Capital Project Business Case
Kent Strategic Congestion Management Programme - A2/A251 Junction Improvement

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SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

1. PROJECT OVERVIEW

1.1. Project name:
Kent Strategic Congestion Management Programme - A2/A251 Junction Improvement

1.2. Project type:
Road

1.3. Federated Board Area:
Kent and Medway

1.4. Lead County Council / Unitary Authority:
Kent County Council

1.5. Development location:
A251 junction with A2, ME13 8XJ for a distance of 100m east bound on A2 and 200m west bound on A2 and 100m south bound on A251

1.6. Project Summary:
The KSCMP is a continuation of improvements being made by KCC to maximise the efficiency of the local highway network as traffic levels increase in line with development. The Programme is to be delivered between the financial years 2015/16 and 2020/21 and the total Programme value is £4.8million.

The KSCMP strategy incorporates a methodology of assessing areas or road links that suffer from congestion and unreliability. The strategy uses a number of criteria to score road links that are then assessed in more detail to establish the worst performing links. The new Local Transport Plan adopts this approach to tackle unreliable sections of the road network as a way of supporting economic growth.

The A2/A251 project represents the only scheme proposed in the 2020/21 KSCMP and involves the improvement of the existing A2/A251 priority junction to a signal-controlled junction with pedestrian provision. The proposed improvement is intended to relieve congestion, reduce delay and improve access to Faversham and the surrounding environs.

The A2/A251 priority junction provides the primary access for Faversham and eastern Swale to the strategic road network. The junction caters for significant volumes of traffic and is currently operating over capacity in peak periods with serious levels of congestion and delay. This is a constraint to key strategic housing allocations in the Faversham area and to the economic wellbeing of the town.

The proposed scheme replaces the existing priority junction arrangement with a new signalised junction, which will include a controlled pedestrian crossing across the A2 eastern arm.

1.7. Delivery partners:

Partner	Nature of involvement (financial, operational etc.)
KCC	Lead applicant responsible for scheme design and delivery including programme, finance, communications, land purchase.
Swale Borough Council	Financial contribution through S106 agreements

1.8. Promoting Body:

Kent County Council

1.9. Senior Responsible Owner (SRO):

Tim Read, Head of Transportation, KCC

1.10. Total project value and funding sources:

Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
Developer S106	900,000	£300k banked but all secured via signed S106s. Dependent on the development coming forwards to trigger the payments. Potential mitigation for S106 not coming forwards within project timescales is a bid for Local Transport Plan funds of up to £158k if required.
Kent Lane Rental Bid	300,000	Utility Betterment. Requires a bid to Kent Lane Rental Board, however similar bids have been successful for the full amount requested.
Remaining LGF allocation from Kent Strategic Congestion Management Programme (KSCMP)	300,000	Total LGF sought £500k - £200k from Wateringbury dependant on change request being approved by SELEP Accountability Board on 15th May 2020
Transferred funds from KSCMP Wateringbury scheme	200,000	
Total project value	**£1,700,000**	

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

LGF funding of £500k is requested from SELEP to deliver the project.

1.12. Exemptions:

N/A

1.13. Key dates:

Key Stages	Expected Date
Commencement of expenditure	July 2020
Construction start: Utility diversions Main civils work	 September 2020 March 2021
Scheme completion/opening	June 2021

1.14. Project development stage:

Project development stages completed to date		
Task	**Description**	**Date**
Option selection	A2 Canterbury Road/A251 Ashford Road & A2/B2041 The Mall Junctions Study – Options Evaluation Report (June 2019)	2019
Outline design	Outline designs completed	2019
Outline business case		April 2020
Project development stages to be completed		
Task	**Description**	**Timescale**
Detailed design	Detailed designs nearing completion	July 2020
Secure funding	SELEP Accountability Board 3rd July 2020	July 2020
Procurement	This will be via KCC's term maintenance contract	July 2020
Implementation	Utility diversions first then followed by junction alterations	September 2020
Completion		June 2021

1.15. Proposed completion of outputs:

The following outputs will be delivered in June 2021 when the scheme is delivered:

- Resurfaced road surface (3,592m2)
- New signalised junction to include two lanes for each signal-controlled approach to the junction
- New pedestrian crossing provision across the A2, to the east of the junction

2. STRATEGIC CASE

2.1. Scope / Scheme Description:

Location
The A251 joins the A2 at a priority junction immediately to the south of Faversham. To the west the junction is in close proximity with the priority junction with B2041 The Mall, the main access to the town. The operation of the junction of the A2 and A251 is critical to the local and strategic networks. The junction provides the primary access for traffic between Faversham town and the A2 and M2 corridors.

