<table>
<thead>
<tr>
<th><strong>SCHEME NAME</strong></th>
<th>Darlaston Strategic Development Area Access Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LEAD LOCAL AUTHORITY</strong></td>
<td>Walsall MBC</td>
</tr>
<tr>
<td><strong>OTHER PARTNER LAS (IF ANY)</strong></td>
<td>None</td>
</tr>
</tbody>
</table>

### STRATEGIC CASE

#### Problems and Objectives

**Problem**
There is poor traffic access to and through the Darlaston Green area of Walsall, especially for heavy goods vehicles (HGVs). In particular there is poor north-south access (there is one-lane priority working and a 13’9” height restriction under the Walsall Canal in Bentley Mill Way); narrow/weak canal and rail bridges in Bentley Road South (the canal bridge has a 17 tonne weight restriction and the rail bridge is temporarily propped); and poor east-west access.

These problems limit the development of several key employment land sites. The traffic problems in the Darlaston area are exacerbated by the congestion of the local motorway network. In particular, congestion on the M6 motorway between (and around) junctions 9 and 10 mean that traffic to/from the west of the motorway sometimes finds alternative routes through the Darlaston and Pleck areas of Walsall.

**Objectives/Investment aims**
The scheme’s primary objectives are:
- Improve access to existing employment sites in the Darlaston SDA from the strategic road network (motorways and trunk roads) and primary route network (main ‘A’ roads);
- Improve access to new employment development sites in the Darlaston SDA from the strategic road network and primary route network; and
- Enhance safety and capacity at key sections of the highway network, improving traffic movement in and around the Darlaston SDA.

**Options Appraisal**
A range of highways options have been considered during the period 2003 – 2010. Public transport options were not considered as these would not have met the scheme objectives.

The bid states that: “No further low cost alternatives were developed, because the level of option testing over the preceding years was so extensive it that it could be demonstrated that no other viable scheme option was available to explore.”

#### Scope

**Scope of previously proposed scheme (June 2010)**
The scheme will improve four important locations on the local highway network. These are not only in need of significant improvement and modernisation for ‘pure’ transport reasons but also need to be improved as the traffic problems at those locations limit the potential to develop a number of sites. The four locations are:
- Bentley Mill Way
- Bentley Road South
- Darlaston Road-Old Pleck Road (junction of A461 and A4148) or the ‘Brown Lion’
- Bescot Road-Wallows Lane (junction of A4148 and A461)

The DSDA Access Project is a critical component of the overall regeneration strategy for the Darlaston area of Walsall which comprises “over 40ha of developable land” (LEP letter). DSDA has long been a regeneration priority for Walsall Council and its regeneration partners.

**Descoping**
The following descoping has been achieved:
- modified design to Heath Road junction;
- modifications to the vertical alignment and retaining walls (Bentley Road South); and
- modified design to Brown Lion junction.

**Impact on objectives?**

Descoping does not have any significant strategic impact.

### Impact on growth and developments

<table>
<thead>
<tr>
<th><strong>GDP benefits</strong></th>
<th>£0.40 of benefits per £ of public money spent; comprising solely of business user benefits.</th>
</tr>
</thead>
</table>

**Developments**

Ease of access to the DSDA is a key element of the regeneration approach. Four Impact Investment Locations are involved in the regeneration:

- Walsall Waterfront (commercial/residential development);
- Walsall Gigaport (office led development);
- Walsall Strategic Regeneration Framework (residential led regeneration); and
- Darlaston SDA (industrial/employment led regeneration)

Section 3.6 of the Forecasting Report sets out the scheme specific developments that will only go ahead if the scheme is constructed. These are:

- Bentley Mill Way
- Aspect 2000
- Parallel 9/10
- Former IMI James Bridge Copper Works
- National Grid
- Bentley Road South (Site 2)
- Willenhall Road - Garringtons

**No of new dwellings claimed facilitated by scheme**

There are no residential developments directly linked to, or dependent on, the scheme.

