South East Local Enterprise Partnership Transport Business Case

1. Project Overview

1.2 Project Name

M2 J5 Improvements

1.3 Project Type

Road

1.4 Federal Board Area

Kent and Medway

1.5 Lead County Council/Unitary Authority

Kent County Council

1.6 Development Location

M2 Junction 5, Stockbury, Kent

1.7 Project Summary

The scheme consists of a major junction improvement at the junction of the A249 with the M2 (Junction 5). The A249 is a road managed by the Local Authority carrying substantial vehicle volumes and serving strategic traffic and links the two major economic hubs of Maidstone and Sittingbourne. It is a key link between the M2 and M20 motorways for traffic heading from the Midlands and North to the Channel ports. The A249 leads to the Port of Sheerness at its easternmost extent.

An improvement scheme at this junction was a commitment in Highways England's Road Investment Strategy 1 (RIS1) and consequently Highways England held a public consultation on scheme options in September 2017. An at grade 'hamburger' roundabout junction was promoted as the only option within budget that met the scheme objectives (Option 12A). However, Kent County Council (KCC) and other stakeholders (the local MP, Maidstone and Swale Borough Council, and the Local Enterprise Partnership (SELEP)) all stated a preference for the discounted option (Option 4), including a flyover arrangement to permit free-flow on the A249. This would unlock future housing and employment growth, as well as provide additional safety benefits (the junction is one of the top 50 national casualty locations on Highways England's network).

Consequently, Highways England reviewed Option 4 and produced a revised scheme (Option 4H1) that meets the RIS1 objectives, increases safety benefits, and ensures free-flow on the A249. The scheme represents very high value for money with a Benefit to Cost Ratio (BCR) of 3.5 and was the subject of the Department for Transport's (DfT) Preferred Route Announcement; however, it remains above the allocated budget.

The estimated total scheme cost is £94.5m and there remains a funding gap of £20m of which £17.5m has been sought from the National Roads Fund in a bid made earlier this year to the DfT for initial Major Road Network (MRN) scheme funding. The outcome of this funding bid to the DfT is expected in 2020/2021. SELEP would be demonstrating its commitment to supporting Option 4H1, by providing £1.6m of funding as a contribution to the funding gap and thus complete the funding package to enable the delivery of this junction upgrade.

1.8 Delivery Partners

Partner	Nature of involvement (financial, operational etc.)
Highways England	Financial, project management and constructing the improvements
SELEP	Financial
Local contribution	Financial

1.9 Promoting body

Kent County Council alongside Highways England

1.10 Senior Responsible Owner (SRO)

[redacted]

1.11 Total project value and funding sources

Funding source	Amount (£)	Constraints, dependencies or risks
LGF3B	£1.6m	
Local contribution	£0.9m	
National Roads Fund (bid to DfT for early entry into MRN programme)	£17.5m	A bid has been submitted to the DfT – awaiting decision on funding.
RIS 1	£74.5m	
Total project value	£94.5m	

1.12 SELEP funding request, including type (LGF, GPF etc.)

£1.6m of LGF is sought from SELEP to overcome the funding gap.

The provision by public authorities of 'general' infrastructure, such as the building of roads that are open to the public and which are not to be commercially exploited, has been held by the EU Commission not to constitute State Aid.

In this regard the infrastructure is provided for general use as opposed to a dedicated purpose, benefiting no specific user and not favouring one undertaking in competition

with other undertakings, consequently there is no selectivity and the project will not constitute State Aid.

1.13 Exemptions

N/A – Although the full scheme is being promoted by Highways England who are currently developing a Business case which may be submitted at a later stage. There is a possibility that the review of this business case may require a value for money exemption in line with the SELEP Assurance framework (2017).

1.14 Start date

The scheduled construction start date is January 2021 and the completion date is January 2023.

1.15 Project development stage

Project development stages completed to date			
Task	Description	Outputs achieved	Timescale
Initial public consultation launched and completed	Highways England publicly consulted on options for improvements to the M2 J5 and promoted Option 12A	Non-statutory public consultation	October 2017
Preferred Route Announcement	Due to a strong objection to option 12A in the public consultation, Highways England announced the new alternative option 4H1	Preferred Route Announcement (PRA)	May 2018
Consultation on Statutory Orders	A public consultation was held on Side-Roads Orders, Compulsory Purchase Orders and Environmental Orders	TBC	July 2019
Project development stages to be completed			
Task	Description		Timescale
Start of construction			Jan 2021
Completion date			Jan 2023

1.16 Proposed completion of outputs

See above in Table

2 Strategic Case

2.1 Scope / Scheme Description

The scheme consists of a major junction improvement at the junction of the A249 with the M2 (junction 5). The image below shows the existing junction layout. The A249 is on the Department for Transport's (DfT) indicative Major Road Network (MRN), as a road managed by the Local Authority carrying substantial vehicle volumes and serving strategic traffic. It is a key link between the two motorways (M20 and M2) for traffic heading from the midlands and north to the channel ports, and the A249 leads to the Port of Sheerness at its easternmost extent (which is part of the Strategic Road Network or SRN). Furthermore, the A249 links the two major economic hubs of Maidstone and Sittingbourne.

Existing junction layout

Source: M2 J5 Expression of Interest

There is a significant level of traffic flow at this junction, which is expected to rise with the opening of the new Lower Thames Crossing and forecast growths of 5% per year at the ports. High levels of housing and employment growth planned for the areas adjacent to the junction are also going to exacerbate congestion at the junction, meaning Kent County Council (KCC) must appropriately accommodate for this growth.

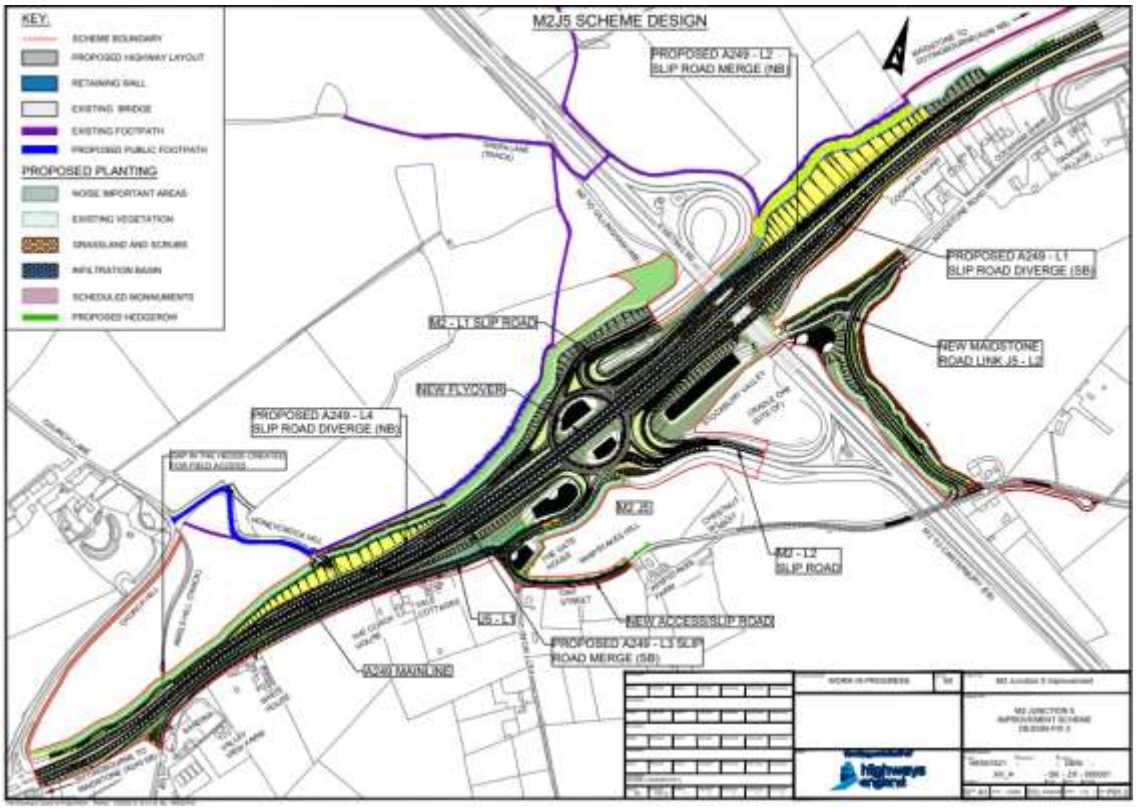
An at grade 'hamburger' roundabout junction was promoted at public consultation as the only option within budget that met the scheme objectives (Option 12A). However, KCC and other stakeholders (the local MP, Local Planning Authorities, and the Local Enterprise

Partnership) all stated a preference for a discounted option (Option 4), including a flyover arrangement to permit free-flow on the A249. This would unlock future housing and employment growth, as well as provide additional safety benefits (the junction is one of the top 50 national casualty locations on Highways England's network).

