

18 Business case Addendum Report.

# A259 Corridor Improvements Transport Business Case Addendum Report



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31<sup>st</sup> July 2019

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## 1. Introduction

- 1.1. This report has been produced as an addendum to the original Business Case referenced WSP document 11581046 dated November 2015.
- 1.2. The scheme budget has increased since the original business case was produced, and therefore it has been necessary to update the economic case for the scheme to the latest figures.

## 2. Economic case

- 2.1. The scheme cost estimate has increased from £15.3m to £25.8m.
- 2.2. As a result of the increase in cost the Benefit to Cost Ratio (BCR) has reduced from 16 to 5.9:

Table 1

<b>Scheme:</b>	<b>J5-6 &amp; J9-11</b>
Present Value of Benefits (PVB)	113,212,000
Present Value of Costs (PVC)	19,268,000
Net Present Value (NPV)	95,144,000
Benefit to Cost Ratio (BCR)	6

- 2.3. The BCR of 6 continues to represent 'very high value for money' as rated with in the DfT 'Value for Money' Framework Box 5.1

## 3. Financial Case

- 3.1. The original scheme cost estimate was £15.3m made up of £14.7m scheme cost plus £0.5m scheme preparation costs.
- 3.2. The revised cost estimate for the scheme is £25.8m, which unlike the previous business case includes all scheme preparation costs.
- 3.3. The Financial case in the original report provides a detailed cost estimate and a breakdown of how the scheme will be funded.
- 3.4. The sources of funding for the increase cost of the scheme are yet to be approved and will be the subject of a forthcoming key decision report to the Cabinet Member for Highways and Infrastructure.

Produced : David Lambert

Signed:

A handwritten signature in black ink, appearing to be 'DL' or similar initials.

Date: 31/07/2019