



# North West Crewe Cycling and Walking LGF Business Case

Independent Review

Cheshire East Council

October 2019

## Quality information

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<u>Revision</u>	<u>Revision date</u>	<u>Details</u>	<u>Authorized</u>	<u>Name</u>	<u>Position</u>
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## 1. Summary

AECOM has been commissioned by Cheshire East Council to undertake an independent review of the North West Crewe Cycling and Walking LGF Business Case. The review is a requirement of the Cheshire and Warrington Enterprise Partnership (C&W LEP) for the release of monies devolved to the LEP under the Local Growth Fund.

The proposed North West Crewe Cycling and Walking LGF scheme is being promoted by Cheshire East Council. The review of the business case documentation has been undertaken based on a RAG appraisal light template (26.06.2019), which has been adopted by the C&W LEP as part of their Growth Programme Assurance and Accountability Framework.

**Table 1: Scheme Details**

<b>Project Title</b>	North West Crewe Cycling and Walking Link
<b>Scheme Promoter</b>	Cheshire East Council
<b>Document Reviewed</b>	Outline Business Case
<b>Permission Sought</b>	Full approval
<b>Date of Submission</b>	17 <sup>th</sup> October 2019
<b>Date of Review</b>	30 <sup>th</sup> October 2019
<b>Scheme Description</b>	<p>The scheme is a strategic cycling and walking link into the heart of the North West Crewe development area providing connectivity from Crewe and Nantwich to:</p> <ul style="list-style-type: none"> <li>• 1600 new jobs;</li> <li>• 1750 new dwellings;</li> <li>• the Bentley strategic employment site (currently employs 4500 staff);</li> <li>• Leighton Hospital; and</li> <li>• Other existing residential areas.</li> </ul> <p>The route will also connect into the existing Connect2 cycle route.</p>

The RAG appraisal criteria are outlined below and have been used to assess individual criteria, the cases, and the business case overall.

**Table 2: RAG Appraisal Criteria**

	<b>Requirements fully met</b> - No issues of note with the submission.
	<b>Requirements substantially met</b> - Minor issues exist with the submission.
	<b>Requirements partially met</b> - Medium issues exist with the submission.
	<b>Requirements not met</b> - Critical issues exist with the submission.

**Table 3: Summary Sheet**

Overall Score		Requirements partially met
<p><b>Overall AECOM Comments</b></p>		<p>The review notes the vast majority of the questions within the application form have been answered with clear and concise information. Whilst four of the five cases are assessed as 'Requirements Substantially Met', the current status of statutory approvals and consents, influences the overall assessment which is 'Requirements Partially Met.'</p> <p>The Strategic Case and Economic Case largely meet the identified requirements. The Strategic Case includes a review of the existing policies and evidence that supports the case for change, as well as setting out the objectives and option assessment.</p> <p>The Financial Case sets out the funding requirement for the scheme. The total cost estimate for the scheme is £1,850,000 including 15% risk. Cheshire East Council is to provide £450,000 in capital funding (24%), with the remaining to be provided via section 106 (£300,000; 16%) and LTP active travel allocations (£400,000; 22%). The C&amp;W LEP is set to provide 38% via the Local Growth Fund (£700,000). The funding from the C&amp;W LEP is dependent on the successful outcome from the submission of the Outline Business Case (subject of this review) given full approval is sort.</p> <p>The Commercial Case includes a clear procurement strategy with a single procurement route for the delivery of the scheme identified. The Business Case notes a Cabinet paper is anticipated for November 2019 to appoint Ringway Jacobs for detailed design.</p> <p>Management Case: The key risks associated with the scheme, relate to approvals and consents, are set out below:</p> <ul style="list-style-type: none"> <li>• Planning application currently being prepared (to be submitted November 2019 – assessment period Q4, 2019/20, Q1, 2020/21).</li> <li>• Land required for stage 1 is at advanced stage but not yet complete. A plan is in place with Heads of Terms being finalised for Stage 1 land.</li> <li>• Land to progress Section 2 requires a Compulsory Purchase Order (CPO).</li> <li>• Housing planning applications for Leighton submitted (currently being considered) – will inform the Section 106 allocations.</li> </ul> <p>As the consents (i.e. Planning, Heads of Terms, Section 106 agreements, CPO) have not been formally agreed, it is not possible to comment on any conditions attached that may/may not relate to the project.</p> <p>Consequently, the C&amp;W LEP are recommended to note the following financial risks:</p> <ul style="list-style-type: none"> <li>• The project budget includes £300,000 from Section 106 Agreements which are yet to be finalised (associated with Leighton planning applications under review). Mitigation: Cheshire East Council have agreed to forward fund these costs.</li> <li>• Section 1 of the scheme is to be funded via the Local Growth Deal. Section 2 is to be funded by Cheshire East Council. This phased approach is taken to align funding contributions for construction to the Local Growth Deal timescales. The phased approach however does present a potential financial risk to the C&amp;W LEP as section 2 requires a CPO to secure a section of the land. As with all CPO processes, there is a risk to delivery of section 2. Therefore, the potential percentage contribution towards the scheme costs (i.e. over the minimum contribution of one third of scheme costs) may be impacted, with section 1 proposed to be complete prior to finalisation of the CPO process.</li> </ul>
<p><b>Benefit to Cost Ratio (BCR)</b></p>		<p>A Value for Money (VfM) statement has been included in the Economic Case and presents a BCR of 3.37 within the Base Scenario and a Low Scenario sensitivity test which generates a BCR of 2.66. Therefore, both scenarios result in a BCR which reflects High VfM according to DfT criteria. The VfM statement considers the BCR and non-monetised benefits for walking trips that were not able to be captured within the economic appraisal. The inclusion of non-monetised benefits is good and the VfM statement acknowledges the BCR only provides a conservative assessment.</p>