Consequently, Highways England reviewed Option 4 and produced a revised scheme (Option 4H1) (see Figure below) that meets the Road Investment Strategy 1 (RIS1) objectives, increases safety benefits, and ensures free-flow on the A249.

The estimated total scheme cost is £94.5m and there remains a funding gap of £20m of which £17.5m has been sought from the National Roads Fund in a bid made earlier this year to the DfT for initial MRN scheme funding. The outcome of this funding bid to the DfT is expected in 2020/2021. SELEP would be demonstrating its commitment to supporting Option 4H1, by providing £1.6m of funding as a contribution to the funding gap and thus complete the funding package to enable the delivery of this junction upgrade.

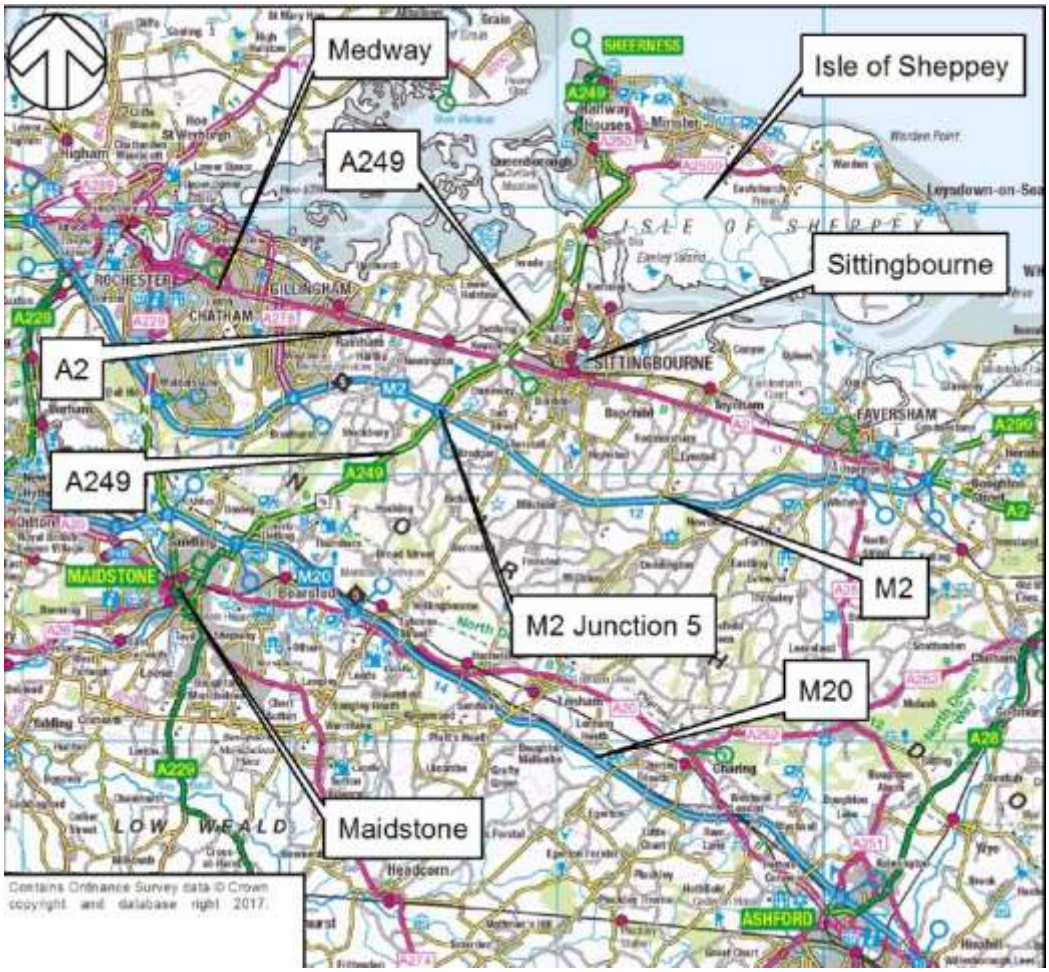
Details of the major junction improvement scheme at M2 Junction 5 (new preferred Option 4H1)



2.1 Location Description

M2 Junction 5 is approximately 58 kilometres from the centre of London, with the built-up area of Sittingbourne approximately 5 kilometres north west of the junction. The area is largely open countryside, with areas of woodland close to the motorway slip roads. The open countryside areas are given over to grassland and arable farmland. There is a line of properties located to the north of the M2 (Danaway), adjacent to the A249 boundary. There are also several isolated properties to the south of the M2 Junction 5 / A249 Stockbury Roundabout, around the Oad Street junction.

M2 Junction 5 location



Source: M2 J5 Business Case

The A249 intersects the M2 at Junction 5 and forms part of the strategically important corridor linking Dover with London. The M2 Junction 5 / A249 Stockbury Roundabout has been identified to have capacity and network performance issues, in terms of both M2 east-west movements on and off the M2 mainline and A249 north-south Sittingbourne / Maidstone movements.

The M2 Junction 5 / A249 Stockbury Roundabout is the main access point for people travelling northeast to Sittingbourne, the Isle of Sheppey and the Port of Sheerness and southwest to Maidstone and surrounding villages. The junction serves a population of at least 142,400 (Swale Borough) and 164,500 (Maidstone Borough) and a large number of businesses in Kent and Medway, including many in the freight and logistics sector.

The A249 is a strategically important link between the M2 and M20 corridors used to re-route traffic when there is disruption on one corridor, be it a road accident, planned road closures or Operation Stack. The A249 and M2 J5 is the route that freight traffic bound for the Port of Dover will be directed to use to transfer from the M20 to the M2 (and then along the A299) if Manston Airport is used as part of Operation Stack. Use of 'Manston Stack' is part of the current traffic management plan when there is disruption at the

Channel ports and is also part of the Brexit contingency plans if there is disruption due to a No-Deal Brexit scenario. Use of the A249 and M2 J5 for this purpose will put further pressure on this junction.

The demand for use of the A249 and this junction will increase further once the Lower Thames Crossing is opened. Traffic using the new Lower Thames crossing will likely divert via the A249 or A229 when travelling between the Eurotunnel and the North and Midlands.

2.2 Policy Context

National: Improvements to M2 Junction 5 are in The DfT's and Highways England's Road Investment Strategy (RIS 1) 2015-2020 and the scheme is partly funded.

Regional: The Shadow Sub-National Transport Body (STB) Transport for the South East (TfSE) support the scheme as the Shadow Board endorsed the bid for the gap funding to the DfT for early entry into the Major Road Network (MRN) programme through the National Roads Fund.