**No of Jobs claimed facilitated by scheme**

The promoter claims 1,293 jobs are scheme-dependent. These form part of the total net jobs linked to the Darlaston Enterprise Zone initiative.

**BIS comments**

Significant impact on growth. There was cross-Government support (HMT, DCLG and BIS) for an Enterprise Zone in the Black Country. The Darlaston site is a key part of the EZ.

**What is the status of the planning/development**

The sites mentioned above do not currently have either outline or full planning permission. All of them form part of the Black Country Enterprise Zone which was formally approved by CLG in August 2011. A Local Development Order is due to be presented to Government by April 2012.

### Stakeholder views

**LEP views**

A LEP letter of “strong support” has been provided. Letters of support – and commitments to provide financial contributions – have been sent by Parkhill Reclamation & Regeneration Ltd; European Metal Recycling; J H Holland Ltd and Centro.

**Statutory Bodies**

English Heritage, Environment Agency and Natural England were consulted in 2009 and “had no strong objections”. A further request for comments was sent by the promoter to all three organisations on 12 August but replies had not been received at the time the BAFB was submitted (9 September).

**Previous Correspondence to DfT**

No previous correspondence on this scheme. *Sources: Chapter and scheme file.*

**External Campaigns**

Section 5.1a of the BAFB refers to negative responses to a recent consultation from “a small group of vocal respondents” in relation to Bentley Road South proposals. Further clarification reveals that this relates to complaints from 4 properties west of Bentley Road South about the following impacts of the scheme: increased traffic volume and speed; land acquisition; access to Bentley Road South; and various environmental and aesthetic impacts. Apart from this one opposition group, the scheme enjoys broad support.

**Consultation**

A number of public events were held in September and October 2009. Further consultation took place between 25 June and 19 August 2011. Seven events
were held, letters and questionnaires distributed. Publicity was organised through the local press and the LA's website.

| Consultation responses Oct 2011 | No comments were received. |
| Neighbouring authorities | Centro supports the scheme and is providing a significant financial contribution. |

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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Traded Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-traded sector</td>
<td>390tCO2e</td>
<td>640tCO2e</td>
<td>640tCO2e</td>
<td></td>
</tr>
</tbody>
</table>

Over the 60-year appraisal period the scheme is forecast to increase carbon emissions by 7,700tCO2e. This figure is based on the change in carbon emissions in the scheme opening year because of issues with how the model captures increases in overall traffic levels resulting from reductions in journey times.

**STRATEGIC CASE: SUMMARY**

Development of key employment sites is being held back by out-dated highways infrastructure and poor access. The scheme will improve four important locations in the Darlaston Strategic Development Area, contributing towards the overall regeneration of over 40 hectares of developable land and generating approx 1,300 jobs. The Darlaston site is itself a key part of the Black Country Enterprise Zone. There is strong support for the scheme from the LEP and local businesses and other stakeholders – with only very localised objections from a very small number of residents.
Economic Case

Scheme Name | Darlaston Strategic Development Area Access | Date | 12/12/11

Economic Summary

<table>
<thead>
<tr>
<th></th>
<th>Core</th>
<th>Adjusted</th>
<th>Value for Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>PV Benefits (£m)</td>
<td>31.5</td>
<td>32.4</td>
<td></td>
</tr>
<tr>
<td>PV Costs (£m)</td>
<td>20.2</td>
<td>20.2</td>
<td></td>
</tr>
<tr>
<td>BCR</td>
<td>1.6</td>
<td>1.6</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Assumptions

The benefits have been estimated using a highway model which does not adequately reflect all the likely responses to changes in travel times and costs, particularly the generation of induced traffic. Therefore the benefits presented above are based on those forecast for the opening year, extended over the 60-year appraisal period. The factors used to convert modelled hours to the whole year have been adjusted to better reflect benefits in peak shoulder periods and a 10% uplift to benefits has been applied to account for benefits in weekend and offpeak periods. Optimism bias has been applied at 44%, the standard rate for a scheme at Programme Entry.

