



Wilmslow Cycling and Walking LGF Business Case

Independent Review
Cheshire East Council

October 2019

Quality information

<u>Prepared by</u>	<u>Checked by</u>	<u>Verified by</u>	<u>Approved by</u>
Sam Gibb Graduate Consultant	Katrina Keddie Senior Consultant	Timothy Vincent Principal Consultant	David Arthur Regional Director

Revision History

<u>Revision</u>	<u>Revision date</u>	<u>Details</u>	<u>Authorized</u>	<u>Name</u>	<u>Position</u>
1	30.10.2019	Draft v1	DA	David Arthur	Regional Director

Prepared for:

Cheshire East Council
John Davies
Strategic Infrastructure Manager
6th Floor, Delamere House
Delamere Street
Crewe
CW1 2LL

Prepared by:

David Arthur
Regional Director
T: +44-161-601-1725
M: +44-7795-666-945
E: david.arthur@aecom.com

AECOM Limited
1 New York Street
Manchester
M1 4HD
UK

T: +44 161 601 1700
aecom.com

© 2018 AECOM Limited. All Rights Reserved.

This document has been prepared by AECOM Limited ("AECOM") for sole use of our client (the "Client") in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. No third party may rely upon this document without the prior and express written agreement of AECOM.

Table of Contents

1.	Summary	5
2.	Strategic Case	7
3.	Economic Case.....	11
4.	Financial Case	17
5.	Commercial Case	21
6.	Management Case.....	24

Tables

Table 1: Scheme Details	5
Table 2: RAG Appraisal Criteria.....	5
Table 3: Summary Sheet.....	6
Table 4: Strategic Case Review Summary	7
Table 5: Strategic Case Review	8
Table 6: Economic Case Review Summary	11
Table 7: Economic Case Review	12
Table 8: Financial Case Review Summary.....	17
Table 9: Financial Case Review	18
Table 10: Commercial Case Review Summary	21
Table 11: Commercial Case Review.....	22
Table 12: Management Case Review Summary	24
Table 13: Management Case Review.....	25

1. Summary

AECOM has been commissioned by Cheshire East Council to undertake an independent review of the Wilmslow Strategic 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 Wilmslow Strategic 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

Project Title	Wilmslow Strategic Cycling and Walking Route
Scheme Promoter	Cheshire East Council
Document Reviewed	Outline Business Case
Permission Sought	Full approval
Date of Submission	17 th October 2019
Date of Review	30 th October 2019
Scheme Description	<p>The scheme is a strategic cycling and walking link in Wilmslow. It fills key gaps in the local network to create a coherent route connecting key economic development sites along the Cheshire East Science Corridor including Royal London and Alderley Park, Wilmslow Rail Station and Wilmslow High School.</p> <p>The project will entail:</p> <ul style="list-style-type: none"> • Pedestrian / cycle links between Wilmslow station and Royal London supporting delivery of 1,500 new jobs; and • Providing an improved route from residential areas in Wilmslow to employment locations including Alderley Park and Royal London.

