

Thames Valley Local Enterprise Partnership

Bill Hicks

Date: 12<sup>th</sup> November 2018



**WOKINGHAM**  
**BOROUGH COUNCIL**

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Place Based Services

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### Winnersh Relief Road – Value for Money Statement

Dear Mr Hicks,

This letter is provided in support of the Business Case produced by Wokingham Borough Council for the Winnersh Relief Road scheme, comprising Phases 1 and 2 and the Lower Earley Way Dualling.

#### Value for money consideration

The value for money assessment has been prepared in accordance with DfT's "Value for money assessment: advice note for local transport decision makers".

A Full Business Case (FBC) has been prepared for the whole Winnersh Relief Road. The initial monetised impacts of the scheme are reported in the Analysis of Monetised Cost Benefits (AMCB) table of the FBC. This also contains an Appraisal Summary Table (AST) which is included in Appendix C of the FBC. Further details, including the FBC are available from the My Journey Wokingham website.

The table below shows summary of the analysis of monetised costs and benefits and the Initial Benefit to Cost Ratio (BCR) for the core scheme scenario.

Item	Value(£'s)
Total Accident Benefits Saved by Scheme	£3,046,700
Greenhouse gases	£460,000
Economic efficiency - consumer users (commuting)	£13,086,000
Economic efficiency - consumer users (other)	£8,915,000
Economic efficiency - business users and providers	£12,581,000
Wider public finances (indirect tax revenues)	-£987,000
<b>Present Value of Benefits (PVB)</b>	<b>£37,101,700</b>
Broad Transport Budget	£13,403,000
<b>Present Value of Costs (PVC)</b>	<b>£13,403,000</b>
<b>Net Present Value (NPV)</b>	<b>£23,698,700</b>
<b>Benefit to Cost Ratio (BCR)</b>	<b>2.768</b>



The above table shows that the Initial BCR of the scheme is 2.768. In terms of the Department for Transport guidance on Value for Money, this investment represents 'High' value for money.

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

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

#### Social and Distributional appraisal

- The impact to Accidents is considered to be **slightly beneficial**
- The impact to Journey Quality is considered to be **slightly beneficial**
- The impact to Security is considered to be **slightly beneficial**
- The impact to Severance is considered to be **neutral**
- The impact to Noise is considered to be **neutral**
- The impact to Air Quality is considered to be **neutral**
- The impact to Strategic accessibility is considered to be **moderately beneficial**

#### Financial Case Consideration

Funding and delivery of this scheme is wholly within Wokingham Borough but is beneficial for the wider economic region, including the Greater Reading Area. The analysis shows that there is high level of commitment from the council and demonstrates that potential risks have been considered and minimised. In this case, all third-party contributions will comprise a mix of Thames Valley LEP funding and funding secured through Section 106 agreement. Furthermore, all arrangements are considered compliant with 'Managing Public Money' and other central government guidance.

The anticipated cost breakdown is set out in the full business case which can be found on line at the following location:

<http://www.wokingham.gov.uk/major-new-roads/winnersh-relief-road/>

#### Certification of the Senior Responsible Officer

I certify the Value for Money Statement provided within this letter to be a true reflection of the work undertaken in preparing the Business Case to progress the Winnersh Relief Road.



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