Scheme summary
The proposed scheme replaces the existing priority junction arrangement with a new signalised junction, which will include a controlled pedestrian crossing across the A2 eastern arm.

The scheme design includes two lanes for each signal-controlled approach to the junction for approximately 50m before reverting to a single lane carriageway. The junction improvement will involve the widening of the A251 approach to two lanes, from the access to the Fire Station. The left lane is dedicated to left turns and the right lane assigned to straight ahead movements to Preston Grove and right turns to the A2 eastbound.

The A2 approach from the east is widened to two lanes, the offside lane for straight ahead moves and the nearside lane providing for left turns and straight ahead moves. The A2 approach from the west retains the right turn lane for traffic turning to the A251. Two lanes are also provided for the A2 westbound from the junction, as far as the adjacent junction of the A2 with B2041 The Mall.

The Preston Grove approach remains a single carriageway which operates as a give way, allowing left turns only.

Issues
The existing priority junction links the A2 corridor and the A251 route to Ashford. The junction caters for a significant of volume of turning traffic and operates overcapacity in peak periods with significant delays and queueing. Queueing on the A2 to the west frequently tails back to block the key access to Faversham town centre via B2041 The Mall. The existing congestion and delay at the A2/A251 junction result in serious access issues for the town and are already a constraint to development in Faversham. There is currently no pedestrian crossing provision across the A2 in at this junction.

Intended benefits
The proposed scheme will provide a safer and more efficient junction arrangement which will relieve congestion through this and the adjacent junction and improve vehicle and pedestrian accessibility to the town.

The scheme will improve access to Faversham, alleviating the current constraint on housing and commercial development.

2.2. Logic Map

Inputs	Outputs	Outcomes	Impacts
• Grant Spend £0.5m • Matched Contribution Spend £1.2m	• New signalised junction to include two lanes for each signal-controlled approach to the junction • New pedestrian crossing provision across the A2, to the east of the junction • Resurfaced roads (3,592m2)	• Increased junction capacity • Reduced junction delay and journey time • Improved connectivity and access	• Increased attraction of the area for inward investment

2.3. Location description:

The A2/A25 priority junction is located to the south of Faversham, the A2 corridor forming the major road through this four-arm junction. The A251 Ashford Road and Preston Grove are minor arms.

The A251 is strategically important road which provides access to the M2 and carries a significant volume of traffic. There is a right turn bay of approximately 40m for traffic turning right from the A2 to the A251 Ashford Road and a central island on the A2 approach to the junction from the east. There are keep clear markings on the A2 westbound carriage way to allow traffic to turn to and from the A251 when traffic is stationary on the A2.

Preston Grove is a minor residential road and right turn moves in from the A2 are prohibited.

Pedestrian footways are provided along the northern side of the A2 and the eastern side of the A251. There is a central island to the east of the A251 junction which may aid pedestrians crossing the busy A2, but there is no evidence of dropped kerbs associated with it. Similarly, the A251 splitter island has no pedestrian provision.

2.4. Policy context:

National Transport Priorities
The National Planning Policy Framework (NPPF) released in 2019 provides a framework within which locally prepared plans for housing and other developments can be produced. Achieving sustainable development is at the heart of the NPPF. The planning system is built on three overarching objectives focussed on economic, social and environmental wellbeing.

The economic objective is aimed at 'ensuring sufficient land of the right types is available in the right place and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure'.

Local Transport Priorities
Kent's Local Transport Plan 4: Delivering Growth without Gridlock 2016-2031 (LTP4) draws together national and local policies and strategies to a platform from which it sets out the key transport priorities for the county and the longer-term transport objectives.

LTP4 recognises that 'investment in transport networks is essential for unlocking development sites, improving safety and enabling a shift to more sustainable modes of travel'. In particular 'increased funding for local transport schemes is essential to facilitate housing growth'.

Unlocking the congestion issue around the A2/A251 junction is critical to the realisation of the potential for local development.