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

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

Table 3: Summary Sheet

Overall Score		Requirements substantially met
Overall AECOM Comments	<p>The Strategic Case largely meets the identified requirements. It 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. Alternative options are assessed against both objectives and delivery criteria.</p> <p>The Financial Case sets out the total cost estimate for the scheme is £950,000 including 15% risk. Cheshire East Council is to provide £50,000 in capital funding (5%), with the C&W LEP to provide 95% via the Local Growth Fund (£900,000). The total C&W LEP contribution for the scheme is above the match funding limits set out in the Assurance Framework. It is noted however that the Cheshire East Council contributions is 42% across the two walking and cycling projects reviewed (North West Crewe and Wilmslow Strategic Cycling and Walking schemes). Therefore, there is a requirement for both schemes to be granted funding approval in order for this project to meet the Assurance Framework guidelines and for the C&W LEP to accept the match funding contribution across both Council schemes. It is understood this approach has been agreed but should be confirmed by the C&W LEP at the P&I Committee.</p> <p>Assuming the above approach is accepted, this limits the financial risk for this project associated with third party match funding; given only £50,000 is required to supplement the C&W LEP Local Growth Fund allocation.</p> <p>The Commercial Case includes a clear procurement strategy with a single procurement route for the delivery of the scheme identified.</p> <p>The Management Case notes the preferred route utilises the highway verge to construct a shared pedestrian and cycle facility and short sections of quiet residential streets, and as a consequence there are limited constraints on delivery. The delivery structure proposed is considered appropriate for a scheme of this type and size.</p>	
Benefit to Cost Ratio (BCR)	<p>A VfM statement has been included in the Economic Case (<i>Section C4</i>). This presents a BCR of 3.38 within the Base Scenario and a Low Scenario sensitivity test which generates a BCR of 2.73. Therefore, both scenarios result in a BCR which reflects High VfM according to DfT criteria.</p>	

2. Strategic Case

Table 4: Strategic Case Review Summary

Overall Score		Requirements substantially met.
AECOM Comments	<p>Questions within the Strategic Case are mostly well answered.</p> <p>The Strategic Case includes an assessment of alternative options and recommendation for the preferred scheme. The assessment is set out within the context of local, regional and national policy and existing and future problems in the area to demonstrate the need for intervention. 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>It is recommended that detailed design drawings be made available (at appropriate time) to confirm the scope to be procured.</p>	

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 brief description of the scheme which is a strategic cycling and walking link in Wilmslow. The scheme will fill a gap in provision in Wilmslow and contribute to a coherent walking and cycling network, connecting Wilmslow railway station, residential areas and key employment sites such as the Royal London development area.</p> <p>Figure 1 illustrates the proposed route within the context of wider links, employment and residential sites. Figure 2 demonstrates how the scheme will connect to an existing route to Alderley Park. Photographs are also provided in Figure 3 and Figure 4 which illustrate the existing walking and cycling provision and add further context to the scheme.</p> <p>Section A.10 demonstrates how the scheme aligns to national, regional and local policies, as well as the priorities of the C&W LEPs Strategic Economic Plan. By improving sustainable connectivity in the area and access to the labour market, the scheme aims to contribute to the Cheshire Science Corridor and TfN's West and Wales Strategic 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. At the local level, the scheme will support the Royal London Local Plan employment site and Wilmslow Neighbourhood Plan.</p>
S2	Have the problem(s) the scheme will be addressing been clearly identified?	Requirements fully met.	<p>The Strategic Case provides a detailed summary of the problems that the Scheme will address in sections B.1 and B.2. A range of evidence is provided in relation to socio-economic, transport and development constraints already existing within the area and that will occur in the future. Problems include:</p> <ul style="list-style-type: none"> • Access to employment opportunities; • Low levels of physical activity amongst residents; • Poor air quality; • Congestion on the highways network; and • Dominance of car travel amongst residents. <p>The Strategic Case then demonstrates how the scheme will help to address the identified problems.</p>
S3	Is there a set of specific, measurable, achievable, realistic, time-bound (SMART) objectives	Requirements substantially met.	<p>The Business Case identifies the following five project objectives in section A10:</p> <ol style="list-style-type: none"> 1. To support existing businesses such as Royal London and employers at Alderley Park and unlocking additional jobs; 2. To encourage active travel and an increase in physical activity;