Regional: SELEP's Strategic Economic Plan (May 2014) lists M2 Junction 5 as a priority scheme to enable growth.

Local: Improvements to this junction are a strategic priority in Kent County Council's (KCC) Local Transport Plan 4: Delivering Growth without Gridlock (2016-31).

Local: The Kent and Medway Growth and Infrastructure Framework (GIF) forecasts that between 2011 and 2031 the authorities of Swale, Maidstone, Medway and Canterbury will collectively deliver an increase of 65,800 homes and 59,000 jobs. Improvements to this junction are essential to enable delivery of this growth.

Local: Swale Borough Council's Local Plan. Funding has been sought through the Housing and Infrastructure (HIF) Forward Fund for the two other key junctions on the A249 (SRN section, north of M2 Junction 5). This will enable the delivery of new homes and jobs in the recently adopted Swale Local Plan. However, this could in turn cause further congestion at the A249 junction with the M2 (Junction 5), therefore this scheme is needed to deliver Swale Borough Council's Local Plan.

2.3 Need for Intervention

The M2 Junction 5 / A249 Stockbury Roundabout cannot currently cope with existing traffic flows. In the peak periods, there are high levels of congestion and delay on the A249 southbound (towards Maidstone), northbound (towards Sittingbourne) and on the approaches to the junction and on the exit slip road from the M2 westbound (towards Stockbury Roundabout). The revised scheme will reduce delays and relieve congestion, meaning people will have quicker and more reliable journeys.

Congestion is expected to worsen in the future due to planned development and population growth. The Kent and Medway Growth and Infrastructure Framework (GIF) forecasts that between 2011 and 2031 the combined Districts of Swale, Maidstone, Medway and Canterbury will collectively deliver an increase of 65,800 homes and 59,000

jobs over the 20-year period. This scheme will therefore support housing growth improve access to employment sites by allowing Swale's Local Plan to be delivered.

This junction is one of the top 50 national casualty locations on England's major A roads and motorways. There were 111 personal injury accidents between January 2011 and December 2015 and nearly half occurred during morning and evening peak periods.

People currently use rural roads to avoid the congestion, putting undue pressure on local roads not suited to large volumes of traffic and increases safety risks. The junction of Oad Street and the A249 has a history of accidents as people use this route as a cut through and therefore the closure and relocation of the junction of Oad Street as part of this scheme will improve safety at the junction. With the current levels of congestion, traffic is diverting from the junction and using alternative rural routes, putting pressure on these local roads that are not suited to large volumes of traffic. Such local roads are more likely to be used by cyclists.

The volumes using the route will increase with the opening of the new Lower Thames Crossing in 2026 as the A249 will be used to route significant traffic volumes between the M2/A2 and M20/A20 corridors. Traffic from the Channel ports will likely route via either the A249 or A229 to the Lower Thames Crossing and onward to the Midlands and the North.

In addition, the Channel ports are forecasting significant growth of around 5% per annum, and as such, the need for resilience between theses corridors linking the Channel ports to the rest of the UK will be further increased. The A249 is also part of the Strategic Road Network linking the Port of Sheerness, which is also forecasting significant growth.

Finally, there are high levels of car use in the area and there are currently no significant plans to improve bus or rail services either between Sittingbourne/Sheppey and Maidstone or between the Medway towns and Sittingbourne/Sheppey.

2.4 Sources of Funding

The forecasted cost of the preferred Option 4H1 is £94.5m.

The majority of the funding for the M2 J5 improvements scheme is coming from Road Investment Strategy (RIS1) which allocated an original budget of between £50-£100m towards the scheme. The M2 J5 scheme has since been allocated £74.5m from this RIS1 budget.

A bid has been submitted to the National Roads Fund, which is a bid to DfT for early entry into the MRN programme. An amount of £17.5m has been submitted by the shadow sub-national Transport Body (STB) Transport for the South East (TfSE). Whilst the funding is not yet secure, Highways England are currently progressing with scheme delivery under the assumption that confirmation of this funding will be provided. Should the MRN bid be unsuccessful Highways England will look at other ways the scheme can be made affordable.

There will be a local contribution of £2.5m including £1.6m of contributions from the Local Growth Fund 3b to overcome the funding shortfall.

KCC have explored the possibility of obtaining local developer contributions through S106 contributions from local housing sites coming forward. This however has not been successful as most of the housing in Swale's Local Plan is dependent on the Key Street and Grovehurst junctions off the A249 (SRN) being upgraded. Funding has been sought through the Housing and Infrastructure Fund (HIF) Forward Fund for these two key junctions on the A249. Developer contributions have therefore been prioritised to contribute to the upgrade of these junctions.

2.5 Developer contributions to Junction 5

Through the planning process it has been clearly established that there is a need for large scale, strategic highway improvements to be provided in advance of delivering much of the planned housing. This has been confirmed by both KCC as the Local Highway Authority and Highways England and includes improvements to Junction 5, the Key Street and Grovehurst Junctions on the A249 and the A2500 on the Isle of Sheppey. However, through both Swale Borough Council's viability testing of the Local Plan and through developers own viability appraisals it is clear that for the developments with a dependency upon these junction improvements, it is not possible to fund the considerable cost of investment required at theses junctions.

The Councils Local Plan Viability testing (2015), submitted to the Local Plan enquiry, shows that of the four distinct value areas identified in the Borough, Sittingbourne and in particular the Isle of Sheppey show the most challenging viabilities for residential development. The viability assessment shows that in Sittingbourne and in Sheppey, when accounting for other necessary costs, there is no scope to secure contributions for Junction 5 of the M2. Where contributions are possible these will be required for other essential community benefits (e.g. education, social services etc.) with an element required to contribute to other highways improvements required by both KCC as the Local Highway Authority and by Highways England to support the performance and safety of the Strategic Road Network (A249). These include improvements at the Key Street and Grovehurst Junctions at Sittingbourne and to the A2500 on the Isle of Sheppey, which themselves have a combined cost of £38.1m.

Highways England are currently putting Grampian Conditions on planning applications impacting upon M2 J5 and are only allowing a proportion of development to come forward prior to the M2 J5 improvement scheme being delivered. This brings about major concerns regarding Swale BC's Local Plan delivery and limits the delivery of 2,271 dwellings being brought forward between 2019 and 2022.

2.6 Impact of Non-Intervention (Do nothing)

Without the intervention of the measures to improve the M2 Junction 5, congestion on the approaches to and through the junction, will continue and become exacerbated by future traffic growth. Growth Plans, as set out in the Local Economic Partnerships' Strategic Economic Plan, are likely to be inhibited by a lack of capacity at this junction.

Without intervention, the following issues would include:

During peak hours, queueing on all approaches of the junction would continue. This is both a safety and capacity concern.

Local commuters, residents and businesses would suffer with increasingly longer unreliable journey times.
The Strategic Network would fail to support the newly adopted Swale Local Plan, in which over 14,000 dwellings and 130,000m^2 for employment purposes are proposed.
The traffic volumes using the route will also increase with the opening of the new Lower Thames Crossing in 2027, creating a new strategic route across the River Thames from the Port of Dover to the Midlands and the North.

Market conditions are still likely to change regardless of with or without any intervention, and so the scheme options should try to address forecasted market conditions to accommodate these as best as possible.