Key Risks, Sensitivities, and Uncertainties

The opening year benefits-based approach is likely to be conservative, especially as the case for requiring the modelling to include induced traffic generation was marginal. The promoter's forecasts suggest that congestion is not too severe in 2015 but is forecast to worsen significantly by 2030. Basing the BCR on opening year benefits excludes benefits from higher levels of congestion in the future and if these forecasts were used the scheme would offer high value for money (BCR=2.6 without adjustments for annualisation). The scheme is expected to offer additional benefits from improved reliability, dependent developments and regeneration. However, the information required to assess these benefits has either not been provided or is not of sufficient quality for inclusion. The assessment of medium value for money is therefore likely to be conservative; most of the uncertainty points towards an increase in benefits but insufficient information is available to robustly assess all of the possible impacts. There are no significant negative non-monetised impacts so the likelihood of low value for money is low but cannot be entirely ruled out because of the scale of modelling uncertainty.

Impacts | Adjusted BCR Monetised Impacts
---|---
Reliability | The promoter expects a slight positive impact from the new link road and junction improvements but no supporting evidence was provided.
Wider Impacts | £0.9m; 10% of the net business impact to represent the higher value of increased output in imperfectly competitive markets. In addition, the promoter expects the scheme to improve accessibility but did not analyse the scale of improvement or the impact on productivity or labour markets.
Landscape | There is no impact due to the scheme’s urban location and mainly on-line nature.
Journey Quality | Improved crossings and pavements for pedestrians and views for road users; reduced frustration and fear of accidents. Moderate beneficial
User benefits and accessibility improvements distributed unevenly with greatest positives experienced by more deprived groups and in the latter case, children, older people, BME groups and disabled people.

Impacts | Positive Non-Monetised Impacts
---|---
Journey Quality | Improved crossings and pavements for pedestrians and views for road users; reduced frustration and fear of accidents.

Impacts | Negative Non-Monetised Impacts
---|---
Noise and air quality impacts are distributed unevenly with greatest negatives experienced by most deprived groups and children.

Reduction in benefits required for medium vfm | N/A
Probability | N/A
**FINANCIAL CASE**

<table>
<thead>
<tr>
<th>Basic Financial Summary</th>
<th>Total Cost</th>
<th>DfT contribution</th>
<th>LA contribution</th>
<th>Third Party contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>%</td>
<td>£m</td>
</tr>
<tr>
<td>Previous cost (June 2010)</td>
<td>30.4</td>
<td>27.4</td>
<td>90%</td>
<td>3.0</td>
</tr>
<tr>
<td>Currently proposed cost (BAFB)</td>
<td>25.9</td>
<td>14.3</td>
<td>55%</td>
<td>10.6</td>
</tr>
<tr>
<td>%Change (June 10 to BAFB)</td>
<td>-15%</td>
<td>-48%</td>
<td>+248%</td>
<td>-</td>
</tr>
</tbody>
</table>

**Overall scheme costs**

- Savings from June 10 to BAFB: £4.5m savings achieved through descoping (described above) and also through value engineering (£0.475m).
- Pre-Jun 2010 movement in costs: No significant descoping/cost reduction prior to June 2010. Previous bid document (PE) was submitted in March 2010.
- Base cost of the scheme: A clear detailed breakdown of the base cost of the scheme is provided in Appendix 4.1 (September 2011).
- Inflation: Inflation assumptions are set out in section 4.1 of the BAFB. A rationale for these assumptions was provided in response to a clarification question and this appears reasonable.
- Risk: £3.141m has been allowed for risk. A QRA (dated 16 August 2011) has been provided. The QRA items appear reasonable although the risk allowance has been calculated from P80 – see below.
- Adjustments made by DfT: We have reduced the risk figure from the P80 to the P50 in line with other schemes. This means a reduction of £0.729m and a revised scheme total of £25.908m.