Swale Borough Local Plan
The Swale Local Plan (adopted in 2017) had an objective of delivering 776 dwellings per year. The practicalities of achieving the housing target are set out in the Housing delivery Test Action Plan (August 2019) which addresses the reasons for the under delivery of housing. The key issues highlighted are the imposition of centrally imposed targets set against local market activity and the need for timely provision of enabling public funding for key pieces of infrastructure to provide certainty for investors.

The A2/A251 improvement scheme will provide much needed capacity for the local network. This will not only improve access to the town, supporting the local economy, but also create a more attractive proposition for local strategic housing sites.

Swale Transport Strategy
The draft transport strategy developed for the period 2014-2031 and submitted as evidence for the currently adopted Local Plan, sets out measures to encourage sustainable travel in Chapter 5. Specifically, Table 7 sets out actions and outcomes to encourage walking and cycling and improve infrastructure for these modes across the borough.

The proposed scheme will contribute to delivering actions 1, 3 and 5 and helping to achieve the desired outcomes of increasing walking and cycling modal shares.

2.5. Need for intervention:

The adopted local plan objective of 776 dwellings per annum) is placing significant pressure on the local road network in Swale, with capacity and air quality issues along the A2 in particular identified as a pressure point, which has triggered the need for an immediate review of the Plan.

Within the Strategic Housing allocations, those in and around Faversham are coming forward most quickly, with sites at Faversham and at Teynham

requiring an improvement at this junction. Section 106 contributions have been secured at some sites, but these are now known to be insufficient to deliver the improvements required to provide sufficient capacity and improve safety.

Aside from the additional pressures arising from new Housing Development, the town also has a number of new commercial sites coming forward and is seeking to consolidate its position as the primary service centre for eastern Swale and further widen its development as a local tourism and cultural centre. Addressing the current accessibility issues at this important junction will make a substantial contribution to the local economy.

The junction will face increased pressure due to the allocated housing in the immediate area. There is also the prospect of a significant ramping up of development pressures through the Local Plan review, with a likely increased annual housing target of c.1080pa homes for Swale, with new settlement proposals (of c2,500 homes) being developed adjacent to Faversham by the Duchy of Cornwall, to be considered as part of the review.

The performance of the junction is critical to the speed of delivery of housing supply in the area. Highways England have already requested KCC make improvements to the junction as soon as possible. Both Highways England and KCC's Transport and Development Team have indicated that no further development in the area would get their approval until improvements were commenced.

By relieving congestion and reducing delay the scheme will increase attractiveness of the town; enabling growth and development which will contribute to the ambitions of Swales Local Plan and KCC's LTP4 - Growth without Gridlock plan.

2.6. Sources of funding:

Funding sources identified for the scheme include developer S106 contributions, Kent Lane Rental – Utility Betterment, Kent LTP and Kent Strategic Congestion Management Programme (KSCMP) LGF allocation.

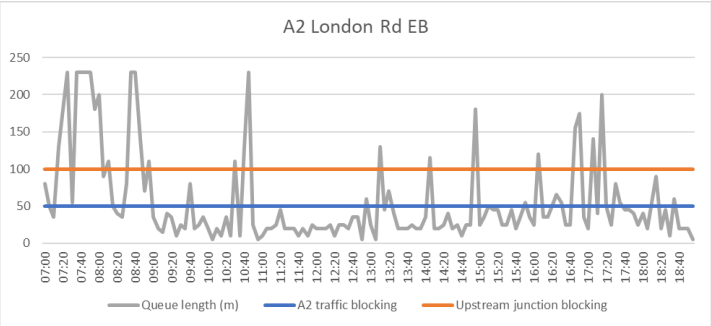
A total of £900.000 of developer S106 funding has been identified and secured. £300,000 of the S106 developer funding has already been banked. It is possible that one of the S106 contributions may not be available within the time frame of the scheme. In this event LTP funding will be sought for the shortfall.