2.7 Objectives of Intervention

Project Objectives

Objective 1: Support housing growth and improve access to new or existing employment sites
Objective 2: Relieve congestion
Objective 3: Improve access to gateways (ports and airports)
Objective 4: Safe and serviceable network
Objective 5: More free-flowing network
Objective 6: Accessible and integrated network
Objective 7: Improved environment

Problems or opportunities the project is seeking to address

Problem / Opportunity 1: Future congestion worries
Problem / Opportunity 2: Currently one of the top fifty national casualty locations on Highways England's major 'A' roads and motorway.
Problem / Opportunity 3: Unreliable journey times
Problem / Opportunity 4: Strategic Network not resilient enough

	Problems / opportunities identified in Need for Intervention section			
	Problem / Opportunity 1	Problem / Opportunity 2	Problem / Opportunity 3	Problem/Opportunity
Objective 1	0	0	✓	✓✓
Objective 2	✓✓✓	✓✓	✓✓✓	✓✓
Objective 3	✓✓	0	✓✓	✓✓
Objective 4	✓	✓✓✓	✓	0
Objective 5	✓✓✓	0	✓✓	✓✓

	Problems / opportunities identified in Need for Intervention section			
Objective 6	✓	0	✓	✓✓
Objective 7	✓✓	0	0	0

2.8 Constraints

The estimated total scheme cost is £94.5m, leaving a funding gap. £17.5m has been sought from the National Roads Fund for the initial MRN funding. The outcome of this funding bid made to the Department for Transport (DfT) is expected in 2020/2021.

2.9 Scheme Dependencies

Highways England will use their 'Routes to Market' framework to procure the scheme.

The scheme links with the HIF proposals for Swale on the A249 – Groveshurst, Keycol junctions, and KCC and Highways England have committed to look at joint delivery options.

The scheme will be delivered under the Highways Act 1980. A Development Consent Order (DCO) will not be required as KCC will adopt some of the new link roads associated with the scheme.

Highways England are currently progressing with scheme delivery under the assumption that funding will be provided. Should the MRN bid be unsuccessful, Highways England will explore other ways of making the scheme affordable.

2.10 Scheme Benefits (including wider economic benefits)

The scheme is expected to have large scale benefits, to both the SRN and MRN and enable housing and employment growth in Sittingbourne, the Isle of Sheppey, Maidstone, Canterbury and Medway. Collectively, this will help to deliver an increase of 65,800 homes and 59,000 jobs.

Improved journey times on both the SRN and MRN are expected as a result of a reduction in delays and congestion from the scheme's impact. This is particularly important with the opening of the new Lower Thames Crossing and consequent creation of a new strategic corridor from the Port of Dover to the midlands and the north. Network resilience, especially in terms of access to international gateways (ports), will be enhanced by this scheme.

Improving the junction is expected to improve safety for all road users as currently this junction is one of the top fifty national casualty locations on England's major 'A' roads and motorways. There were 111 personal injury accidents between January 2011 and December 2015 of which nearly half occurred during morning and evening peak periods.

The scheme is also expected to improve the safety for cyclists, pedestrians and disabled people. By accommodating for higher levels of traffic, traffic should be less likely to divert onto local roads, making them more accessible and safer for cyclists to use. In conjunction with the scheme, Highways England intend to improve facilities for pedestrians, cyclists and other non-motorised users.

2.11 Key Risks

Highways England will use their 'Routes to Market' framework to procure the scheme, making it susceptible to any changes in this framework. The scheme links with the Housing Infrastructure Front (HIF) proposals for Swale on the A249 - Grovehurst and Keycol junctions. Kent County Council and Highways England are currently looking at joint delivery options.

3. Economic Case

The Economic Case provides evidence of how the scheme is predicted to perform, in relation to its stated objectives, identified problems and targeted outcomes. The Economic Case determines if the proposed M2 Junction 5 improvement scheme is a viable investment, describing the common appraisal criteria and assumptions used to determine the scheme's economic worth and value for money (VfM).

This report has been based on the Kent County Council (KCC) Business Case, Economic Assessment Report (EAR) and the Expression of Interest for the M2 Junction 5 scheme.

2.12 Options Assessment

2.13 Long list of options considered:

Option 4 - A249 flyover / fly-under with free-flow links to / from A249. Junction at existing location.

Increased capacity through additional free flow links and prioritised through movements. Shows improved benefits when applied to the alternate scenario, suggesting that this option can accommodate the increased traffic demand that is likely to result from the Swale, Maidstone and Medway Local Plans. Noticeable accident savings are achieved, with the expected number of collisions reduced by 800 to 1200 over the lifetime of the scheme. The scheme will therefore deliver a safer and more secure junction to all road users. Improved journey times are expected as a result of the scheme. The reduction in congestion is expected to reduce the impact of the M2 and A249 on the local environment.

Option 10 – Conventional three-tier intersection with a new junction under the M2 viaduct, and free-flow links to / from A249.

Increased capacity through additional free flow links and prioritised through movements. Shows improved benefits when applied to the alternate scenario, suggesting that this option can accommodate the increased traffic demand that is likely to result from the Swale, Maidstone and Medway Local Plans. Noticeable accident savings are achieved, with the expected number of collisions reduced by 800 to 1200 over the lifetime of the scheme. The scheme will therefore deliver a safer and more secure junction to all road users. Improved journey times are expected as a result of the scheme. The reduction in congestion is expected to reduce the impact of the M2 and A249 on the local environment.

Option 12 – At-grade (low cost) option. Maintains a similar layout to the existing Stockbury Roundabout but provides slip arrangements and free flow links for the following traffic movements: M2 eastbound to A249 northbound; A249 northbound to M2 eastbound; and A249 southbound to M2 westbound.

Increased capacity through additional free flow links and prioritised through movements. Shows improved benefits when applied to the alternate scenario, suggesting that this option can accommodate the increased traffic demand that is likely to result from the Swale, Maidstone and Medway Local Plans. Noticeable accident savings are achieved. The scheme will deliver a safer and more secure junction to all road users. Improved journey times are expected as a result of the scheme. The reduction in congestion is expected to reduce the impact of the M2 and A249 on the local environment.

Option 12a – Refinement of Option 12 to include a hamburger arrangement (through movement in centre of the roundabout for A249 traffic).

Increased capacity through additional free flow links and prioritised through movements. Noticeable accident savings are achieved, with the expected number of collisions reduced by 800 to 1200 over the lifetime of the scheme. The scheme will therefore deliver a safer and more secure junction to all road users. Improved journey times are expected as a result of the scheme. The reduction in congestion is expected to reduce the impact of the M2 and A249 on the local environment.

Option 4H – A reduced cost version of Option 4. Existing roundabout replaced with a new grade-separated interchange, with free-flowing movement provided on the A249 under the junction. Additional free-flow links are included for the A249 northbound to M2 eastbound and A249 southbound to M2 westbound. Local road connectivity is provided via a connection between Maidstone Road and Oad Street, with a connection provided to the Stockbury interchange.

Increased capacity through additional free flow links and prioritised through movements. Shows improved benefits when applied to the alternate scenario, suggesting that this option can accommodate the increased traffic demand that is likely to result from the Swale, Maidstone and Medway Local Plans. More free-flowing network which will reduce congestion and improve journey times. Noticeable accident savings are expected. The reduction in congestion is expected to reduce the impact of the M2 and A249 on the local environment.

2.14 Options assessment:

Option 4 was originally discounted due to its affordability.

Option 12 is considered the 'Do Minimum' or 'low cost' option; while it does not meet stakeholder expectations, it does meet the Road Investment Strategy (RIS) commitment.

Option 12a was promoted at Highways England's public consultation. However, Kent County Council (KCC), the local MP, Local Planning Authorities and South East Local Enterprise Partnership (SELEP), expressed substantial concerns over this design and the need for a flyover/grade-separated junction to relieve congestion and enable future housing and employment growth. There were also safety concerns with the initial proposed option as reducing the number of accidents is a scheme objective.

Following these objections from local stakeholders, Highways England reviewed the rejected flyover option presented during the public consultation (Option 4), to determine if there were opportunities to reduce the cost of this option. Option 4H arose as a result, which has higher safety benefits than Option 12a and costs less than Option 4.

2.15 Short list of options:

During the Stage 0 and 1, the long list appraisal was carried out using critical success factors and qualitative assessment. See the stage 1 Business Case for more details.