## 2. Strategic Case

Table 4: Strategic Case Review Summary

<b>Overall Score</b>		<b>Requirements substantially met.</b>
<b>AECOM Comments</b>	<p>The Strategic Case includes a review of the existing policies and evidence that supports the case for change. It considers the scheme within the wider policy-fit alongside its ability to overcome existing and future problems identified in the area.</p> <p>Five project objectives have been developed which are aligned with the Cheshire East Council's Local Transport Plan and linked to expected outcomes.</p> <p>A clear list of alternative options has been identified and assessed in relation to the LTP objectives and deliverability criteria. The option assessment is considered proportionate for a scheme of this type.</p> <p>Given this is considered the final approval, it is recommended that Cheshire East Council make available to the C&amp;W LEP via ongoing project reporting forums, the following items, as they are finalised:</p> <ul style="list-style-type: none"> <li>• Outcomes from planned stakeholder consultation activities in October / November 2019 as part of the planning application process.</li> <li>• Detailed design drawings to confirm scope to be procured.</li> </ul>	

Table 5: Strategic Case Review

Ref	Item	Status	Comments
S1	Is there a clear description of the components of the scheme and how it fits with the LEP's Strategic Economic Plan (and LIS) and any other strategic plans e.g. Local Authority and Dft?	Requirements fully met.	<p>The business case provides a description of the scheme which involves the delivery of a strategic walking and cycling link into the North West Crewe development area. The route will be delivered in three stages, extending the existing Connect2 Crewe to Nantwich Greenway northwards alongside the A530. Section 1 and 2 form part of this business case, with the third phase to be subject of a separate business case process. Figure 1 (section A.9) presents a map of the Scheme and illustrates its location within the context of the Bentley Masterplan site and the North West Crewe Package. It is recommended that detailed design drawings be made available upon completion.</p> <p>Section A.10 identifies which strategic priorities the scheme aims to support and demonstrates how it is aligned with national and local policy. The document outlines how the scheme will support the priorities of C&amp;W LEPs Strategic Economic Plan, by improving local and regional connectivity and access to the labour market. In doing so, the scheme is also identified to contribute to the Constellation Partnership and Crewe High Growth City strategic areas, and TfN's West and Wales Strategic Development Corridor. The policy review also considers how the scheme will contribute to national and local ambitions to grow cycling and walking, reduce carbon emissions and improve air quality.</p> <p>At the local authority level, the scheme will help to reduce social inequality by addressing accessibility to high skilled jobs at Bentley and Crewe town centre from north-west Crewe, which is an area of high deprivation. The scheme objectives are mapped against the Local Plan objectives in section A.10.</p>
S2	Have the problem(s) the scheme will be addressing been clearly identified?	Requirements fully met.	<p>The Strategic Case provides a summary of the problems that the scheme will address (see sections B.1 and B.2). Evidence is provided in relation to socio-economic, transport and development constraints existing within the area and that may occur in the future. Problems include:</p> <ul style="list-style-type: none"> <li>• Social deprivation and access to employment opportunities;</li> <li>• Low levels of physical activity amongst residents;</li> <li>• Poor air quality;</li> <li>• Congestion on the highways network; and</li> <li>• Inadequate active travel infrastructure.</li> </ul>
S3	Is there a set of specific, measurable, achievable, realistic, time-bound (SMART) objectives	Requirements substantially met.	<p>The Business Case identifies five project objectives in section A.10:</p> <ol style="list-style-type: none"> <li>1. To support existing businesses such as Bentley and unlock additional jobs;</li> </ol>



Ref	Item	Status	Comments
	for the scheme to address the problem(s) identified?		<ol style="list-style-type: none"> <li>2. To encourage active travel and an increase in physical activity;</li> <li>3. To improve access to schools and education;</li> <li>4. To create safe routes for non-motorised users; and</li> <li>5. To improve air quality and the environment within Crewe.</li> </ol> <p>The objectives have been developed to align with Cheshire East Council's Local Transport Plan and are presented in a table which shows how they relate to the anticipated scheme outcomes. Further evidence could be provided in the Management Case to support monitoring and evaluation of the objectives (i.e. to demonstrate how they are to be measured – SMART framework).</p>
<b>S4</b>	Are the expected outcomes clear and how they will be assessed?	Requirements substantially met.	<p>The Business Case identifies four outcomes:</p> <ul style="list-style-type: none"> <li>• Supporting growth and economic strength;</li> <li>• Ensuring accessibility to services;</li> <li>• Protecting and improving our environment; and</li> <li>• Promoting health, wellbeing and physical activity.</li> </ul> <p>The anticipated outcomes are presented in section A.10 in a matrix that shows their relationship with the project objectives. Further detail on monitoring and evaluation could help to clarify how the outcomes will be measured and what will constitute success.</p>
<b>S5</b>	Have any interdependencies which may affect the delivery of the scheme been identified?	Requirements fully met.	<p>The Business Case notes that this project capitalises on the opportunity created by Network Rail widening the Boulderstones Bridge (on the A530) and links into the Bentley employment site and runs parallel to the alignment of the Leighton Spine Road and Link Road. The interdependent projects are not stated to present a challenge to delivery; ongoing discussions are continuing with Network Rail and their contractor Murphys for the design tie in at Boulderstones bridge.</p>
<b>S6</b>	Have relevant studies and technical work that has informed the development of the scheme been identified?	Requirements fully met.	<p>Section E.1 outlines the work that has taken place to date, including:</p> <ul style="list-style-type: none"> <li>• Feasibility and scheme option development;</li> <li>• Pre-application scoping discussions to determine environmental requirements;</li> <li>• Environmental surveys;</li> </ul>