Ref	Item	Status	Comments
	for the scheme to address the problem(s) identified?		<p>3. To improve access to schools and education; 4. To create safe routes for non-motorised users; and 5. To improve air quality and the environment within Wilmslow.</p> <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> <p>The scheme objectives are largely consistent with the Crewe scheme providing an opportunity to create a consistent programme of monitoring activities to demonstrate success.</p>
S4	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"> • Supporting growth and economic strength; • Ensuring accessibility to services; • Protecting and improving our environment; and • Promoting health, wellbeing and physical activity. <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>
S5	Have any interdependencies which may affect the delivery of the scheme been identified?	Requirements substantially met.	<p>No interdependencies have been identified in the main Business Case. However, in Annex D Alternative Options Appraisal (Technical Feasibility), it is noted that the preferred option is subject to land owner agreements and environmental constraints. Further clarity could be provided in the Business Case about these constraints and how they could affect the delivery of the scheme. The Business Case notes the scheme primarily utilises existing highway verge and short sections of quiet residential streets.</p>
S6	Have relevant studies and technical work that has informed the development of the scheme been identified?	Requirements fully met.	<p>Section E1 outlines the work that has taken place to date, including:</p> <ul style="list-style-type: none"> • Feasibility and scheme option development; • Costings for the scheme development; • Progression of designs; and • Progression through Cabinet for permission to construct and deliver.

Ref	Item	Status	Comments
			The detailed documentation for the above activities is not currently appended to the business case.
S7	Have any links with other schemes been articulated and how they benefit each other?	Requirements fully met.	<p>A range of links have been made to other relevant schemes in the area. The Strategic Case outlines how the scheme will connect to the existing cycle route to Alderley Park to the south, with the potential for future routes to connect northwards to Manchester Airport Enterprise Zone and Handforth Garden Village. This contributes to an integrated walking and cycle network that will encourage users.</p> <p>The planned Royal London employment development will deliver 1,500 new jobs at the site which will create significant demand for travel. The scheme aims to encourage sustainable travel to the site and reduce congestion in the area.</p>
S8	Has there been consultation with stakeholders in the development of the scheme?	Requirements fully met.	<p>The key stakeholders engaged during the development of the scheme are identified in section E.3. Key stakeholders include Ringway Jacobs (Cheshire East Council's highways service provider), Eurovia (construction and scheme delivery), key employers, Cheshire East Council's cycling and walking champion and representatives from local cycling groups.</p> <p>The scheme is included within the Wilmslow Town Delivery Plan and the Local Cycling and Walking Infrastructure Plan (LCWIP), forming part of a wider integrated transport plan for Wilmslow which also strategically links to neighbouring areas. The above plan has previously been consulted upon as part of the Local Transport Plan consultation in Summer 2018 where respondents with an interest in Wilmslow highlighted the importance of sustainable travel links and overcoming barriers to cycling and integration with other modes.</p>
S9	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 B4 with further detail given in Annex D. The table describes the Do Nothing and three Do Something alternatives, including the preferred option. The alternative options have been assessed using a number of criteria, including technical feasibility, value for money, affordability, acceptability and alignment to the LTP objectives.
S10	Have details of stakeholder and public consultation been provided if applicable.	Requirements substantially met.	<p>Section E5 outlines public acceptability of the scheme and comments on stakeholder engagement. The Business Case references public consultation undertaken for the Cheshire East Council's Local Transport Plan which it uses as evidence of public support for active travel modes. A stakeholder engagement exercise will take place prior to the start of works relating to this scheme specifically – summary of the Stakeholder Plan is included at Annex E</p> <p>It is recommended the Stakeholder engagement plan and outcome of any future engagement is made available to the C&W LEP.</p>