In Stage 2, the assessment process used the outputs from the M2 Junction 5 Base and Forecast models, derived from a local cordon of the South East Regional Transport Model, to calculate scheme benefits using TUBA (Transport User Benefit Appraisal) and COBALT (Cost and Benefit to Accidents – Light Touch). All four options (Opt 4, 10. 12 and 12a) were tested using the 2021 and 2041 NTEM (National Trip End Model) central growth forecasts, core scenario, and an alternate growth scenario incorporating planned developments over and above the core scenario assumptions within the Swale, Maidstone and Medway Local Authority areas.

The preferred Option 4H, emerged following public consultation and feedback from stakeholders.

2.16 Preferred Option

Option 4H is a two-tier interchange that sees the existing roundabout replaced with a new grade-separated interchange, with free-flowing movement provided on the A249 under the junction. Additional free-flow links are included for the A249 northbound to M2 eastbound and A249 southbound to M2 westbound. Local road connectivity is provided via a connection between Maidstone Road and Oad Street, with a connection provided to the Stockbury interchange.

Option 4H was designed following Highways England's public consultation which expressed the need for a flyover / grade-separated junction, such as that in Option 4. Option 4 was deemed to be too expensive and so Option 4H was developed as a lower cost version, whilst maintaining the benefits of Option 4, fulfilling the recommendations from stakeholders.

The key benefits of Option 4H1 (scheme design shown are outlined below:

Existing roundabout replaced with a new grade-separated interchange, a flyover, to provide free-flowing movement on the A249.

Two new dedicated free-flowing slip roads: a left turn for traffic travelling from the A249 southbound to the M2 westbound and a left turn from the A249 northbound to the M2 eastbound.

The existing connection from the Maidstone Road to the A249 Stockbury Roundabout to be closed, and Maidstone Road to be re-routed to link with Oad Street.

The existing junction of Oad Street with the A249 to be closed. A new link to be provided south of the existing Oad Street to connect directly with the A249 Stockbury Roundabout.

The Honeycrock Hill junction with the A249 to be closed for safety reasons.

2.17 Assessment Approach

A SATURN model based on Highways England's South East Regional Transport Model (SERTM) was built for the purpose of option testing, economic and environmental assessment.

A Base Year 2015 model was developed and was used to develop the Reference Case model for producing Variable Demand and traffic forecast models. Two forecast growth assumptions were considered: core and alternative, in line with WebTAG guidance. The core scenario reflects national DfT forecast projections (TEMPRO). The alternative scenario takes account of supply and demand uncertainties in the core scenario assumptions, in particular for Maidstone, Medway and Swale Local Plans, which result in significantly higher levels of demand compared to the core scenario.

The appraisal of economic elements associate with the scheme was undertaken using DfT's standard appraisal software: TUBA 1.9.9 and COBALT 2013. Both appraisals compared the 'with' and 'without' scheme scenarios over a 60-year appraisal period, in accordance with WebTAG.

The SATURN model used in the economic assessment is a highway assignment model and so therefore does not include public transport modes. The scheme is not expected to impact any rail nor bus modes. Therefore, public transport was not developed as part of the assessment of the scheme and public transport benefits are not included in the overall economic assessments.

2.18 Economic Appraisal Inputs

[Please provide details of key appraisal inputs, those which are different to the inputs defined in WebTAG A.1.1 (in terms of demand, user benefits, non-user benefits, revenue, capital costs, renewal costs and operating costs) as per the table below (expand as appropriate).]

Appraisal Inputs	Details
Demand	M2J5 has traffic demand exceeding junction capacity resulting in inefficient network performance
Non-user benefits	[redacted]
Revenue	[redacted]
Capital Costs	[redacted]
Renewal Costs	[redacted]
Operating Costs	[redacted]

2.19 Economic Appraisal Assumptions and Results

The table below shows the key inputs and sources of data that were used to undertake the appraisal of the proposed scheme. These are inputs that are different to the inputs defined in WebTAG A1.1 (in terms of demand, user benefits, non-user benefits, revenue and capital costs).

Appraisal inputs

Appraisal Assumptions	Details
WebTAG version	WebTAG July 2017 – as per the version used in the EAR
Opening Year, Final Modelled Year and Appraisal Duration	Opening year: 2021 Final modelled year: 2041 Appraisal duration: 60 years
Price Base/GDP Deflator	Taken from WebTAG databook July 2017
Real Growth (i.e. above CPI or below)	Taken from WebTAG databook July 2017
Discounting	WebTAG requires discounting to be applied at a rate of 3.5% per year for 30 years and 3.0% thereafter
TUBA Version	TUBA version 1.9.9
COBA-LT Version	COBA-LT 2013.2

	£m PV (2010)
Costs	
Capital Costs	[redacted]
Renewal Costs	[redacted]
Operating Costs	[redacted]
Benefits	
Journey Time Benefits	[redacted]
Highway Externalities (noise, local air quality, greenhouse gases, accidents)	[redacted]
Revenue (consumer users, consumer users -commuting, business users and providers and wider public finances)	[redacted]
Indirect Tax	[redacted]
Appraisal	
Present Value of Costs (PVC)	[redacted]
Present Value of Benefits (PVB)	[redacted]
Net Present Value (NPV)	[redacted]
Benefit Cost Ratio (BCR)	[redacted]

2.20 Sensitivity Tests

The table below shows the AMCB table for the sensitivity test carried out. Considering the results presented it can be said that the analysis is acceptable as the PVB and BCR are similar to the results obtained within the core scenario.

	£m PV (2010)
Sensitivity Test 1	*[Description]*
Present Value of Costs (PVC)	[redacted]
Present Value of Benefits (PVB)	[redacted]
Net Present Value (NPV)	[redacted]
Benefit Cost Ratio (BCR)	[redacted]

2.21 Environmental Impacts

The table below shows the impacts of the proposed scheme on the environment. It must be noted that a monetary assessment has been completed for noise, air quality and greenhouse gases. All other environmental impacts have not yet been assessed at this stage. Table 4 7 (Appraisal summary table) provides more details on the impact of the scheme on the environment.

Environmental Impact	Assessment
Noise	[redacted]
Air Quality	[redacted]
Greenhouse Gases	[redacted]
Landscape	[redacted]
Townscape	[redacted]
Heritage	[redacted]
Biodiversity	[redacted]
Water Environment	[redacted]

2.22 Social Impacts

The table below shows the impacts of the proposed scheme on social indicators. It must be noted that a detailed social impacts assessment has not been undertaken.

Social Impact	Assessment
Accidents	[redacted] - There is a significant reduction in the number of collisions and casualties saved as a result of the scheme.
Physical Activity	Neutral - The proposed scheme is not expected to impact pedestrians or cyclists and so the impact on physical activity is limited.
Security	Neutral - It is assumed that the scheme will not have a significant impact on security.
Severance	Slight Beneficial - Local roads will benefit from increased connections following the implementation of the scheme. There will be minimal other changes to severance otherwise.
Journey Quality	Beneficial - Journey quality will be improved due to the reduction in congestion, improvements in safety surrounding the junction and a more free-flowing and resilient road network.
Option values and non-use values	Neutral - The proposed scheme does not substantially change the availability of transport services within the local area.
Accessibility	Slight Beneficial - Improved access to gateways, such as ports and airports, will arise. In terms of improved access to other services, the impact will be minimal.