Ref	Item	Status	Comments
			<ul style="list-style-type: none"> <li>• Progression of designs;</li> <li>• Value for money assessment; and</li> <li>• Ongoing stakeholder engagement.</li> </ul> <p>The detailed documentation for the above activities is not currently appended to the business case.</p>
<b>S7</b>	Have any links with other schemes been articulated and how they benefit each other?	Requirements fully met.	A range of links have been made to other relevant schemes in the area. The Strategic Case details how the scheme will connect to the existing Connect2 Crewe to Nantwich Greenway and support sustainable access to housing employment opportunities at the Bentley Campus and the NWCP development site. The scheme also benefits from work Network Rail are doing to widen the Boulderstones Bridge on the A530.
<b>S8</b>	Has there been consultation with stakeholders in the development of the scheme?	Requirements fully met.	<p>The key stakeholders engaged in the development of the scheme and their input are summarised in section E3. Key stakeholders include Ringway Jacobs (Cheshire East Council's highways service provider), Eurovia (construction and scheme delivery), Network Rail, local landowners (in relation to land acquisition), Cheshire East Council's cycling and walking champion and representatives from local cycling groups.</p> <p>The following summarises the engagement activities undertaken:</p> <ul style="list-style-type: none"> <li>• Engagement for the LTP in Summer 2018 more broadly for walking and cycling proposals;</li> <li>• Engagement with Network Rail regarding tie in at Boudestone Bridge;</li> <li>• Engagement with land owners via agents;</li> <li>• Engagement with Cheshire East Cycling and Walking Champion; and</li> <li>• Stakeholder engagement specifically for this project taking place October / November 2019: land owners fronting the proposed route to inform the planning application.</li> </ul> <p>It is recommended the outcomes from planned stakeholder consultation activities in October / November 2019 be made available to C&amp;W LEP through ongoing project reporting activities (when available).</p>
<b>S9</b>	Is there a robust options appraisal?	Requirements fully met.	A table summarising the alternative options that were analysed during the development of the Scheme is provided in section B.4 with further detail given in Annex D. The table describes the Do Nothing, Do Minimum and three Do Something alternatives, including the preferred option. The alternative options

Ref	Item	Status	Comments
			have been assessed using a number of criteria, including technical feasibility, value for money, affordability, acceptability and alignment to the LTP objectives.
<b>S10</b>	Have details of stakeholder and public consultation been provided if applicable.	Requirements substantially met.	<p>Section E5 states that residents and stakeholders fronting onto the route are being consulted in October / November 2019. As there is no feedback relating to the scheme specifically (at this stage), the Business Case references public consultation undertaken for the Cheshire East Council's Local Transport Plan (i.e. evidence of public support for active travel modes).</p> <p>A stakeholder engagement plan is appended to the Business Case to inform consultation activities to be undertaken in October and November 2019.</p> <p>It is recommended the outcomes from planned stakeholder consultation activities in October / November 2019 be made available to C&amp;W LEP through ongoing project reporting activities (when available).</p>

### 3. Economic Case

Table 6: Economic Case Review Summary

<b>Overall Score</b>		<b>Requirements substantially met</b>
<b>AECOM Comments</b>	<p>A VfM statement has been included in the Economic Case and presents a BCR of 3.37 within the Base Scenario and a Low Scenario sensitivity test which generates a BCR of 2.66. Therefore, both scenarios result in a BCR which reflects High VfM according to DfT criteria. The VfM statement considers the BCR and non-monetised benefits for walking trips that were not able to be captured within the economic appraisal. The inclusion of non-monetised benefits is good and the VfM statement acknowledges the BCR only provides a conservative assessment.</p> <p>The Economic Case notes the DfT Active Mode Appraisal Toolkit (AMAT) has been used to calculate the BCR – this is considered an appropriate tool and proportionate approach to the assessment of the BCR.</p> <p>Whilst not presented in the main business case, separate information was provided to the reviewer to substantiate the AMAT input assumptions.</p> <p>It is recommended further information is provided to inform the GVA assessment: GVA value per worker and the number of jobs that it has been applied to.</p>	

Table 7: Economic Case Review

Ref	Item	Status	Comments
E1	Has a Value for Money Statement been provided, including a BCR?	Requirements fully met	<p>A VfM statement has been included in the Economic Case (<i>Section C.4</i>). This presents a BCR of <b>3.37</b> within the Base Scenario and a Low Scenario sensitivity test which generates a BCR of <b>2.66</b>. Therefore, both scenarios result in a BCR which reflects <b>High</b> VfM according to DfT criteria.</p> <p>The results of a 'Low Scenario' sensitivity test provides greater confidence in the VfM assessment as it demonstrates the scheme continues to deliver a BCR above 2, reflecting High VfM, even if the uplift in demand is less than the Base Scenario. Although not critical, additional sensitivity tests could be undertaken as follows:</p> <ul style="list-style-type: none"> <li>• An increase / reduction in capital costs;</li> <li>• Level of ongoing costs;</li> <li>• The 'High' scenario within the DfT Local Cycling and Walking Infrastructure Plan to demonstrate potential; and</li> <li>• The proportion of cyclists assumed to use the route.</li> </ul> <p>The VfM statement considers the BCR and non-monetised benefits for walking trips that were not able to be captured within the economic appraisal. The inclusion of non-monetised benefits is good and the VfM statement acknowledges the BCR only provides a conservative assessment.</p>
E2	Is the basis for the calculation of the Present Value of Benefits (PVB) sufficiently robust? Has sufficient information been provided on how this has been derived?	Requirements substantially met	<p>The Economic Case notes the DfT Active Mode Appraisal Toolkit (AMAT) has been used to calculate the BCR and therefore determine the PVB.</p> <p><i>Existing Demand</i></p> <p>Existing cycling demand is from the Propensity to Cycle (PCT) tool, which uses 2011 Census Journey to Work data and this has been uplifted to reflect all journey purposes and growth between 2011 and 2019. Section C.4 sets out the methodology for use of the PCT to estimate current cycling demand.</p> <p>The table appears to suggest all journeys would make a return trip (as the trip rate is double the cyclists); whilst this is reasonable for commuters, applying this for all journey purposes could be optimistic as people may be more likely to undertake circular route for leisure purposes. The table also includes 'Additional trips from new housing.'</p> <p>There is potential to consider the cycling demand associated with the forecast jobs in the area within the appraisal.</p>