3. Economic Case

Table 6: Economic Case Review Summary

Overall Score		Requirements substantially met
AECOM Comments	<p>A VfM statement has been included in the Economic Case (<i>Section C4</i>). This presents a BCR of 3.38 within the Base Scenario and a Low Scenario sensitivity test which generates a BCR of 2.73. Therefore, both scenarios result in a BCR which reflects High VfM according to DfT criteria.</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 – this could be derived from GVA value per worker data 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 Value for Money (VfM) statement has been included in the Economic Case (<i>Section C4</i>). This presents a BCR of 3.38 within the Base Scenario and a Low Scenario sensitivity test which generates a BCR of 2.73. Therefore, both scenarios result in a BCR which reflects High 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"> • An increase / reduction in capital costs; • Level of ongoing costs; • The 'High' scenario within the DfT Local Cycling and Walking Infrastructure Plan to demonstrate potential; and • The proportion of cyclists assumed to use the route. <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 walking 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 approach assumed 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 includes 'Additional trips from new housing' – 12 trips. There is also potential to consider the cycling demand associated with the forecast 1,500 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. The is scope for the application and appropriateness of these values to be further explained with specific reference to the Wilmslow Strategic Cycle and Walking Route.</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"> ▪ Appraisal period; ▪ Scheme opening year; ▪ Assumed change in cycling infrastructure for economic appraisal; ▪ Cycle trip characteristics (i.e. average length of journey and speed); ▪ Proportion using the scheme; and ▪ Annualisation factor. <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>Overall, the use of the AMAT provides reassurance with the mechanism to calculate the PVB.</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 review. The costs are consistent with the capital costs presented in the Financial Case. There are no private sector contributions for this scheme.</p> <p><i>Ongoing and Renewal Costs</i></p> <p>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</p>

Ref	Item	Status	Comments
			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 (OBC). WebTAG advises an optimism bias value of 3% for Stage 3 (FBC). 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	Only the Preferred Option has been appraised quantitatively 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	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. With regards to the non-monetised benefits there is more rationale for how these would be expected to occur.
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 the benefits able to monetised using the AMAT and the 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.
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.

Ref	Item	Status	Comments
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 delivery of 1,500 new jobs and support existing employees. This qualitative assessment that the scheme will support the delivery 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 Wilmslow worker should be stated with clarity about how this has been derived 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 1,500 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 within the centre of Wilmslow, 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	<p>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.</p>
E12	Have key environmental constraints been clearly identified?	Requirements substantially met	<p>The Business Case template does not include a section for environmental constraints. However, there is a reference within Scheme Acceptability (<i>Section E5</i>) that states there will be no significant damage to the local environment:</p>

Ref	Item	Status	Comments
			<p><i>“There will be some limited removal of vegetation, however, the design team are producing plans to minimise impacts and produce a mitigation plan to replace vegetation lost in other locations.”</i></p> <p>It can also be inferred that as the scheme is being built within the existing highway, there are unlikely to be any significant environmental constraints.</p> <p>It is recommended that evidence of plans to mitigate environmental impacts (i.e. vegetation loss) are shared with the C&W LEP when available to confirm the scheme environmental constraints are to be dealt with appropriately.</p>
E13	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
AECOM Comments	<p>The total cost estimate for the scheme is £950,000 including 15% risk.</p> <p>Cheshire East Council is to provide £50,000 in capital funding (5%), with the C&W LEP to provide 95% via the Local Growth Fund (£900,000). The funding from the C&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>An appropriate level of information has been provided to meet the requirements of the application form.</p> <p>Given that the business case form the submission for final approval, it is recommended that Cheshire East Council make available to the C&W LEP via ongoing project reporting forums, the following items, as they are finalised:</p> <ul style="list-style-type: none"> • Target cost confirmation as part of future contracting activities between Cheshire East Council and Ringway Jacobs. <p>Section 151 Officer letter: the business case notes a letter from the Section 151 Officer will be made available to the C&W LEP P&I Committee as part of the submission of the business case. The P&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"> • The total C&W LEP contribution for the scheme is identified at 95%. This is above the match funding limits set out in the Assurance Framework. It is noted however that the Cheshire East Council contribution is 42% across the two walking and cycling projects reviewed (North West Crewe and Wilmslow Strategic Cycling and Walking schemes). Therefore, there is a requirement for both schemes to be granted funding approval in order for this project to meet the Assurance Framework guidelines and for the C&W LEP to accept the match funding contribution across both Council schemes. It is understood this approach has been agreed but should be confirmed by the C&W LEP at the P&I Committee. Assessment of some Financial Case questions would vary if acceptance of both schemes was not agreed. • The financial risks for the North West Crewe Cycling and Walking scheme are set out separately in a separate business case review document. However, these should be considered alongside this scheme given the programme requirement for match funding contribution allocation (i.e. CPO impacts). • Assuming the above approach is accepted, this limits the financial risk for this project associated with third party match funding; given only £50,000 is required to supplement the C&W LEP Local Growth Fund allocation. 	