**Sources of funding (and risks)**

- Third Party funding: Main additional funder (£5.665m) is Centro (WM public transport authority) but as a LA transport concern it does not qualify as a third party funder. Other funding comes from local businesses (see above) and letters of confirmation have been provided. No other potential contributors have been identified. Centro’s contribution to the scheme was confirmed at a meeting of the Integrated Transport Authority Urgency Sub-Committee on 7 September 2011.
- LA contribution: Maximum LA contribution (based on base costs) including the Centro contribution is £11.6m which represents 10% % of Centro’s total IT block for SR period.
  - £1.2m has already been funded from LA’s Transport Capital programme.
  - £1.484m will come from the IT Block. £2.98m will be funded from an “internal loan” at 0% interest and re-paid from future IT block. Cabinet approvals are in place confirming these arrangements.
  - If third party funding is not forthcoming, the LA will fund the shortfall from its Capital Programme. The LA also acknowledges that it will be responsible for any cost overruns.
- Ongoing costs: n/a

**FINANCIAL CASE: SUMMARY**

The promoter has reduced scheme costs by making changes to road and junction designs and through value engineering. By significantly increasing local contributions (which have been secured), the promoter has reduced the DfT contribution from £27.4m to £14.3m – a 48% reduction.

**Recommended conditions of approval (if any):** None
<table>
<thead>
<tr>
<th>COMMERCIAL CASE</th>
<th>Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging of procurement of capital elements</td>
<td>Packaged into elements reflecting the fact that advance works have already been done, street lighting is being delivered through PFI and Network Rail has agreed to procure the rail bridge.</td>
</tr>
<tr>
<td>Type of procurement</td>
<td>Existing Framework (for works up to £40m) incorporating Early Contractor Involvement for the main construction element of the scheme. To ensure that the overall construction programme is kept to an absolute minimum, Walsall Council decided to allocate a portion of its Capital Programme to construct advance works at Bentley Road South Canal Bridge (£1.2m). This work was tendered separately to the main Framework Agreement to allow work to commence in May 2009.</td>
</tr>
<tr>
<td>Procurement Route</td>
<td>See above.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement of bus/tram/rail services</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMMERCIAL CASE: SUMMARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>The promoter is adopting a package approach, reflecting the fact that advance works have already been done, street lighting is being delivered through PFI and a rail bridge is being procured by Network Rail. The main construction works will be delivered through an existing Framework Agreement incorporating Early Contractor Involvement.</td>
</tr>
</tbody>
</table>

**Recommended conditions of approval (if any):**
None
MANAGEMENT CASE

<table>
<thead>
<tr>
<th>Est Start Date</th>
<th>Apr 2013</th>
<th>Percentage of DfT funding in Spending Review period</th>
<th>86%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Est Completion Date</td>
<td>June 2015</td>
<td>Percentage of DfT funding in Spending Review period</td>
<td>86%</td>
</tr>
</tbody>
</table>

**Timetable and milestones (inc opening date etc)**

Scheme milestones are clear and the timings look reasonable. There is a bunching of milestones in March 2013 (confirmation of orders; complete procurement; and full approval submission to DfT) which the LA acknowledges will be challenging but they are aiming to deliver to a strict timetable in order to:

- ensure that their use of the contractor falls within the Framework Agreement period in place (2009-13);
- adhere to the timetable for rail possessions and rail bridge demolition; and
- deliver the scheme within the SR period.

**Track Record on recent major schemes (and any others known e.g. CIF)**

Not known.

**Governance**

There is a named SRO (Mike Tichford) and Project Manager (jointly assigned to Stuart Everton and Matt Crowton).

Roles/responsibilities are clearly set out.

