



Richard Tyndall
Thames Valley Berkshire Local Enterprise Partnership

Date: 08/11/2016

Dear Mr Tyndall,

Re: Martins Heron Roundabout /A329 London Road Infrastructure Improvements – Value for Money Statement

This letter is provided in support of the Business Case produced by Bracknell Forest Council for the Martins Heron Roundabout /A329 London Road Infrastructure Improvements.

Value for Money Categorisation

The evidence produced within the Full Business Case report for the Martins Heron Roundabout /A329 London Road Infrastructure Improvements 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 Martins Heron Roundabout /A329 London Road Infrastructure Improvements will generate a **Present Value of Benefits of £21,794,000** calculated as shown in Table 1;

Table 1: Scheme Benefits

item	value (£000s)
Greenhouse gasses	£0.141m
Economic Efficiency: Consumer Users (Commuting)	£5.902m
Economic Efficiency: Consumer Users (Other)	£8.433m
Economic Efficiency: Business Users and Providers	£7.630m
Wider Public Finances (Indirect Tax Revenues)	-£0.312m
Present Value of Benefits (PVB)	£21.794m
Broad Transport Budget	£4.710m
Present Value of Costs (PVC)	£4.710m
OVERALL IMPACTS	
Net Present Value (NPV)	£17.084m
Initial Benefit to Cost Ratio (BCR)	4.627

ENVIRONMENT, CULTURE AND COMMUNITIES

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As illustrated in Table 1, this PVB compared against the Present Value of Costs (PVC) of **£4.710m** and will generate a **Benefit-Cost Ratio (BCR) of 4.627**. This represents the benefits for the core elements of the scheme, and is considered very high value for money according to DfT guidance

Key Risks, Sensitivities and Uncertainties

The risk owner for the project will be Bracknell Forest Council and they will be working with their contractors to mitigate the risks identified on the risk register as outlined in the risk response.

As the scheme promoter, the Council will meet all cost overruns on the scheme beyond the £3.8million predicted scheme cost.

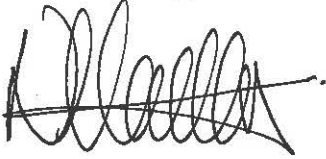
The Table below identifies the key project risks throughout the planning and implementation of the scheme.

Risk	Mitigation
PLANNING / APPROVAL RISKS AND MITIGATION	
Approval to BFC Detailed Designs	Close working between BFC Implementation (Bracknell Forest Council and Ringway Infrastructure Services) team, regular meetings
COST RISKS AND MITIGATION	
Unforeseen Statutory Utilities diversions leading to cost overruns	Specific Utility planning, timely surveys and trial holes, regular cross team meetings with Utilities and contractors
Unforeseen highway constraints leading to cost overruns	Regular design team co-ordination meetings with BFC Implementation team – ongoing review and assessment of designs verses site constraints – timely and focussed investigations
DELIVERY RISKS AND MITIGATION	
Project deadline overruns	Constant delivery programme and risk review (weekly meetings of Implementation team) – search for efficiencies, re-programming, acceleration opportunities
Access and highway network constraints	Timely planning of works, forward “look” for traffic management and street works permit requirements

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 Martins Heron Roundabout /A329 London Road Infrastructure Improvements.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Neil Mathews', with a horizontal line drawn through it.

Neil Mathews

Head of Transport Development

Transport Development - Environment, Culture & Communities

Senior Responsible Officer

Bracknell Forest Council

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