Ref	Item	Status	Comments
			<p><i>Future Demand</i></p> <p>The Economic Case reports uplift values from the DfT Local Cycling and Walking Infrastructure Plan.</p> <p><i>Benefits</i></p> <p>The demand has been input to the AMAT to inform the PVB. The AMAT also requires the following assumptions:</p> <ul style="list-style-type: none"> <li>• Appraisal period;</li> <li>• Scheme opening year;</li> <li>• Assumed change in cycling infrastructure for economic appraisal;</li> <li>• Cycle trip characteristics (i.e. average length of journey and speed);</li> <li>• Proportion using the scheme; and</li> <li>• Annualisation factor.</li> </ul> <p>Copies of these assumptions have been provided to inform the review of the economic appraisal.</p> <p><i>Benefits Summary</i></p> <p>The Analysis of Monetised Costs and Benefits (AMCB) table from the AMAT is included and this provides a breakdown of benefits by type. This is accompanied by a pie chart showing two-thirds of the benefits are associated with health.</p> <p><b>Overall, the use of the AMAT provides reassurance with the mechanism to calculate the PVB.</b></p>
E3	Is the basis for the calculation of the Present Value of Cost (PVC) sufficiently robust? Has sufficiently information been provided on how this has been derived?	Requirements substantially met	<p>The Economic Case notes the AMAT has been used to calculate the BCR and therefore determine the PVC.</p> <p><i>Capital Costs</i></p> <p>The Economic Case does not state the state the capital costs applied within the AMAT; however, this has been provided separately for reviewed. The costs are consistent with the capital costs presented in the Financial Case.</p> <p>The Section 106 agreement funding is not registered as a private contribution section of the AMCB.</p> <p><i>Ongoing and Renewal Costs</i></p>

Ref	Item	Status	Comments
			Ongoing and renewal costs have not been included within the appraisal. Section E.4 of the Financial Case states once complete, the scheme will form part of Council's assets and as such will be maintained in accordance with Cheshire East Council's individual maintenance regimes. There is no ask as part of the Business Case process for additional funding to supplement Cheshire East Council's existing and future maintenance regimes.
E4	Has an appropriate level of optimism bias been applied?	Requirements fully met	Optimism bias of 15% has been applied to the capital costs. This is in line with WebTAG which recommends this optimism bias value for Stage 2 (Outline Business Case). WebTAG advises an optimism bias value of 3% for Stage 3 (Full Business Case). Optimism bias has not been included for ongoing costs which have been excluded from the appraisal.
E5	Has an appropriate level of risk cost been included?	Requirements fully met	A risk allowance of 15% has been included within the construction costs and is applied in addition to the 15% optimism bias. The risk allowance has not been informed by a Quantified Risk Assessment (QRA) but this is not expected for this stage of development.
E6	Have all relevant options been modelled / appraised?	Requirements fully met	The Preferred Option has been appraised only and this is considered proportionate for the project, particularly as the Strategic Case ( <i>Section B4</i> ) explains why the alternative options were discounted.
E7	Has sufficient justification been provided on scoping out of any specific impacts?	Requirements substantially met	<p>No specific justification on the scoping out of specific impacts is provided. However, within the VfM narrative (<i>Section C4</i>), it is noted that monetised benefits have been reported from the AMAT. This could be strengthened with rationale about why health, journey ambience and modal shift benefits have been claimed.</p> <p>With regards to the non-monetised benefits there is more rationale for how these would be expected to occur.</p> <p>Whilst there is no specific justification about impacts that have been scoped out but it is inferred through the text that all impacts have been captured to some extent.</p>
E8	Has sufficient justification been provided on the approach use to appraise each impact (e.g. quantitative / qualitative)	Requirements substantially met	Although the impacts of the scheme are not tabulated with an indicator of whether they have been monetised, quantitatively or qualitatively assessed. The Economic Case does highlight walking benefits have not been monetised because of the lack of appropriate evidence regarding existing and future walking trips. Similarly, reference is made to additional outputs / benefits ( <i>Section C5</i> ) which have not been able to be monetised, for example, productivity and well-being.

Ref	Item	Status	Comments
E9	Have all (relevant) Economic Impacts been adequately assessed and are the ratings (seven-point scale) reasonable?	Requirements not met	ASTs would typically include a section with Economic Impacts assessed on a seven-point scale. The Business Case states an AST was not provided as it was not felt to be necessary owing to the value of this project.
E10	Are forecast housing, jobs and GVA impacts provided robust / realistic?	Requirements partially met	<p><i>Jobs</i></p> <p>The Economic Case (<i>Section C1</i>) states the route will support the 4,500 people currently employed by Bentley Motors as well as a further 1,600 new jobs that will be created in the North West Crewe development area. The qualitative assessment that the scheme will support jobs in Crewe is proportionate to the size of the scheme.</p> <p><i>GVA</i></p> <p>The assumed growth in GVA is detailed in the Economic Case (<i>Section C2</i>). The language should be clearer that the project will <u>contribute</u> to delivery of an increase in GVA.</p> <p>The assumed value of GVA per Crewe and Nantwich worker should be stated with clarity about where this has come from so it can be confirmed whether a suitable value has been applied.</p> <p>It is unclear if the GVA per worker has been applied to all new jobs or the proportion of these expected to walk / cycle. These assumptions should be stated.</p> <p>Once the above are clarified, this will enable an assessment to be made about whether the forecast GVA is robust / realistic.</p> <p><i>Productivity</i></p> <p>Productivity benefits to businesses are presented in the Economic Case (<i>Section C3</i>). This section includes a qualitative assessment against the Strategic Economic Plan Economic Imperatives. Local traffic analysis with Google Traffic plots are also included with the statement and this level of analysis is proportionate to the scheme. However, the narrative describes that the investment '<i>will encourage modal shift and therefore a reduction in cars travelling on the corridor [between Nantwich and Crewe], reducing congestion</i>'. It would be more proportionate to claim a <u>mitigation</u> of congestion rather than <u>reduction</u> in congestion associated with the scheme as measurable changes in traffic flows are likely to be affected by additional factors than the proposed cycling and walking route.</p>
E11	Have all (relevant) Environmental Impacts been adequately assessed and are the ratings (seven-point scale) reasonable?	Requirements not met	ASTs would typically include a section with Environmental Impacts assessed on a seven-point scale. The business case states an AST was not provided as it was not felt to be necessary owing to the value of this project.