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&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 and Cheshire East Capital). Of the £950,000 scheme costs, £900,000 is to be funded by the C&W LEP. The C&W LEP contribution is split between 2019/20 (£158,639) and 2020/21 (£741,361).</p>
F3	Have details of key financial risks been provided and is the risk cost allowance robust?	Requirements substantially 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>
F4	Are funding sources to cover the full scheme cost clearly set out?	Requirements fully met	<p>Funding sources to cover the full scheme costs (£950,000) are set out in section D.1. As stated above, the C&W LEP is identified to provide £900,000 via the Local Growth Fund (95%), with the remainder from Cheshire East Capital (£50,000). Given the 95% split of costs to the C&W LEP, there is minimal risk attached to wider funding sources not coming forward and affecting</p>

Ref	Item	Status	Comments
			<p>scheme delivery. It is understood this approach to funding has been agreed between Cheshire East Council and C&W LEP but this should be confirmed by the C&W LEP at the P&I Committee.</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 to the P&I Committee, for this scheme (subject of this review) and the North West Crewe Walking and Cycling scheme, it is considered there is a high level of certainty about the contribution by the C&W LEP via the Local Growth Fund. There is a requirement for both schemes to obtain approval to meet the combined match funding contribution percentage; and should approval be withheld for the North West Crewe scheme, this would present an issue for this scheme.</p>
F5	Is there sufficient evidence to support third party / alternative funding contributions?	Requirements fully met	There are no third-party funding requirements outside of Cheshire East Council’s £50,000 capital allocation. This represents 5% of the costs.
F6	Have the impacts of third party / alternative funding not coming forward been considered?	Requirements fully met	<p>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.</p> <p>The Business Case also states at section D.4 that should there be cost overruns, these will be underwritten by Cheshire East Council.</p> <p>The impacts of this are:</p> <ul style="list-style-type: none"> • A rise in car kilometres for people within this area; • Spending on health and social services would be likely increase as a result of a failure to tackle obesity and low physical activity levels as well as health inequalities arising from traffic emissions and noise levels; • Fewer people would choose to walking and cycle within this area due to quality walking and cycling routes not being in place; and • Inward investment within Wilmslow could reduce as businesses and developers will not perceive the area to have adequate transport links to enable them to operate a financially viable business.

Ref	Item	Status	Comments
F7	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 process for additional funding to supplement Cheshire East Council's existing and future maintenance regimes.
F8	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

<p>Overall Score</p>		<p>Requirements substantially met</p>
<p>AECOM Comments</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"> • Cheshire East Council to project manage the scheme; • Design to be undertaken by Ringway Jacobs (Council Highways Service Operator); and • Construction by Eurovia (procurement via Ringway Jacobs). <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&W LEP via ongoing project reporting forums, the following items, as they are finalised:</p> <ul style="list-style-type: none"> • Evidence of Cabinet paper (anticipated for November 2019) to appoint Ringway Jacobs for detailed design. • Evidence of the Delivery Contract executed with Ringway Jacobs / Eurovia. • Proposed payment mechanisms once the contract has been agreed with Ringway Jacobs / Eurovia. 	