Social Impact	Assessment
Personal Affordability	Beneficial - The scheme is likely to provide congestion relief for road users due to the improved road conditions and resilience of the network. This is likely to result in a fuel cost saving. [redacted]

2.23 Distributional Impacts

The table below shows the impacts of the proposed scheme on distributional impact indicators. It must be noted that a detailed distributional impacts assessment has not been undertaken. The DataShine Census database has been used at a high level to understand and help estimate the expected impacts. Specifically, the following Census data has been used:

Households by deprivation dimensions
Car or van availability (No cars or vans in household)
Long term health problem (Day to day activities limited a lot)
Percentage aged 65 and over
Percentage aged 14 and under

Distributional impacts assessment

Distributional Impact	Assessment	Qualitative Statement
Accidents	Beneficial	There is a significant reduction in the number of collisions and casualties saved as a result of the scheme. Alleviating congestion at an important intersection with create benefits on the wider network therefore likely positively impacting vulnerable groups in the area.
Security	Neutral	It is assumed that the scheme will not have a significant impact on security.
Severance	Slight Beneficial	Local roads will benefit from increased connections following the implementation of the scheme as a result of a reduction of congestion. There will be minimal other changes to severance otherwise. This is likely to equally impact vulnerable groups in the area.
User Benefits	Large Beneficial	Commuters and Other users are expected to benefit as a result of the scheme, due to a freer flowing road network and reduced congestion, particularly at peak times. This is likely to equally impact vulnerable groups in the area.
Air Quality	Slight Adverse	There is an expected negative impact on air quality from the increase in traffic

Distributional Impact	Assessment	Qualitative Statement
		passing through the junction, even though the network will be more free flowing. This is likely to impact the vulnerable groups in closer proximity to the junction.
Noise	Slight Beneficial	A longer-term improvement in the level of noise is expected. This is likely to have a greater impact on the vulnerable groups in closer proximity to the junction.
Accessibility	Slight Beneficial	Improved access to gateways, such as ports and airports, will arise. In terms of improved access to other services, the impact will be minimal. This is likely to equally impact vulnerable groups in the area.
Personal Affordability	Beneficial	The scheme is likely to provide congestion relief for road users due to the improved road conditions and resilience of the network. This is likely to result in a fuel cost saving. [redacted]

2.24 Wider Impacts

The wider economic impacts have not been considered at this stage.

Highways England will use their 'Routes to Market' framework to procure this proposed scheme and the scheme is likely to be delivered under the Highways Act 1980. A Development Consent Order (DCO) will not be required as KCC will adopt some of the new link roads associated with the scheme.

The M2 junction 5 improvements link with the HIF proposals for Swale on the A249 – Grovehurst, Keycol junction, and KCC and Highways England have committed to look at joint delivery options.

2.25 Value for Money

The M2 junction 5 proposed scheme is expected to greatly improve journey times and safety around the junction and on the wider network for all users by significantly reducing delays and congestion experienced therefore making the network much more resilient. The proposed improvements will also help to assist future housing plans in the area and provide much needed improvements to a key freight corridor.

As presented in this economic case, the proposed scheme is forecast to be successful. [redacted] This generates a BCR of 3.5 which, as per the DfT Value for Money Framework, is categorised as high value for money. A BCR of 3.5 suggests that for each pound of Broad Transport Budget expenditure, £3.5 of benefit to public value is expected to be generated.

Inserted below are the Transport Economic Efficiency and Public Accounts Tables. These will provide more detail of the benefits and costs that are being generated because of the scheme. An Appraisal Summary Table (3-11) has also been completed and inserted which provides a summary of all indicators that have been assessed quantitively and qualitatively.

Transport economic efficiency table

Transport Economic Efficiency (in £m)	
Economic Efficiency: Consumer Users (Commuting)	[redacted]
Economic Efficiency: Consumer Users (Other)	[redacted]
Economic Efficiency: Business Users and Providers	[redacted]

Public accounts table

Public Accounts (in £m)	
Revenue	[redacted]
Operating Costs	[redacted]
Investment Costs	[redacted]
Developer and Other Contributions	[redacted]
Grant/Subsidy Payments	[redacted]
Indirect Tax Revenues	[redacted]
Broad Transport Budget	[redacted]
Wider Public Finances	[redacted]

Appraisal summary table

AST			Qualitative	Monetary £m (PV)
Economy	Business users & transport providers	Business users are expected to benefit as a result of the scheme, due to a more free flowing road network, reduced congestion and improved access to gateways.	Large Beneficial	[redacted]
	Reliability impact on Business users	The reduction in congestion and greater availability of route options to key areas as a result of the scheme will be expected to improve journey time reliability for Business users.	Beneficial	[redacted]
	Regeneration	It is assumed that the scheme will not have a significant impact on regeneration within the area.	Neutral	[redacted]
	Wider Impacts	The scheme is likely to generate productivity impacts from businesses and individuals relocating to the areas surrounding the scheme, as a result of the improved connections to gateways and improvement in journey quality. Government income is also likely to benefit from the scheme through workers being encouraged into the workforce from the reduced congestion.	Beneficial	[redacted]
Environmental	Noise	A longer term improvement in the level of noise is expected.	Slight Beneficial	[redacted]
	Air Quality	There is an expected negative impact on air quality from the increase in traffic passing through the junction, even though the network will be more free flowing.	Slight Adverse	[redacted]
	Greenhouse gases	There is an expected negative impact from greenhouse gases from the increase in traffic passing through the junction, even though the network will be more free flowing.	Slight Adverse	[redacted]
	Landscape	The area surrounding the junction is mostly countryside and so any landscape impacts will affect very few people. If there are any impacts, one of the scheme objectives is for the design to reflect the landscape and so these impacts will be addressed and accounted for.	Neutral	[redacted]
	Townscape	It is assumed that the scheme will not have a significant impact on the existing townscape, due to the junction being surrounded mostly by countryside and woodland.	Neutral	[redacted]
	Historic Environment	It is assumed that the scheme will not have a significant impact on the existing historic environment.	Neutral	[redacted]
	Biodiversity	It is assumed that the scheme will not have a significant impact on the existing biodiversity.	Neutral	[redacted]
	Water Environment	It is assumed that the scheme will not have a significant impact on the existing water environment.	Neutral	[redacted]
Social	Commuting and Other users	Commuters and Other users are expected to benefit as a result of the scheme, due to a more free flowing road network and reduced congestion, particularly at peak times.	Large Beneficial	[redacted]

	Reliability impact on Commuting and Other users	The reduction in congestion as a result of the scheme will be expected to improve journey time reliability for Commuting and Other users.	Beneficial	[redacted]
	Physical activity	The proposed scheme is not expected to impact pedestrians or cyclists and so the impact on physical activity is limited.	Neutral	[redacted]
	Journey quality	Journey quality will be improved due to the reduction in congestion, improvements in safety surrounding the junction and a more free flowing and resilient road network.	Beneficial	[redacted]
	Accidents	There is a significant reduction in the number of collisions and casualties saved as a result of the scheme.	Beneficial	[redacted]
	Security	It is assumed that the scheme will not have a significant impact on security.	Neutral	[redacted]
	Access to services	Improved access to gateways, such as ports and airports, will arise. In terms of improved access to other services, the impact will be minimal.	Slight Beneficial	[redacted]
	Affordability	The scheme is likely to provide congestion relief for road users due to the improved road conditions and resilience of the network. This is likely to result in a fuel cost saving. [redacted]	Beneficial	[redacted]
	Severance	Local roads will benefit from increased connections following the implementation of the scheme. There will be minimal other changes to severance otherwise.	Slight Beneficial	[redacted]
	Option and non-use values	The proposed scheme does not substantially change the availability of transport services within the local area.	Neutral	[redacted]
Public Accounts	Cost to Broad Transport Budget	[redacted]	Not assessed	[redacted]
	Indirect Tax Revenues	[redacted]	Not assessed	[redacted]

4. Commercial Case

Highways England are unable to disclose certain commercially sensitive information; therefore, a light tough approach has been adopted for this SOBC.

4.1 Procurement Options

[redacted]

4.2 Preferred Procurement and Contracting Strategy

See Option 1 above.

