



Capital Scheme Strategic Business Case

Transport Network Resilience and Management Tools Project

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Introduction

The Strategic Business Case is the first major step in developing a project or programme and is used as an early check by decision-makers to decide whether to invest more resources to develop an Outline Business Case which will present the costs and benefits in more detail. The Outline Business Case will then develop into the Full Business Case for delivery and implementation.

1. Strategic Case – Is there a compelling reason to do this?

1.1 Scheme objective

To ensure the effective delivery of the network functions at times of disruption and to ensure it is resilient to future flooding risks and that diversionary routes are of the best standard possible. Also purchase of new traffic signals and advance warning systems.

In line with the Capital Corporate Strategy agreed by Full Council on 9 February 2017 a Capital Scoring Matrix has been undertaken for this project and is included at Appendix 1 to aid the decision-making process on whether to proceed with this project.

The primary drivers of the project are:

Project Primary Driver (Please indicate all that apply)	Maintaining/Improving service delivery	Cost Avoidance	Cash Savings	Risk Avoidance	Delivering a Piece of Legislation
	X	X	X	X	X

1.2 Key Objectives

The key objectives of the project are to:

Objectives	
Objective 1	Improve access and minimise disruption at times of road closures or incidents.
Objective 2	Improve efficiency, safety and reliability of diversionary routes.
Objective 3	Reduce maintenance demands.
Objective 4	Improve knowledge base using monitoring and modelling to support future interventions, enhancements and business case development.
Objective 5	Provision of new traffic signals and advanced warning systems to reduce traffic congestion.

1.3 Statutory Framework

There is no legislative driver for the project, but it will need to comply with English and European law.

The Council has a number of statutory responsibilities relating to highways management:

- Highways Act 1980.
- Countryside and Rights of Way Act 2000.

- Road Traffic Regulation Act 1984.
- New Roads and Street Works Act 1991.
- Traffic Management Act 2004.

However, within the Highways Act there is no definition on the level of maintenance required and national code of practice provide the standards we adhere to.

1.4 Policy Framework

Corporate Plan

The project supports the following elements of the Corporate Plan:

The project meets the Mayor's ambition of creating a prosperous Torbay as it seeks to promote economic development by improving access to existing parts of Torbay as well as by stimulating new economic opportunities across Torbay and specifically Brixham.

In particular the project will support Targeted Action 2 (Working towards a more prosperous Torbay) in the Corporate Plan of which the following specific actions are relevant:

- Continue delivery of the Local Plan and associated growth.
- Deliver the Corporate Capital Plan.
- Deliver transport improvements around Torquay Gateway.

The project will also underpin the delivery of Targeted Action 4 (Ensuring Torbay remains an attractive and safe place to live and visit) by helping to deliver capital schemes to improve the highways and transport network and be proactive in seeking new funding to improve infrastructure and support the economic growth of Torbay.

Local Transport Plan 2011-2026

The project is also consistent with the aims and objectives of the Devon and Torbay Local Transport Strategy and Plan which was agreed by Torbay's Full Council in April 2011.

Local Plan

The project supports the delivery of the following aspirations in Torbay Council's Local Plan:

- Aspiration 1 - Secure economic recovery and success.
- Aspiration 2 - Achieve a better connected, accessible Torbay and critical infrastructure.
- Aspiration 4 - Create more sustainable communities and better places.
- Aspiration 5 - Respond to climate change.

1.5 Equality, Diversity and Deprivation

As part of the development of the Outline Business Case an Equality Impact Assessments will be undertaken to assess the impacts on a range of groups with protected characteristics and will inform the project as it develops.

1.6 Condition of the asset

Using capital to invest in new infrastructure will reduce the burden on existing maintenance budgets. There are important infrastructure items that will cost significant revenue to maintain but can be modernised and new, more suitable, infrastructure can be installed.

1.7 Scope of Project

The project will consist of the following:

- Schemes to improve efficiency, safety and reliability of diversionary routes, including better equipment, clearer signage, provision of advanced warning notices and design of better diversion routes.
- Use of monitoring equipment and modelling to maximise network operating efficiencies.
- Schemes to improve drainage – such as gully replacement and other work on Occombe Culvert.
- Schemes to ensure the network operates consistently and is adaptable at times of road closures or incidents.

1.8 Benefits, Risks, Dependencies and Constraints

Benefits

The project will seek to deliver the following benefits:

- Ensuring that the network is operating efficiently at all times.
- Ensuring the network is adaptable for times of disruption.
- Providing improved knowledge of the network operations.
- Reducing maintenance costs.

Risks

The project has identified the following key risks which will require management during the project:

- Cost of Solutions – the cost of implementing the identified solution exceeds estimate leading to requirement for additional funds.
- Condition of Asset – the condition of the asset, particularly Occombe Culvert, is worse than anticipated leading to potential increase in time and costs of project.

Each project will produce and maintain a Risk Register to identify, manage and monitor the risks associated with the project.

Dependencies

The key dependencies of the project are as follows:

- The project will need to interact with the Town Centre Regeneration Programme.
- The project will need to interact with the current highway/transport programme such as the Western Corridor Regeneration Project.
- The project will need to take account of potential highway/transport projects such as Health Mobility/Access for All, Rail and Bus Infrastructure and Torquay/Rathmore Road Junction.

