

Richard Tyndall  
Thames Valley Berkshire Local Enterprise Partnership

Date: 22/07/2014

Dear Mr Tyndall,

**Re: Coral Reef Junction Improvements – Value for Money Statement**

This letter is provided in support of the Business Case produced by Bracknell Forest Council for the Coral Reef Junction Improvement Scheme.

**Value for Money Categorisation**

The evidence produced within the Full Business Case report for the Coral Reef Junction Improvement Scheme proves that the monetised benefits which can be deemed to be having an effect on the public accounts can provide a **Very High Vfm** category.

**Present Value of Benefits and Cost**

The analysis contained within the Business Case suggests that the Coral Reef Junction Improvements Scheme will generate a **Present Value of Benefits of £17,774,000** calculated as shown in Table 1;

**Table 1: Scheme Benefits**

Scenario	Element	AM Peak	PM Peak
<b>Do Minimum</b>	Delay (min/veh) (ARCADY)	3.26	1.25
	Vehicles per hour	5,099	5,256
	Total Delay (mins)	16,623	6,570
<b>Do Something</b>	Delay (veh-hrs) (LINSIG)	81.86	110.81
	Vehicles per hour	5,099	5,256
	Delay (mins)	4,912	6,649
<b>Difference</b>	Delay (mins)	11,711	-78
<b>Value of Time</b>	£ per hour, 2026 (2010 prices)	£16.56	£14.78
<b>Annual Benefit</b>	2026 (2010 prices, undiscounted)	£818,000	-£5,000
<b>Present Value Of Benefits (PVB)</b>		£17,774,000	
<b>Present Value of Costs (PVC)</b>		£3,000,000	
<b>Benefit to Cost Ratio (BCR)</b>		5.92	

**ENVIRONMENT, CULTURE AND COMMUNITIES**

As illustrated in Table 1, this PVB compared against the Present Value of Costs (PVC) of £3,000,000 and will generate a **Benefit-Cost Ratio (BCR) of 5.92**.

#### Non-monetised, Environmental, Social and Distributional Impacts

Further social and environmental benefits have been derived from qualitative assessment, and whilst these will not provide a monetised benefit for use in this appraisal, the impacts are considered when deriving the Value for Money presented by the scheme:

- The impact to Noise is considered to be **neutral**;
- The impact to Local Air Quality is considered to be **slight beneficial**;
- The impact to Landscape is considered to be **slight adverse**;
- The impact to Townscape is considered to be **slight adverse**;
- The impact to the Historic Environment is considered to be **neutral**;
- The impact on Biodiversity is considered to be possible **neutral**;
- The impact on the Water Environment is considered to be **neutral**;
- The impact on Severance is considered **neutral**;
- The impact on Personal Security is considered **neutral**; and
- The impact on Accessibility is considered to be **neutral**.

#### Key Risks, Sensitivities and Uncertainties

Concerns were raised through independent assessment that as flows were taken from a transport model which underestimates delay at the junction, the demand therefore could be overestimated, resulting in higher flows being used in the ARCADY and LINSIG models, with a subsequent overestimation of benefits.

Therefore a further sensitivity test was undertaken based upon reduced traffic flows (10% reductions in the 2026 forecast flows). This sensitivity test resulted in reduced overall levels of predicted congestion within the ARCADY modelling of the existing roundabout and therefore reduces the benefits of the planned scheme.

An initial check using standard values of time over a 60 year assessment period, based upon changes in total junction delay, would suggest **BCR values in the order of 2.65** would be achieved over a 60 year assessment period. This would represent a 'High' value for money scheme.

This could be considered an **absolute worst case**, with the expected benefits of the scheme therefore likely to be well above this worst case scenario.

Overall, the risks associated with delivering the project are considered to be straightforward and amenable to well-understood management practices. The scheme is also to be carried out within adopted highway and therefore does not require planning permission.

Key risks for the scheme include construction delays due to unforeseen challenges, scheme costs changing due to statutory undertakers' costs, traffic congestion levels during construction being greater than anticipated and an unexpected need for additional temporary traffic management increasing costs.

The Business Case includes a Risk Management Plan which details the organisation for identifying, controlling and mitigating for risk throughout the lifecycle of the project.

Certification of the Senior Responsible Officer

I certify the Value for Money Statement provided within this letter to be a true reflection of the work undertaken in preparing the Business Case for the Coral Reef Junction Improvement Scheme.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Neil Mathews', with a long horizontal flourish extending to the right.

**Neil Mathews**

**Transport Development Manager**

Transport Development - Environment, Culture & Communities

Senior Responsible Officer

Bracknell Forest Council

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