4.3 Procurement Experience

Highways England have a wealth of procurement experience on other projects in the county including M20 Junction 10a and M20 J3-5 Smart Motorway.

4.4 Competition Issues

Highways England will assess competition issues as part of their scheme.

4.5 Human Resource Issues

Highways England will assess human resource issues as part of their scheme.

4.6 Risk and Mitigation

It is expected that many of the design risks will only be able to be resolved through rigorous design and review processes, once the design options are clear and scope of planning requirements, environmental requirements and statutory services issues are fully identified, the primary risks will be related to construction. There is potential for transferring these risks through the construction procurement process. This will be explored further as the scheme progresses.

4.7 Maximising Social Value

KCC includes Social Value as a requirement in all procurement exercises, and this encourages bidders to bring added value to Kent if successful in the tender process. KCC will ensure that a similar approach is taken during the procurement process, with this forming part of the scoring process. KCC will therefore work with Highways England to maximise social value.

5. Financial Case

Highways England are unable to disclose certain commercially sensitive information; therefore, a light tough approach has been adopted for this SOBC.

5.1 Total project value and funding sources

The total project value is £94,500,000.

Match funding for the project includes:

- Highways England's Road Investment Strategy (RIS1) has committed funding of £74.5m for the scheme.
- 'National Roads Fund' bid of £17.5m has been made to the DfT for early entry into its Major Road Network (MRN) programme. The outcome of this funding bid to the DfT is expected in 2020/2021.
- There will be a £2.5m local contribution to the scheme including £1.6m from SELEP.

5.2 SELEP funding request, including type (LGF, GPF etc.)

£1,600,000 of LGF is sought for the project.

5.3 Costs by type

The £1.6m will be spent before 2020/21. The cost estimates (broken down by spend per year) are not currently known by Highways England. Highways England's expenditure will be outlined and broken down in the full business case which is not yet ready.

5.4 QRA

To Follow – requested from Highways England. Will be supplied separately.

5.5 Funding profile (capital and non-capital)

This expenditure forecast, and funding profile is not yet known by Highways England as they have not finalised their full business case or decided within which years the monies will be spent. The LGF3B and Swale Borough Council contributions would be spent by 2020/21.

Funding source	Expenditure Forecast							
	17/18 £000	18/19 £000	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £000
LGF				1.6				
Local contribution				0.9				
DfT MRN funding			?	?	?			
HE RIS1 funding	?	?	?	?	?			
Total funding requirement					94.5			

5.6 Funding Commitment

Highways England has committed £74.5m of Road Investment Strategy funding to the scheme, however the whole scheme cost is £94.5m meaning there is a funding gap of £20m. £17.5m has been sought from the National Roads Fund in a bid made earlier this year to the DfT for initial MRN scheme funding. The outcome of this funding bid to the DfT is expected late in 2020/2021. The remaining shortfall is sought from local contributions including £1.6m from SELEP.

5.7 Risk and Constraints

The project is influenced by a number of uncertainties with risk impacting on the programme and potentially on the options being considered. The risks are managed internally within Highways England via monthly updates to the risk register.

6. Management Case

Highways England are unable to disclose certain commercially sensitive information; therefore, a light tough approach has been adopted for this SOBC.

6.1 Governance

Highways England's have their own governance procedures separate to KCC. However, KCC have set up a clear and robust structure to provide accountability and an effectual decision-making process for the management of the LEP funded schemes.

The table provides an outline of the overall governance structure implemented to manage the delivery of each scheme.

KCC LGF Meeting Governance Diagram

6.2 Approvals and Escalation Procedures

The project is an integral part of the RIS programme, which comprises a portfolio of projects for the delivery of Highways England, more specially, the Regional Investment Programme South team. On a project level, the following structure is in place;

Organisation Structure at Highways England

6.3 Contract Management

This will be undertaken between Highways England and their selected contractors.

6.4 Key Stakeholders

A Communication Plan has been developed setting out the approach to engagement and communication with stakeholders. The plan describes the communication objectives, the key messages the stakeholders need to know about the scheme and the channels in which to convey messages to stakeholders. A Communications Planner is also included detailing the activities which have taken place with statutory and non-statutory stakeholders during this stage.

The key stakeholder groups of the project include the individuals that comprise the:

• Project team and the significant engineering discipline areas responsible for, for example, the design and commercial aspects of the work. The individuals will obviously change as the project progresses through each Stage.

• Highways England technical support groups and senior decision-making individuals and bodies. A number of these groups and bodies will provide services and governance at programme level and therefore will be advising a number of projects.

• Client teams, including most importantly the Department for Transport representatives, but also other Client groups and Section 278 groups that might be providing partial finance.

• External stakeholders, including the road users, transport interest groups and the supply chain to the project itself.

• Local government, environmental bodies, neighbouring interest groups and public affected by the scheme.

Initial engagement with key stakeholders that could influence or have a strong interest in the scheme was undertaken in advance of the non-statutory consultation planned for Stage 2 in late 2017. The aim of this initial engagement was to introduce the scheme and obtain the views of key stakeholders on the key issues and the emerging concepts. Stakeholders engaged during Stage 1 and 2 included: Highways England; Connect Plus Services; local authorities; statutory environmental bodies and any other relevant local key stakeholders.

Non-statutory consultation on options identified during Stage 1 took place in winter 2017 as part of Stage 2, through a series of stakeholder meetings; public consultation events and digital and print media campaigns.

During stage 2, a non-statutory public consultation was undertaken September-October 2017, including a questionnaire and public consultation exhibitions. The vast majority of respondents (94%) supported the need for an improvement scheme at the M2 Junction 5/A249 Stockbury Roundabout Junction. One option, Option 12a, was presented to the public. This was unsupported by the public, local authorities and a local MP, who expressed issues with the use of traffic lights. As a result, Option 4 which incorporates a flyover option was revisited. This was supported strongly by the public.

A revised version of Option 4, referred to as Option 4H1, was developed to reduce costs, whilst minimising any reduction in the benefits. Option 4H1 reduces land take, meets stakeholders' expectations, delivers twice the safety benefits of Option 12a and will ensure there are no traffic signals on the A249 mainline.

During Stage 3, the preferred route of Option 4H1 was announced. Engagement was completed with statutory stakeholders, environmental bodies, landowners, and other Tier 1, 2 and 3 stakeholders. It was determined that no statutory or public consultations were required under HA1980 procedures in PCF Stage 3. It was decided that the scheme had little objection at the time so there was no need for public information events or engagement with wider stakeholders.

6.5 Equality Impact

An Equalities Impact Assessment has yet to be undertaken for this scheme, however one will be produced to support the scheme design. The EQIA is a key document when developing the scheme design. To inform the EQIA a further public engagement exercise will be undertaken as this specific scheme design develops in more detail including relevant consultation with local access groups.

6.6 Risk Management Strategy

During the development and assessment of the project options, a number of potential issues and constraints have been highlighted.

- Current delivery commitment is expected to be at the same time as many schemes nationally putting pressure on resourcing and supply chain.

- There are several environmental constraints including the scheme being within the Kent Downs Area of Natural Beauty (AONB) and ancient woodland; as well as potential cultural heritage concerns.
- Another key constraint is that the options being developed to meeting the current estimated funding to the scheme may not meet all stakeholder expectations.

The project is influenced by a number of uncertainties with risk impacting on the programme and potentially on the options being considered. The risks are managed via monthly updates to the risk register and will be considered and dealt with during the subsequent scheme development stages. Reference should be made to the latest Xactium risk register for the most up to date Project Risk register.

The quantification of the risks was made with the latest commercial cost estimates. The risk budgets are forecasted accordingly in the reporting systems while issues are raised during the monthly management.