2.7. Impact of non-intervention (do nothing):

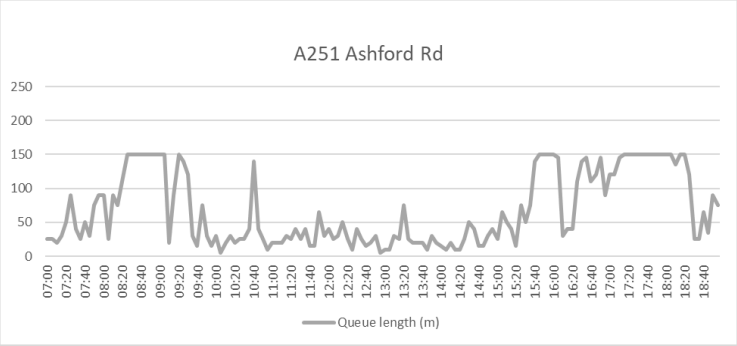
The traffic survey data was recorded in 2018 which indicates that the existing priority junction is already operating at capacity during the peak. The junction caters for a peak inflow of around 2300 vehicles per hour.

The right turning traffic to the A251 results in traffic queuing on the A2 eastbound throughout most of the peak periods and at intervals during the day. The A2 eastbound queue reaches over 200m at intervals and consistently over 100m during the AM peak period. The morning peak queue

on the A2 extends beyond the upstream junction of the B20141 The Mall with the A2, which is the main point access to/from the Faversham.



The queue length on the A251 was recorded up to a maximum 150m, although it extends beyond this point. The A251 has a consistent queue of 150m reported throughout the peak periods.



The existing junction arrangement has been assessed, using PICADY software, based on recorded flows for 2018 and forecast flows for 2020 and 2031, representing the horizon year for the Swale Borough Council Local Plan.

With forecast traffic flows for 2031, the situation is exacerbated as all the major approaches are forecast to operate above capacity with queue lengths up to 650 pcus.

Queueing traffic on the A251 would be expected to impact on the M2 J6 with potential tailbacks onto the motorway. Queues are forecast for the A2 in both directions. These queues would constrain through movement on the A2 corridor as well as movements to and from Faversham town.

Congestion on the approaches to Faversham will inhibit the functioning of the town and also any potential development in and around the town. This will have a serious impact on the local economy.

2.8. Objectives of intervention:

Project Objectives

Objective 1: To provide an appropriate junction arrangement that can better accommodate forecast traffic volumes, including the pressure from new housing development in the locality which is required as part of the Local Plan.

Objective 2: To improve accessibility to the town which will contribute to the local economy and consolidate the status of the town as the primary service centre for eastern Swale.

Objective 3: To improve pedestrian access to the town.

Problems or opportunities the project is seeking to address

Problem / Opportunity 1: The A2/A251 junction provides the primary access to the local and strategic road network via the M2. The existing priority junction arrangement suffers from severe congestion, resulting in long delays and poor journey time reliability.

Problem / Opportunity 2: Traffic queues which extend along the A2 from the A251 junction regularly block the primary access to/from Faversham, via the B2041 The Mall. The functioning of the town of Faversham is constrained by congestion and delays at the A2/A251.

Problem / Opportunity 3: The delivery of housing supply in the area around Faversham is dependent on the improvement of this junction. Without the issue being addressed Highways England and KCC's development team have indicated that they will not support further development in the area.

Problem / Opportunity 4: No formal pedestrian provision to cross the A2 at the A251 junction impeding access to the town centre.

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

2.9. Constraints:

A limited amount of land is required from Abbey School and the Fire Service to accommodate the junction improvement. Both organisations are aware that land will be required, and agreement is being sought through ongoing engagement. The land is in KCC ownership and is leased to the School and Fire Brigade. Both are in active dialogue with KCC and have confirmed that they understand the need for the scheme and are willing, in principle to agree to the release of the land pending terms.

2.10. Scheme dependencies:

The benefits of the scheme are based on the presumption that actual growth does not exceed the projected growth.

2.11. Expected benefits:

The A2/A251 junction improvement is expected to benefit road users, pedestrians and the local economy. The expected benefits include:

- A reduction in congestion and delay for local trips to and from Faversham and for longer distance road users;
- Making Faversham a more attractive and accessible option for commercial development;
- Alleviation of any current constraint on housing development.
- Improved journey reliability;
- A controlled junction which will improve safety and journey quality;
- A safe pedestrian crossing improving pedestrian access to the town;

2.12. Key risks:

The Coronavirus pandemic raises a number of potential risks around the construction of the scheme, project completion dates and benefits realisation. Due to the unprecedented nature of the potential risks appropriate measures and adjustments will be employed as required.

The key risks affecting the delivery of the scheme, are set out below. Please refer to the risk register in Appendix B which sets out risk ratings and mitigation for the below.