Table 11: Commercial Case Review

Ref	Item	Status	Comments
C1	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 identifies a single procurement route for the delivery of the scheme. The Outline Business Case recommends:</p> <ul style="list-style-type: none"> • Cheshire East Council to project manage the scheme; • Design to be undertaken by Ringway Jacobs (Council Highways Service Operator); and • Construction by Eurovia (procurement via Ringway Jacobs). <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. The business case notes that through the Highways Services contract, Ringway Jacobs are able to design schemes of this value and can also provide construction services through Eurovia. This procurement route is considered appropriate as it will help save time with the procurement process and it will ensure that the work is 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>
C2	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&W LEP via ongoing reporting forums once payment mechanisms have been agreed through the contracting process.</p>
C3	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"> • A Cabinet paper is anticipated for November 2019 for the appointment of Ringway Jacobs to progress design. • Eurovia contract / scoping / mobilisation identified for 2020/21 Q1 / Q2. • Key gateways are identified as:

Ref	Item	Status	Comments
			<ul style="list-style-type: none"> ○ Stage 1: Feasibility and Stage 1 design – March 2019 ○ Stage 2: Detailed design – November 2019 ○ Stage 3: Construction Phase 1 – June 2020
C4	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>It is recommended that Cheshire East Council confirm to the C&W LEP via ongoing reporting forums, any agreed contractual management arrangements formalised in the Delivery Contract (at the appropriate time).</p> <p>Construction timescales are identified as: 2020/21 Q3.</p> <p>Key gateways are identified as:</p> <ul style="list-style-type: none"> ● Stage 1: Feasibility and Stage 1 design – March 2019 ● Stage 2: Detailed design – November 2019 ● Stage 3: Construction Phase 1 – June 2020

6. Management Case

Table 12: Management Case Review Summary

Overall Score		Requirements substantially met
AECOM Comments	<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. A work programme is provided at Annex B.</p> <p>Given this route utilises the highway verge to construct a shared pedestrian and cycle facility and short sections of quiet residential streets, there is identified to be limited constraints on delivery. Furthermore, there is limited removal of vegetation; however, a mitigation plan will be put in place as required.</p> <p>Given this is considered the final approval, it is recommended that Cheshire East Council make available to the C&W LEP via ongoing project reporting forums, the following items, as they are finalised:</p> <ul style="list-style-type: none"> • Outcomes from planned stakeholder consultation activities. • Confirmed construction delivery milestones following agreement with contractor to build on the level of detail currently provided in Annex B. 	

Table 13: Management Case Review

Ref	Item	Status	Comments
M1	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. The delivery structure is consistent with the North West Crewe Walking and Cycling scheme and should offer efficiencies in delivery and project management activities.</p>
M2	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 feasibility and options (complete), Ringway Jacobs design and planning (complete), detailed design, contract scoping and mobilisation, and construction activities.</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&W LEP to improve the level of programme information available. This is not required at this stage.</p>
M3	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>
M4	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 substantially met	<p>No land acquisition requirements are identified within the Business Case.</p> <p>In Annex D Alternative Options Appraisal (Technical Feasibility), it is noted that the preferred option is subject to land owner agreements and environmental constraints. Further detail on the requirements associated with these factors is recommended.</p>

Ref	Item	Status	Comments
M5	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>
M6	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 has 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&W LEP contribution; highlighting experience delivering schemes via this governance route.</p>
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>The risks relate to communications, scope and cost, resourcing etc. and are considered consistent with status by Cheshire East Council that the scheme is low risk.</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 and is included in Annex E.</p> <p>The following summarises the engagement activities undertaken:</p> <ul style="list-style-type: none"> • Engagement for the LTP in Summer 2018 more broadly for walking and cycling proposals; • Engagement with key employers who are supportive (Science Corridor accessibility study);

Ref	Item	Status	Comments
			<ul style="list-style-type: none"> Engagement with Wilmslow Town Council, Neighbourhood Plan Working Group and Cycle Wilmslow; and A stakeholder engagement exercise specifically for this scheme will take place prior to the start of works. <p>It is recommended the outcomes from planned stakeholder consultation activities be made available to C&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.</p> <p>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.</p> <p>Monitoring and evaluation is undertaken annually by 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>
M10	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 propose to conduct scheme counts in Summer 2020, 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>