Constraints

The project has the following key constraints:

- The financial envelope agreed for the project.
- The law and council's standing orders in relation to the procurement of solutions.
- Torbay's existing transport network.

2. Financial Case – Can we afford to pay for the solution?

2.1 Financial Investment

The project is estimated to cost £250,000.

2.2 Financial Savings

It is anticipated that the project will decrease the amount spent on the current highways maintenance budget and therefore there will be cashable financial benefits in undertaking this project. It is anticipated that there will also be non-cashable benefits and these will be calculated at the outline business case stage.

Officers will continually look for alternative funding mechanisms, particularly Government Grant Funding and Development Contributions. These will often need funding to be matched by the Council's Capital resources, but it will enable delivery of more and higher quality improvements.

2.3 Ongoing financial implications

It is anticipated that there will be ongoing financial obligations in maintaining the new network systems and these will be detailed in the Outline Business Case.

3. Capital Scoring Matrix

3.1 Capital Projects Assessment Criteria

The scheme has been scored using the Capital Projects Assessment Criteria which can be found below:

1 Statutory Status: includes support of a statutory Service requirement		Possible Weightings	
3 points	Meets a specific immediate or forthcoming statutory requirement	factor = x	3
2 points	Meets an underlying statutory duty	Max score	9
1 point	Meets a discretionary requirement		
0 points	no indication of status	Score	9

2 Corporate Plan Priorities			
3 points	Specifically identified in Corporate Plan	factor = x	2
2 points	Identified as a key Project/Activity in the Corporate Plan or directly supports a number of specific outcomes	Max score	6
1 point	Generally supports specific Actions or outcomes		
0 points	Will not deliver any identified outcomes	Score	2

3 Mayoral Promises (per Manifesto)			
3 points	Identified as a specific Action or directly supports a number of specific outcomes	factor = x	1
2 points	Generally supports specific Actions or outcomes	Max score	3
1 point	Broadly related to achieving outcomes		
0 points	Will not deliver any identified outcomes	Score	2

4 Equality , Diversity & Deprivation Issues

3 points	Will achieve improvement in 3 issues	factor = x	1
2 points	Will achieve improvement in at least 1 issue	Max score	3
1 point	Possibility of improvement in at least 1 issue		
0 points	No demonstrated improvement in any issues	Score	1

5 Condition, Health and Safety risk and Strategic Importance of Asset Issues

3 points	Expenditure on asset will reduce impact of 3 issues	factor = x	1
2 points	Expenditure on asset will reduce impact of at least 1 issue	Max score	3
1 point	Expenditure will have a possibility of reduced impact in at least 1 issue		
0 points	No demonstrated impact on any issues	Score	3

6 Outcomes, Added Value, Cross-service benefit

3 points	Good - Large number of beneficiaries / target groups (>25,000)	factor = x	1
2 points	Satisfactory - Significant number of beneficiaries / target groups (10,000-25,000)	Max score	3
1 point	Fair - Reasonable number of beneficiaries / target groups (1,000-10,000)		
0 points	Poor - Few beneficiaries / target groups (<1,000)	Score	3

7 Risk to Community of NOT doing (i.e. identified in Risk Register)

3 points	High Risk (9-16)	factor = x	2
2 points	Medium Risk (5-8)	Max score	6
1 point	Low Risk (1-4)		
0 points	no Risk identified	Score	6

8 Risk of Doing (Can project be delivered?) - achievability, timescale, resources required

3 points	Low Risk (1-4)	factor = x	2
2 points	Medium Risk (5-8)	Max score	6
1 point	High Risk (9-16) with Mitigation		
0 points	High Risk (9-16) with no Mitigation	Score	4

9 Quality of Business Plan

3 points	Option proposed demonstrates a strong case based on full assessment of the options	factor = x	2
2 points	Reasonable case with some assessment of the options	Max score	6
1 point	Basic case presented		
0 points	Weak case with no comparison of options	Score	4

10 Potential to generate future investment return

3 points	Considerable additional net revenue income stream meets both £100k pa and > 25% of project cost)	factor = x	5
2 points	Moderate additional net revenue income stream (meets both £50k - £100k pa and 10-25% of project cost)	Max score	15
1 point	Small additional net revenue income stream (meets both <£50k pa and < 10% of project cost)		
0 points	No potential net revenue income	Score	0

11 Ongoing revenue costs over the life of the asset

2 points	Revenue saving or income exceeds borrowing and running costs	factor = x	2
1 points	Revenue saving or income exceeds running costs	Max score	4
0 points	Additional costs can be met solely from within existing resources		
-2 points	Additional on going resources required over existing budgets	Score	0

12 Specific External resources to support scheme (including Regional funding)

3 points	Specific (ring fenced) funding requires no additional Council funds	factor = x	4
2 points	Specific (ring fenced) funding and requires Council funds of both 10% match funding or up to £250k	Max score	12
1 point	Specific (ring fenced) funding and requires Council funds of both 50% match funding or between £250-500k		
0 points	Specific (ring fenced) funding but requires Council funds of both 75% match funding or > £500k	Score	12

13 Deprivation Critical Factor

1 points	Project is able to reduce the level of deprivation within Bay	factor = x	5
0 points	Project does not impact or has minimal impact on reducing the level of deprivation within Bay	Max score	5
		Score	0

	Max score	81
	Score	46