- Road space availability;
- Third party land requirement;
- Statutory undertakers plant diversions;
- Ecological constraints; and
- Aligning various funding sources. See financial section on how funding is to be sourced. KCC is expecting a successful Kent Lane Rental bid as previous similar bids have been successful. KCC will look to forward fund any delays in the S106 developer agreement funding through other funding sources should there be a need.

An example of the risk register is included in the Management Case (para. 6.6).

3. ECONOMIC CASE

3.1. Options assessment:

The A2/A251 junction improvement proposed has emerged from a process of option sifting and review. A number of studies have taken place which include traffic surveys, monitoring of how the existing junction operates, future demand and local land use to consider potential options for the junctions at A2/A251 Ashford Road/Preston Grove and A2/B2041 The Mall with the objective of improving traffic flow to reduce queues and delays.

The original 3 options assessed included a traffic signalised junction, a different roundabout arrangement and a do nothing approach. The signals and roundabout were assessed keeping the designs within the existing highway limits except for a small area of land within KCC's ownership.

Initial options were presented for public consultation in April and May 2014 and the results reported to Swale JTB in June 2014. The junction layouts within the highway boundary were found to not offer a significant increase in highway capacity. Further options were developed which would require additional land within control of KCC, Kent Fire Brigade and Abbey School.

Consequently, four options, all of which include a requirement for land outside the highway boundary, were selected for further consideration[1].

The options assessed included:

1. Option 2b: An elongated roundabout with partial signal control at the A2/B2041 The Mall;
2. Option 3: Signalisation of the A2/A251 Ashford Road and A2/The Mall;
3. Option 5: Roundabout at the A2/A251junction; and
4. Option 6: Roundabout at the A2/A251junction and signalisation of the right turn from the A2 to B2041 The Mall.

The 4 options were assessed based on key issues including traffic capacity, traffic queueing, pedestrian crossing provision, traffic 'U' turning, land take required, estimated cost and programme and a preferred option identified.

3.2. Preferred option:

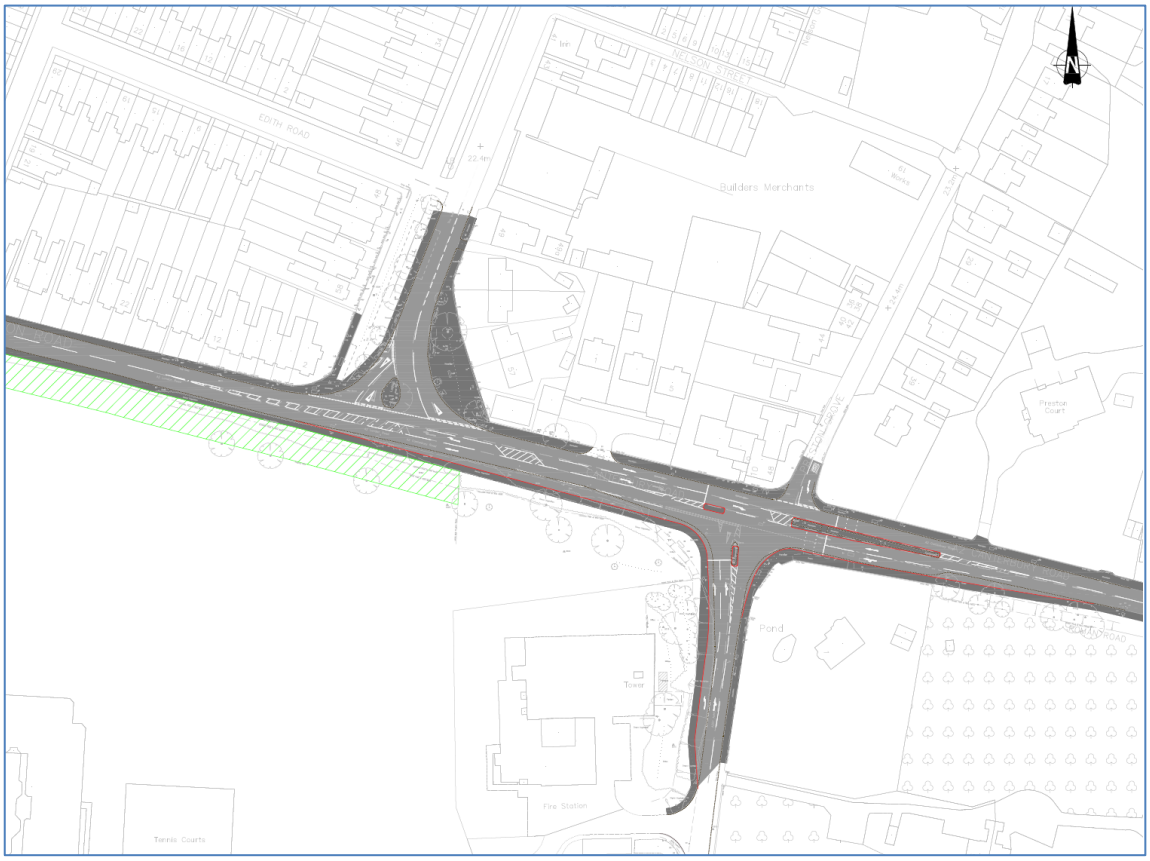
A variation on Option 3 was selected to be taken forward as the preferred scheme. This option includes a signal-controlled arrangement for the junction of the A2 and A251 Ashford Road. Access to Preston Road is maintained while egress is possible via give way control for traffic heading east on the A2.