Ref	Item	Status	Comments
<b>E12</b>	Have key environmental constraints been clearly identified?	Requirements substantially met	The Business Case template does not include a section for environmental constraints. However, there is a reference within Scheme Acceptability (Section E.5) that states there will be no significant damage to the local environment. Furthermore, it is noted plans are being produced to minimise the impact of the removal of vegetation with a mitigation plan to replace vegetation lost in other locations.
<b>E13</b>	Have all (relevant) Social Impacts been adequately assessed and are the rating (seven-point scale) reasonable?	Requirements not met	ASTs would typically include a section with Social Impacts assessed on a seven-point scale. The Business Case states an AST was not provided as it was not felt to be necessary owing to the value of this project.

## 4. Financial Case

Table 8: Financial Case Review Summary

Overall Score		Requirements substantially met
<b>AECOM Comments</b>		<p>The total cost estimate for the scheme is £1,850,000 including 15% risk.</p> <p>Cheshire East Council is to provide £450,000 in capital funding (24%), with the remaining to be provided via section 106 (£300,000; 16%) and LTP active travel allocations (£400,000; 22%). The C&amp;W LEP is set to provide 38% via the Local Growth Fund (£700,000). The funding from the C&amp;W LEP is dependent on the successful outcome from the submission of the Outline Business Case (subject of this review) given full approval is sort.</p> <p>Where cost savings are realised, Cheshire East Council propose to reinvest in further walking and cycling network improvements identified in phase 3 (subject of a separate business case development process).</p> <p>An appropriate level of information has been provided to meet the requirements of the application form.</p> <p>Given this is considered the final approval, it is recommended that Cheshire East Council make available to the C&amp;W LEP via ongoing project reporting forums, the following items, as they are finalised:</p> <ul style="list-style-type: none"> <li>• Evidence that Section 106 Agreements are executed.</li> <li>• Target cost confirmation as part of future contracting activities between Cheshire East Council and Ringway Jacobs.</li> </ul> <p>Section 151 Officer letter: the business case notes a letter from the Section 151 Officer will be made available to the C&amp;W LEP P&amp;I Committee as part of the submission of the business case. The P&amp;I Committee is to satisfy themselves that this document is provided as part of the submission supplied.</p> <p>The following financial risks are noted:</p> <ul style="list-style-type: none"> <li>• A quantified risk assessment has not been prepared; rather a 15% risk allocation is included within the estimate for construction activities. This is considered proportionate for a scheme of this type.</li> <li>• The project budget includes £300,000 from Section 106 Agreements which are yet to be finalised (associated with Leighton planning applications under review). Mitigation: Cheshire East Council have agreed to forward fund these costs.</li> <li>• Section 1 of the scheme is to be funded via the Local Growth Deal. Section 2 is to be funded by Cheshire East Council. This phased approach is taken to align funding contributions for construction to the Local Growth Deal timescales. The phased approach however does present a potential financial risk to the C&amp;W LEP as section 2 requires a CPO to secure a section of the land. As with all CPO processes, there is a risk to delivery of section 2. Therefore, the potential percentage contribution towards the scheme costs (i.e. over the minimum contribution of one third of scheme costs) may be impacted, with section 1 proposed to be complete prior to finalisation of the CPO process.</li> </ul>

**Table 9: Financial Case Review**

Ref	Item	Status	Comments
F1	Is the expected whole life cost of the scheme robust, including the base cost and risk allowance in outturn prices drawn from industry forecasts?	Requirements substantially met	<p>The costs for the scheme are set out for development, pre-construction, construction and project management activities.</p> <p>An allocation of 15% of the construction costs is included within the capital cost estimate. A further 10% contingency is included on the development costs.</p> <p>The costs are based upon costs developed by the scheme designer, Ringway Jacobs, who are Cheshire East Council's Highways service provider. The costs developed have been produced on an itemised basis for the year of scheme delivery including aspects such as earthworks, construction of shared path, lighting columns, Toucan crossing provision etc. The costs provided are based upon Ringway Jacobs' experience and delivery of similar schemes locally.</p> <p>Whilst not appended to the business case due to commercial sensitivities, detailed costs have been shared to demonstrate robustness of assumptions.</p> <p>An independent review of the scheme costs has not been undertaken. It is not considered that a review for a scheme of such scale is required; however, it is recommended that Cheshire East Council undertake a detailed review of the costs as a matter of course, with their design and construction partners.</p> <p>Target costs are recommended to be made available to the C&amp;W LEP when they are finalised within the Delivery Contract.</p>
F2	Has a cost profile been provided showing year on year costs, and breakdown by cost type and parties on whom they fall?	Requirements Fully Met	<p>A cost profile for the scheme is provided in section D.1, which splits the costs by year and by funding source (Local Growth Fund, Cheshire East Capital, LTP active travel, and Section 106). Of the £1,850,000 scheme costs, £700,000 is to be funded by the C&amp;W LEP. The C&amp;W LEP contribution is split between 2019/20 (£144,888) and 2020/21 (£555,112).</p> <p>Section 1 of the scheme is to be funded via the Local Growth Deal. Section 2 is to be funded by Cheshire East Council. This phased approach is taken to align funding contributions to the Local Growth Deal timescales. Whilst the cost profile has been provided for year on year costs, C&amp;W LEP P&amp;I Committee are to confirm their acceptance of the proposed staging scenario.</p>
F3	Have details of key financial risks been provided and is the risk cost allowance robust?	Requirements partially met	<p>A qualitative risk register is provided at Annex C – no QRA is prepared. An allocation of 15% of the construction costs is included within the capital cost estimate. A further 10% contingency is included on the development costs. Given the risk register is qualitative, there is no further detail on how much individual risks cost.</p>