In essence the risk is identified using historic evidence, brainstorming, using working groups, monthly risk register updates and risk workshops. For each risk a clear understanding of Cause, Event and Impact is required before an assessment can be made regarding the rating levels of probability and impact can be assigned.

A more detailed explanation on the approach to the risk management is done via the Risk Management Plan, which is prepared at the beginning of each stage.

Work Programme

Reference can be made to Table 1-2 which outlines the stages of the proposed project. A full programme will be developed as part of Highways England's business case.

6.7 Previous Project Experience

Highways England have extensive experience in managing large road infrastructure projects in Kent and nationally. Current examples in Kent include M20 Junction 10a, (also partly funded by Local Growth Fund), M20 J3-5 Smart Motorway and A2 Bean and Ebbsfleet junctions.

6.8 Monitoring and Evaluation

Highways England are unable to disclose certain commercially sensitive information; therefore, a light tough approach has been adopted for this business case.

However, at this stage it is not deemed necessary to outline a full methodology but to suggest a standard advisory series of monitoring and evaluation task. The following tasks will commence after implementation of the scheme in question.

Highways England are committed to monitoring, evaluating and reporting the scheme post-opening. Data surveys undertaken before the scheme will be repeated. In addition, pre-opening data for accidents is available and can also be repeated post-opening.

It is important for a congestion relief scheme to compare traffic flows so that the changes in delay are put into context.

The acceptability will be judged on the predictions supporting the economic case and on delivering the scheme objectives.

6.9 Benefits Realisation Plan

Highways England are unable to provide this information.

The scheduled construction start date is January 2021 and completion date of January 2023. Whilst the scheme will not be completed by March 2021, funding commitments of the scheme will allow Grampian Conditions to be lifted and allow the delivery of 2,271 dwellings to be brought forward between 2020 and 2023.

7. Declarations

Has any director/partner ever been disqualified from being a company director under the Company Directors Disqualification Act (1986) or ever been the proprietor, partner or director of a business that has been subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts?

No

Has any director/partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors

No

Has any director/partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme?

No

I am content for information supplied here to be stored electronically and shared in confidence with other public sector bodies, who may be involved in considering the business case.

I understand that if I give information that is incorrect or incomplete, funding may be withheld or reclaimed and action taken against me. I declare that the information I have given on this form is correct and complete. I also declare that, except as otherwise stated on this form, I have not started the project which forms the basis of this application and no expenditure has been committed or defrayed on it. I understand that any offer may be publicised by means of a press release giving brief details of the project and the grant amount.

Signature of Applicant

Print Full Name

Designation

Date

Appendix A - Funding Commitment

Draft S151 Officer Letter to support Business Case submission

Dear Colleague

In submitting this project Business Case, I confirm on behalf of *[Insert name of County or Unitary Authority]* that:

- The information presented in this Business Case is accurate and correct as at the time of writing.
- The funding has been identified to deliver the project and project benefits, as specified within the Business Case. Where sufficient funding has not been identified to deliver the project, this risk has been identified within the Business Case and brought to the attention of the SELEP Secretariat through the SELEP quarterly reporting process.
- The risk assessment included in the project Business Case identifies all substantial project risks known at the time of Business Case submission.
- The delivery body has considered the public-sector equality duty and has had regard to the requirements under s.149 of the Equality Act 2010 throughout their decision-making process. This should include the development of an Equality Impact Assessment which will remain as a live document through the projects development and delivery stages.
- The delivery body has access to the skills, expertise and resource to support the delivery of the project
- Adequate revenue budget has been or will be allocated to support the post scheme completion monitoring and benefit realisation reporting
- The project will be delivered under the conditions in the signed LGF Service Level Agreement with the SELEP Accountable Body.

I note that the Business Case will be made available on the SELEP website one month in advance of the funding decision being taken, subject to the removal of those parts of the Business Case which are commercially sensitive and confidential as agreed with the SELEP Accountable Body.

Yours Sincerely,

SRO (Director Level) ……

S151 Officer ……

Appendix B - Risk Management Strategy

Highways England to provide…

Description of Risk	Impact of Risk	Risk Owner	Risk Manager	Likelihood of occurrence (Very Low/ Low/Med/ High/ Very High) (1/2/3/4/5) *	Impact (Very Low/ Low/ Med/ High/ Very High) (1/2/3/4/5) **	Risk Rating	Risk Mitigation	Residual Likelihood/Impact Scores
				[e.g. Medium 3]	[e.g. Very Low 1]	[Likelihood of occurrence multiplied by Impact]		

* Likelihood of occurrence scale: Very Low (1) more than 1 chance in 1000; Low (2) more than 1 chance in 100; Medium (3) more than 1 chance in 50; High (4) more than 1 chance in 25; Very High (5) more than 1 chance in 10.

** Impact scale: Very Low (1) likely that impact could be resolved within 2 days; Low (2) potential for a few days' delay; Medium (3) potential for significant delay; High (4) potential for many weeks' delay; Very High (5) potential for many months' delay.

Appendix C - Gantt Chart

Tasks	Start date	Finish date	2019				2020				2021				2022				2023			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
HE Orders Consultation	July 2019	August 2019																				
Development Phase	June 2019	March 2020																				
Public Inquiry	March 2020	March 2020																				
Construction Phase	January 2021	January 2023																				

Appendix D – Monitoring and Evaluation Metrics

Category	Key Performance Indicators	Description
High-level outcomes	Jobs connected to intervention (permanent, paid FTE)	
	Commercial floorspace planned - please state sqm and class	
	Commercial floorspace constructed to date - please state sqm and class	
	Housing unit starts (forecast over lifetime)	
	Housing unit starts (to date)	
	Housing units completed (forecast over lifetime)	
	Housing units completed (to date)	
Transport (outputs)	Total planned length of resurfaced roads (km)	
	Total completed length of resurfaced roads (km)	
	Total planned length of newly built roads (km)	
	Total completed length of newly built roads (km)	
	Total planned length of new cycle ways (km)	
	Total completed length of new cycle ways (km)	
	Type of service improvement	
Land, Property and Flood Protection (outputs)	Anticipated area of site reclaimed, (re)developed or assembled (ha)	
	Actual area of site reclaimed, (re)developed or assembled (ha)	
	Length of cabling/piping planned (km) - Please state if electricity, water, sewage, gas, telephone or fibre optic	
	Length of cabling/piping completed (km) - Please state if electricity, water, sewage, gas, telephone or fibre optic	
	Anticipated area of land experiencing a reduction in flooding likelihood (ha)	
	Actual area of land experiencing a reduction in flooding likelihood (ha)	
	Follow-on investment at site (£m) - Please state whether Local Authority, Other Public Sector, Private Sector or Third Sector	
	Anticipated commercial floorspace refurbished - please state sqm and class	
	Actual commercial floorspace refurbished - please state sqm and class	
	Anticipated commercial floorspace occupied - please state sqm and class	
	Actual commercial floorspace occupied - please state sqm and class	

Category	Key Performance Indicators	Description
	Commercial rental values (£/sqm per month, by class)	
	Anticipated number of enterprises receiving non-financial support (#, by type of support)	
	Actual number of enterprises receiving non-financial support (#, by type of support)	
	Anticipated number of new enterprises supported	
Business, Support, Innovation and Broadband (outputs)	Actual number of new enterprises supported	
	Anticipated number of potential entrepreneurs assisted to be enterprise ready	
	Actual number of potential entrepreneurs assisted to be enterprise ready	
	Anticipated number of enterprises receiving grant support	
	Actual number of enterprises receiving grant support	
	Anticipated number of enterprises receiving financial support other than grants	
	Actual number of enterprises receiving financial support other than grants	
	Anticipated no. of additional businesses with broadband access of at least 30mbps	
	Actual no. of additional businesses with broadband access of at least 30mbps	
	Financial return on access to finance schemes (%)	