In addition two lanes are provided for each signal-controlled approach to the junction for approximately 50 metres before reverting to a single lane

[1] A2 Canterbury Road/A251 Ashford Road & A2/B2041 The Mall Junctions Study. Waterman Infrastructure & Environment Ltd. June 2019

carriageway. A pedestrian crossing is also provided across the A2 Canterbury Road eastern arm. The existing priority junction layout at the A2/B2041 The Mall junction is retained in its current form.

The Preferred Option was found to provide modest improvement in junction capacity and to perform better in terms of land take, cost and the avoidance of traffic making U turns. (Table 17 – Page 46 Waterman report)



3.3. Assessment approach:

The funding request for this scheme is for less than £2m and consequently a proportionate assessment was adopted for the scheme. This includes a basic quantitative assessment of the Do Nothing and the Preferred Scheme scenarios and a qualitative assessment of the environmental and social impacts.

The impact of the scheme has been assessed primarily on the comparison of the performance of the existing priority junction and the proposed signalised junction arrangement, in terms vehicle delay and queuing. The appraisal is based on weekday AM and PM peak hour traffic scenarios.

The Do Nothing scenario is represented by the existing priority junction arrangement. The performance of the junction has been assessed using Junctions 9 – PICADY software. The Preferred Option is for a signalised junction and the expected performance of this junction arrangement has been assessed using LINSIG software.

The junction delay has been assessed for both scenarios for 2020, which has been used to represent the scheme opening year of 2022, and for 2031, representing the Local Plan horizon year.

Journey time benefits are estimated based on delays from PICADY and LINSIG software. The PICADY output for the existing junction arrangement with 2031 traffic flows indicated serious overcapacity for some movements, with vehicles delays exceeding reporting parameters. Where this is the case, for the purposes of this assessment, the vehicle delay for the 2031 Do Nothing scenario is based on the opening year average vehicle delay and 2031 vehicle demand. This will effectively represent an underestimate of the expected vehicle delay for the 2031 Do Nothing scenario and consequently of the potential benefits of the scheme.

3.4. Economic appraisal inputs:

A basic economic appraisal has been carried out and the appraisal inputs are summarised below.

Appraisal Inputs	**Details**
Demand	Peak hour travel time saving
Non-user benefits	N/A
Capital Costs	*£1.68(£m)*
Renewal costs	N/A
Operating costs	N/A

3.5. Economic appraisal assumptions and results

The appraisal assumptions and indicative results are summarised in the following tables. The estimated benefits of the scheme result in a BCR of 3.81.

Appraisal Assumptions	**Details**
WebTAG version	WebTag databook May 2019 v1.12
Opening Year, Final Modelled Year and Appraisal Duration	2022 Opening year 2031 Horizon year modelled 15 year appraisal period applied due to scheme type/scale and anticipated time limitation of benefits
Price Base/GDP Deflator	WebTag databook (May 2019) 2010 price base
Market prices	Market price adjustment using indirect taxation factor of 1.19
Discount Year	Costs in 2020 prices discounted to 2010.
Discounting	As per WebTag at 3.5% per year for 30 years and 3.0% thereafter
Optimism Bias	15% Optimism Bias applied

	£m PV (2010)
Costs*	
Capital Costs	£1.34
Benefits	
Journey Time Benefits	£5.13
Appraisal	
Present Value of Costs (PVC)	£1.34
Present Value of Benefits (PVB)	£5.13
Net Present Value (NPV)	£3.80
Benefit Cost Ratio (BCR)	3.81

** Costs represent total Capital Costs, Renewal Costs and Operating Costs of the specific intervention seeking funding under LGF.*

3.6. Sensitivity tests:

Two sensitivity tests were carried out to explore the impact of capping the estimated benefits and of increasing the scheme costs. The results are summarised below. In both cases the resulting BCR was of over 2.

