & Preliminary Design	Sept 2016	Feb 2016	Approval of stage 1 BC
Detailed Design	Feb 2016	May 2016	
TRO Consultation	Feb 2016	Mar 2016	
Procurement	May 2016	June 2016	Approval of stage 2 BC
Construction	July 2016	Mar 2018	

The current intention is to procure these works through the County's term maintenance contract. This will be confirmed in the Stage 2 Full Business Case.

## **5 Risks, Constraints, Dependencies and Exclusions**

The project is a programme of works at discrete points along an inner ring road corridor. It is predominantly a residential area with significant traffic flows that is well used and heavily congested during peak hours.

Management and co-ordination of the programme of works, and specific traffic management needed to implement each scheme, will be complex and heavily constrained by environmental and physical factors.

Close co-ordination with utility works, events, and other council programmes will also be essential which is likely to require the flexing of scheme programmes as necessary to minimise disruption.

Communication internally and with key stakeholders externally will be vital to support successful delivery of the project.

Due to the nature of the project it is likely that programme changes may need to be made at short notice along with the potential for small design refinements during the construction to be needed.

The potential for schemes cost increases that exceed the overall budget allowance will be managed by reduce the project scope by not delivering lower priority schemes as part of this project.

The table below groups and summaries the main risks from the Risk Register which are particular to this project specifically.

Description of areas or sources of risk and impact on project	Mitigation	Owner
Network management – Significant length of the network will be affected by these improvements in Headington. Emergency services, hospitals, residents and businesses have the potential to be affected. There could be pressure to reduce occupancy on the network impacting on time and cost.	Deliver the schemes in discrete sections with the programme being influenced by the county's network management team and other schemes being undertaken in the area. Use clear lines of communication as indicated in the communications plan	OCC
Utility diversions – Significant risks associated with the diversion of known and unknown utilities. Impact on time and programme for unknowns and less control over utility contractors.	Early engagement with utility companies and perform trial holes to establish locations/depths	OCC

Ecological impacts – Removal of trees required to implement the scheme due to road widening. Public complaint may introduce pressure to change proposals	Design has been adjusted to minimise the number of trees to be removed with robust reasoning for remaining trees for removal. New trees will be planted as part of the scheme.	OCC
Reputational risk – Removal of parking and trees will be sensitive issues for local residents. Could result in public and political pressure to reduce local impact.	Undertake robust review of parking and tree removal and present final proposals as part of our stakeholder engagement strategy including local councillors.	OCC
Increased costs materialising from risks as identified in the risk register leading to reduction in scope to stay within approved budget	Early identification of elements where descoping is achievable whilst not affecting the objectives of the scheme. Include detailed list within stage 2 business case	OCC

The risk register is included in Appendix G

## **6 Communication & Consultation**

Informal consultation on the feasibility designs was undertaken during July and August 2015. A summary of the feedback given is provided here:

<https://www.oxfordshire.gov.uk/cms/content/access-headington>

Following the consultation design changes have been implemented as set out previously in Section 2.

Further consultation and engagement with stakeholders is planned, including consultation on the TROs in February.

A communication Plan has been developed and can be found in Appendix H.

## **7 Project Governance**

This project will be managed to meet the corporate governance and decision making processes of Oxfordshire County Council.

The council's major transport delivery programme is managed by the Major Projects Board reporting progress and escalating issues or decisions as appropriate to the 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).

Details on the governance structure for the design and delivery stage of the project is included in Appendix I

## **8 Supporting Documents**

### **Appendix A - Feasibility Report**



A2H Final Report.pdf

### **Appendix B - Detailed scheme list**



A2H Feasibility  
Design Scheme List.d



Access to  
Headington - overview

### **Appendix C - Service & Equalities Impact Assessment**



A2H - Equalities  
Assessment.docx

### **Appendix D – Cost Estimates**



A2H - Cost  
Summary.xlsx

### **Appendix E - Resource Appraisal**



A2H - Resource  
Appraisal.xls

### **Appendix F - External Funding Confirmations**



Final Signed Grant  
Determination.pdf

### **Appendix G - Project Risk Register**



A2H - Risk  
Register.xlsx

### **Appendix H - Communication Plan**



A2H -  
Communications plan.

### **Appendix I – Project Governance Framework**



Project Governance  
Framework.docx