Ref	Item	Status	Comments
			<p>Within the risk register, a risk is identified that ill-defined scheme scope and estimated outturn costs leads to costs above funding provision. The mitigation measure identified is the 15% risk allocation included within the cost estimate. Cheshire East Council also commit to cover cost overruns.</p> <p>Section 1 of the scheme is to be funded via the Local Growth Deal. Section 2 is to be funded by Cheshire East Council. This phased approach is taken to align funding contributions for construction to the Local Growth Deal timescales. The phased approach however does present a potential financial risk to the C&amp;W LEP as section 2 requires a CPO to secure a section of the land. As with all CPO processes, there is a risk to delivery of section 2. Therefore, the potential percentage contribution towards the scheme costs (i.e. over the minimum contribution of one third of scheme costs) may be impacted, with section 1 proposed to be complete prior to finalisation of the CPO process.</p>
<b>F4</b>	Are funding sources to cover the full scheme cost clearly set out?	Requirements substantially met	<p>Funding sources to cover the full scheme costs (£1,850,000) are set out in section D.1. As stated above, the C&amp;W LEP is identified to provide £700,000 via the Local Growth Fund, with the remainder a mix of Cheshire East Capital, LTP active travel, and Section 106.</p> <p>The Business Case states the capital match funding has been approved by an internal business case and the funding is included within Council's approved Medium-Term Financial Strategy.</p> <p>Subject to the successful submission of the Business Case (subject of this review) to the P&amp;I Committee, it is considered there is a high level of certainty about the contribution by the C&amp;W LEP via the Local Growth Fund.</p>
<b>F5</b>	Is there sufficient evidence to support third party / alternative funding contributions?	Requirements partially met	<p>The project budget includes £300,000 from Section 106 Agreements which are yet to be finalised (associated with Leighton planning applications under review) which is reflective of the 'Requirement partially met' score.</p> <p>However, in the event funding from section 106 Agreements is not finalised prior to construction, the Business Case states that Cheshire East Council may forward fund these costs, thus mitigating the risk for C&amp;W LEP.</p> <p>It is recommended that Cheshire East Council confirm to the C&amp;W LEP via ongoing reporting forums once Section 106 Agreements are finalised.</p>

Ref	Item	Status	Comments
<b>F6</b>	Have the impacts of third party / alternative funding not coming forward been considered?	Requirements fully met	Section B.5 considers the impact of C&W LEP funding not coming forward. The alternative funding avenue would be for Council to take on the full costs of the scheme through additional borrowing. This is stated to be unaffordable and undeliverable by Cheshire East Council.  The Business Case also states at section D.4 that should there be cost overruns, these will be underwritten by Cheshire East Council.
<b>F7</b>	Has the long-term financial sustainability of the scheme been demonstrated, including robust plans to ensure the affordability of any ongoing costs for operation, maintenance and major capital renewals?	Requirements substantially met	Section E.4 states once complete, the scheme will form part of Council's assets and as such will be maintained in accordance with Cheshire East Council's individual maintenance regimes. There is no ask as part of the Business Case for additional funding to supplement Cheshire East Council's existing and future maintenance regimes.
<b>F8</b>	Has evidence of appropriate S151 Officer sign-off been provided?	Requirements partially met	The Business Case notes in section D.2 that a letter from the Council's Section 151 Officer will be appended to the document upon submission to the C&W LEP P&I Committee. Whilst the letter has not been made available as part of the review; the commitment to providing this to the Committee has been factored into the scoring.

## 5. Commercial Case

Table 10: Commercial Case Review Summary

Overall Score	Requirements substantially met
<p><b>AECOM Comments</b></p>	<p>A clear process of procurement is outlined. The Commercial Case identifies a single procurement route for the delivery of the scheme. The Outline Business Case recommends:</p> <ul style="list-style-type: none"> <li>• Cheshire East Council to project manage the scheme;</li> <li>• Design to be undertaken by Ringway Jacobs (Council Highways Service Operator);</li> <li>• Construction by Eurovia (procurement via Ringway Jacobs); and</li> <li>• External commissions for specialist work such as ecology to be undertaken by Jacobs (via Ringway Jacobs).</li> </ul> <p>The justification for this route is based on economies of scale and reduced procurement time that can be achieved through supplier frameworks already in place. It also ensures that the work will be undertaken by a contractor with local experience and that has been through a robust procurement process that is value for money.</p> <p>It is considered where there the requirements of the appraisal form have not been fully met this is a result of the questions asked within the application form rather than issues with the submission.</p> <p>Given this is considered the final approval, it is recommended that Cheshire East Council make available to the C&amp;W LEP via ongoing project reporting forums, the following items, as they are finalised:</p> <ul style="list-style-type: none"> <li>• Evidence of Cabinet paper (anticipated for November 2019) to appoint Ringway Jacobs for detailed design.</li> <li>• Evidence of the Delivery Contract executed with Ringway Jacobs / Eurovia.</li> <li>• Proposed payment mechanisms once the contract has been agreed with Ringway Jacobs / Eurovia.</li> </ul>

**Table 11: Commercial Case Review**

Ref	Item	Status	Comments
<b>C1</b>	Is the procurement strategy set out and the reason for the choice justified?	Requirements substantially met	<p>A clear process of procurement is outlined. The Commercial Case considers a single procurement option for the delivery of the scheme (section F.1). The preferred procurement route is identified as:</p> <ul style="list-style-type: none"> <li>• Cheshire East Council to project manage the scheme;</li> <li>• Design to be undertaken by Ringway Jacobs (Council Highways Service Operator);</li> <li>• Construction by Eurovia (procurement via Ringway Jacobs); and</li> <li>• External commissions for specialist work such as ecology to be undertaken by Jacobs (via Ringway Jacobs).</li> </ul> <p>The Highways Services Operator contract is for schemes up to the value of £5 million. The justification for this route is based on economies of scale and reduced procurement time that can be achieved through supplier frameworks already in place. It also ensures that the work will be undertaken by a contractor with local experience and that has been through a robust procurement process that is value for money.</p> <p>The proposed procurement route is considered clear, robust and deliverable.</p> <p>A cabinet paper for the procurement process of the Highways Services Contract Procurement is referenced in section F.2.</p>
<b>C2</b>	Have the proposed payment mechanisms been identified?	Requirements not met	<p>Proposed payment mechanisms have not been identified in the Business Case.</p> <p>It is noted that proposed payment mechanisms are not specifically asked for within the template, and it is considered at this stage of scheme development, it is unlikely that they would have been known.</p> <p>It is recommended that Cheshire East Council confirm to the C&amp;W LEP via ongoing reporting forums once payment mechanisms have been agreed through the contracting process.</p>
<b>C3</b>	Have the procurement timescales been set out, and are they realistic?	Requirements substantially met	<p>A programme for scheme delivery is included at Annex B. The programme identifies that procurement is expected as follows:</p> <ul style="list-style-type: none"> <li>• A Cabinet paper is anticipated for November 2019 for the appointment of Ringway Jacobs to progress design.</li> <li>• Key gateways are identified as:</li> </ul>