A project board is in place and appears to have adequate representation.

The SRO “will be empowered to take full control of the project, making decisions … without having to seek full Cabinet approval.” If the scheme is approved, this delegated authority will be considered at a Cabinet meeting in January 2012.

There appears to be adequate resource devoted to scheme.

**Dependencies**

The scheme is not significantly dependent on any other project going ahead.

**Statutory Permissions**

Planning consent is required. The scheme requires land and CPO is required. Statutory Orders are due to be published in Feb 2012.

**Stakeholders/Opposition**

See consultation above. Stakeholders were included in the recent consultation exercise.

**Risks**

Biggest risks, based on the promoter’s risk assessment, are:

- performance of statutory undertakers causes delays (likelihood 90%; delay 16 weeks; mitigated by early works where possible and development of Utility Service Diversion Management Plan);
- unanticipated remedial works at James Bridge Aqueduct (likelihood 15%; delay 24 weeks; mitigated by information sharing, planned maintenance and regular progress meetings with British Waterways);
- railway track possessions are not met by contractor or are changed at short notice by Network Rail (likelihood 30%, delay 5 weeks; mitigated by involvement of NR in procurement of works); and
- unforeseen mine shafts require removal of contaminated fill material (likelihood 30%, delay 4 weeks; mitigation by further site investigation).

If all risks materialise, the maximum delay is 24 weeks.

No key risks or risk areas appear to have been ignored or underestimated.

**Project Assurance**

Scheme is below threshold for Gateway Reviews. It is unclear whether such reviews or any other form of project assurance has been carried out or is planned.

**Evaluation/Benefits Realisation**

LA is planning to undertake pre- and post-scheme opening monitoring reports only. A total of £65,000 has been allocated for this work and will be met from Council funds. The costs have been excluded from the total scheme cost in the BAFB.
The promoter has set itself a challenging delivery timetable to ensure that they adhere to the scheduled timetable for rail possessions and rail bridge demolition and that their use of the contractor falls within the agreed period of their Framework Agreement. The scheme requires planning and CPO consents. Work is scheduled to start in April 2013 and complete in June 2015.

Recommended conditions of approval (if any):
None
<table>
<thead>
<tr>
<th>Impacts</th>
<th>Summary of long-term impacts</th>
<th>Assessment</th>
<th>Obstacles</th>
<th>Monetary (MVP)</th>
<th>Distributed Impact of measures (MVP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Business &amp; Economic activities</td>
<td>The scheme produces positive benefits in economic terms as it results in the reduction of travel times and the improvement of road capacity, which benefits businesses and the local economy.</td>
<td>Value of traffic time changes, TEP, TEP2</td>
<td>NA</td>
<td>0.99 M</td>
</tr>
<tr>
<td>Environment</td>
<td>Resilient on Quality of Life</td>
<td>The scheme will help mitigate the problems associated with traffic congestion and air pollution, leading to an improvement in the quality of life for residents.</td>
<td>Quality of life, health benefits</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Health</td>
<td>Accessibility</td>
<td>The scheme improves accessibility for people by providing better connectivity and reducing travel times.</td>
<td>Access, travel time savings</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Social</td>
<td>Safety</td>
<td>The scheme enhances safety for road users by reducing the risk of accidents and improving visibility.</td>
<td>Safety improvements</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

**Key Findings**

- The scheme is expected to provide significant benefits in economic, environmental, and social terms.
- The potential for environmental benefits is high, particularly in terms of reduced air pollution and noise levels.
- The scheme is expected to improve the quality of life for residents, particularly in terms of accessibility and safety.
- The scheme is expected to provide significant safety improvements for road users, particularly cyclists and pedestrians.

**Conclusion**

The scheme is recommended for implementation due to its potential for significant benefits in economic, environmental, and social terms. Further analysis is recommended to refine the cost-benefit analysis and ensure the scheme is sustainable in the long term.