Ref	Item	Status	Comments
			<ul style="list-style-type: none"> <li>○ Stage 1: Feasibility and stage 1 design – March 2019</li> <li>○ Stage 2: Detailed design – November 2019</li> <li>○ Stage 3: Construction Phase 1 – July 2020</li> <li>○ Stage 3: Construction Phase 2 – July 2021</li> </ul> <ul style="list-style-type: none"> <li>● Eurovia contract / scoping / mobilisation identified for 2019/20 Q4 to 2020/21 Q2.</li> </ul>
<b>C4</b>	Have details of contract management been provided, including contract timescales?	Requirements partially met	<p>It is noted from the Cabinet Report for the Highways Services Contract that Cheshire East Council use the Department for Transport Highway Maintenance Efficiency Programme adaptation of the NEC3 Term Service Contract.</p> <p>Key gateways are identified as:</p> <ul style="list-style-type: none"> <li>● Stage 1: Feasibility and stage 1 design – March 2019</li> <li>● Stage 2: Detailed design – November 2019</li> <li>● Stage 3: Construction Phase 1 – July 2020</li> <li>● Stage 3: Construction Phase 2 – July 2021</li> </ul> <p>It is recommended that Cheshire East Council confirm to the C&amp;W LEP via ongoing reporting forums, any agreed contractual management arrangements formalised in the Delivery Contract (at the appropriate time).</p>



## 6. Management Case

Table 12: Management Case Review Summary

Overall Score		Requirements partially met
<p><b>AECOM Comments</b></p>		<p>The Management Case identifies that the project is currently at outline design stage with a report to go Cabinet in November 2019 for Ringway Jacobs to deliver and construct the project with Eurovia.</p> <p>The Management Case sets out the high-level delivery structure to oversee the delivery of the project.</p> <p>Key risks are summarised, including mitigation measures.</p> <p>A work programme is provided, and the statutory powers and consents required to deliver the project are identified (albeit the approvals of these consents are at varying stages – see question M.4). The C&amp;W LEP P&amp;I Committee is recommended to note the key risk to delivery for the scheme relates to the outstanding statutory powers and consents including a CPO for land.</p> <p>The review notes the vast majority of the questions within the application form have been answered with clear and concise information for the Management Case. The final review score for the Management Case is given to reflect the current status of statutory powers and consents.</p> <p>Given this is considered the final approval, it is recommended that Cheshire East Council make available to the C&amp;W LEP via ongoing project reporting forums, the following items, as they are finalised:</p> <ul style="list-style-type: none"> <li>• Outcomes from planned stakeholder consultation activities in October / November 2019 as part of the planning application process.</li> <li>• Progress of consents and approvals for scheme delivery including but not limited to: <ul style="list-style-type: none"> <li>○ Stage 1 and 2 land acquisition including CPO process;</li> <li>○ Planning application;</li> <li>○ Section 106 agreements; and</li> <li>○ Contracts for delivery.</li> </ul> </li> <li>• Confirmed construction delivery milestones following agreement with contractor to build on the level of detail currently provided in Annex B.</li> </ul>

**Table 13: Management Case Review**

Ref	Item	Status	Comments
<b>M1</b>	Has the proposed governance / organisational structure been provided? Does it provide a robust means of overseeing project delivery with appropriate skills / experience?	Requirements Fully Met	<p>A delivery structure is set out in section E.4. This includes a Programme Board, SRO, Sponsor, Project Team, Design Project Manager and Construction Team, with named personnel for key roles.</p> <p>Section E.4 provides details on the Sustainable Travel Enhancement Programme Project Board responsibilities and proposed meeting schedule. This section also identifies the ultimate accountability sits with the Board SRO, Richard Hibbert.</p> <p>Section F.1 states Scheme Design will be undertaken by Ringway Jacobs.</p> <p>The structure is considered appropriate for local authority capital delivery and aligns with best practice project management principles.</p>
<b>M2</b>	Does the project programme demonstrate realistic delivery timescales? Does it provide an appropriate level of detail, e.g. in GANTT chart form?	Requirements substantially met	<p>Annex B includes a work programme for the project with key tasks set out against quartiles. The work programme includes a breakdown of key activities such as construction stages, planning and design.</p> <p>A GANTT chart has not been provided as part of this Outline Business Case. It is recommended that upon execution of the Delivery Contract and confirmation of construction delivery milestones, a GANTT chart, could be made available to the C&amp;W LEP to improve the level of programme information available. This is not required at this stage.</p>
<b>M3</b>	Have critical path items and dependencies been clearly identified?	Requirements partially met	<p>The timescales appear realistic, but the programme does not include specific information relating to the critical path or dependencies between activities.</p> <p>Dependencies are noted (not specifically) throughout the Management Case. An example is included as follows:</p> <ul style="list-style-type: none"> <li>The programme includes up to 26 months to deliver the CPO required for Stage 2 prior to construction activities in Q3/4, 2021/22. Given the timescales to deliver the CPO, there is a need to stage deliver of the project which is reflected in the programme.</li> </ul>
<b>M4</b>	Have required statutory powers and consents been identified, including current status and timescales for obtaining these powers if they are not already in place?	Requirements partially met	<p>The Business Case presents a clear understanding of the statutory powers and consents required for the delivery of the project. The score reflects there are a number of outstanding issues to be resolved post this full approval submission. In terms of approvals and consents, the below provides a high-level summary of the key issues:</p> <ul style="list-style-type: none"> <li>Planning application currently being prepared (to be submitted November 2019 – assessment period Q4, 2019/20, Q1, 2020/21).</li> </ul>

Ref	Item	Status	Comments
			<ul style="list-style-type: none"> <li>Land to progress Section 2 requires a CPO. Stage 2 is programmed to commence following the completion of Section 1. The CPO process presents a risk to delivery of section 2 and therefore the potential % contribution towards the scheme costs.</li> <li>Land required for stage 1 is at advanced stage but not yet complete.</li> <li>Housing planning applications for Leighton submitted (currently being considered) – will inform the Section 106 allocations.</li> </ul> <p>A plan is in place with Heads of Terms being finalised for Stage 1 land / CPO process being progressed and commitment to forward fund Section 106 allocations as required.</p> <p>As the consents (i.e. Planning, Heads of Terms, Section 106 agreements, CPO) have not been formally agreed, it is not possible to comment on any conditions attached that may/may not relate to the project.</p> <p>It is recommended that Cheshire East Council confirm to the C&amp;W LEP via ongoing reporting forums once each consent is obtained.</p>
<b>M5</b>	Have details of the reporting, assurance and approval process been provided?	Requirements substantially met	<p>The business case is expected to be progressed in line with the LEP Growth Programme Assurance and Accountability Framework, which applies to all schemes funded through the Local Growth Fund programme.</p> <p>Reporting relationships are demonstrated by the organogram provided in E4: Operational Issues. This includes reference in supporting text that monthly meets take place for the Project Board to discuss scheme progression, including scrutinising various aspects of delivery. The SRO will be responsible for feeding back to the STEPS Programme Board.</p> <p>Internal Cheshire East Council reporting and approvals processes for the Design Contract are anticipated in November 2019.</p>
<b>M6</b>	Has evidence of scheme delivery been provided, to demonstrate that the delivery body has the capability and means to successfully implement the scheme?	Requirements substantially met	<p>The Outline Business Case states Cheshire East Council have proven experience in the delivery of capital and revenue programmes on time and on budget. Evidence of scheme delivery is presented with regard to the £7 million Crewe Green roundabout improvement scheme (completed on schedule and to budget). The scheme shares similarities in regard to delivery of shared cycleways and footways, in addition to crossing points for cyclists and pedestrians. The scheme also included a C&amp;W LEP contribution; highlighting experience delivering schemes via this governance route.</p>

Ref	Item	Status	Comments
M7	Have key risks been identified and are suitable mitigation measures proposed?	Requirements substantially met	<p>Key risks are identified in section E.6 to demonstrate the project is considered low risk. This includes their likely impact and mitigation. The risk register is included at Annex C.</p> <p>The owner of the overall Risk Management Strategy sits with the STEPS Board Chair (section E.6). The Board is identified as forum for discussion of key risks.</p> <p>Section E.6 states the risk register will be monitored as part of the project but provides no timebound measure for this activity. It is recommended that a commitment is made to update the risk register at regular intervals e.g. monthly through to the completion of the project.</p>
M8	Is there a Stakeholder Management Plan that identifies key stakeholders and details how engagement / consultation will be undertaken?	Requirements substantially met	<p>A Stakeholder Plan has been developed for this scheme in line with Council's Standard Practice. The summary of the Stakeholder Plan is provided in Annex E and includes communication time for October/November 2019, covering website/press release/social media/letters and enquiries. Future pre-construction engagement is also forecast for Autumn 2020.</p> <p>The Plan also identifies the key stakeholders based on their requirements, and proposed engagement channel and frequency.</p> <p>The following summarises the engagement activities undertaken to date:</p> <ul style="list-style-type: none"> <li>• Engagement for the LTP in Summer 2018 more broadly for walking and cycling proposals</li> <li>• Engagement with Network Rail regarding tie in at Boudestone Bridge</li> <li>• Engagement with land owners via agents</li> <li>• Engagement with Cheshire East Cycling and Walking Champion</li> <li>• Stakeholder engagement specifically for this project taking place October / November 2019: land owners fronting the proposed route to inform the planning application.</li> </ul> <p>It is recommended the outcomes from planned stakeholder consultation activities in October / November 2019, as well as pre-construction engagement, be made available to C&amp;W LEP through ongoing project reporting activities (when available).</p>
M9	Has a Monitoring & Evaluation Plan been provided that identifies proposed data / performance indicators to monitor against the scheme objectives?	Requirements partially met	<p>A Monitoring and Evaluation Plan is not included within the Business Case. However, Cheshire East Council have committed in Section E.7 to data collection and evaluation. Details in Section E.7 notes that Cheshire East Council has established a mechanism for monitoring and evaluating the outputs, outcomes and monetary benefits resulting from investment across sustainable travel programmes within the local authority. Monitoring and evaluation is undertaken annually by</p>

Ref	Item	Status	Comments
			<p>TRACSIS which is funded from the LTP budget, which is planned to continue over the coming years.</p> <p>Section E.7 identifies automatic traffic counters and feedback from residents and employers as the key data sources to support monitoring and evaluation.</p>
<b>M10</b>	Are there clear proposals to undertake evaluation of the overall effectiveness of the scheme?	Requirements substantially met	<p>As per review question M.9.</p> <p>Cheshire East Council proposes to conduct scheme counts in Summer 2020, including installation of automatic traffic counters on the new route, and surveys with residents and employers for feedback on the scheme.</p> <p>The approach continues monitoring and evaluation activities undertaken annually by TRACSIS for the LTP.</p> <p>The proposals will be funded through the LTP budget. Analysis of overall effectiveness of the scheme, understanding walking and cycling levels post scheme opening, will be conducted on a yearly basis during each Summer period.</p>