	£m PV (2010)
Sensitivity Test 1	*Benefits capped to 2021 – flat profile*
Present Value of Costs (PVC)	£1.34
Present Value of Benefits (PVB)	£2.85
Net Present Value (NPV)	£1.50
Benefit Cost Ratio (BCR)	2.12

	£m PV (2010)
Sensitivity Test 2	*Costs increase by 50%*
Present Value of Costs (PVC)	£2.00
Present Value of Benefits (PVB)	£5.13
Net Present Value (NPV)	£3.11
Benefit Cost Ratio (BCR)	2.54

3.7. Environmental impacts:

A qualitative assessment has been carried out of those potential environmental impacts of the scheme that are viewed as relevant. This is summarised in the following table.

Environmental Impact	Assessment	
Noise	The proposed scheme is not expected to result in any significant change in terms of noise or vibration	Neutral
Air Quality	The proposed scheme is expected to reduce delay to vehicles and stationary vehicles.	Slight beneficial
Greenhouse Gases	The proposed scheme is expected to reduce delay to vehicles and stationary vehicles.	Slight beneficial
Landscape	Limited land take may involve some vegetation clearance	Slight adverse
Townscape	No significant change to townscape is anticipated.	Neutral
Heritage	No significant change to the historic environment is anticipated.	Neutral
Biodiversity	The limited land take may involve some vegetation clearance.	Slight adverse
Water Environment	Any impact to the water environment is anticipated to be minimal.	Neutral

3.8. Social impacts:

A qualitative assessment has been carried out of those potential social impacts of the scheme that are viewed as relevant. This is summarised in the following table.

Social impact		Assessment
Accidents	The proposed controlled junction and pedestrian crossing may be expected to reduce the potential for accidents	Slight beneficial
Physical Activity	Improved access to pedestrian routes may encourage more walking trips.	Slight beneficial
Security	N/A	Neutral
Severance	Controlled pedestrian crossing will be expected to reduce severance.	Moderate beneficial
Journey Quality	Reduced delay and the provision of a controlled junction will reduce driver stress	Slight beneficial
Option values and non-use values	The scheme is not expected to impact on the availably of transport services.	Neutral
Accessibility	The junction improvement is anticipated to improve access to Faversham town centre and local services for vehicles and pedestrians	Large beneficial
Personal Affordability	The scheme is not expected to have an impact on personal affordability	Neutral

3.9. Distributional impacts:

Not Assessed

3.10. Wider impacts:

Not assessed

3.11. Value for money:

The proposed scheme is forecast to be successful. When specifically considering value for money, the scheme generates an initial BCR of 3.81 which, as per the DfT Value for Money Framework, is categorised as high value for money.

A qualitative appraisal of environmental and social impacts of the scheme which range from neutral to slight beneficial impacts.

4. COMMERCIAL CASE

4.1. Procurement options:

KCC have identified four procurement options for the delivery of their LEP funded schemes. The alternative options are:

Option A

Open Competitive Tender with certain mandatory criteria (OJEU) – in compliance with Spending the Council's Money.

This would involve an open tender process allowing all interested suppliers to participate in the process (advertised on the Kent Business Portal). The Council would initially set out certain mandatory criteria that suppliers tendering must meet such as financial capacity, relevant experience, insurances etc. Those that pass these mandatory criteria would then have their tenders evaluated according to Price and Quality at the stated percentages.

Advantages:

- Shortens the timescales for the process – one stage only;
- Still allows KCC to ensure the suppliers tendering meet the mandatory criteria we set;
- Simpler process for suppliers, who are consequently more likely to engage;

Disadvantages:

- No initial selection stage so may get more suppliers tendering than anticipated with increased time required for supplier evaluation.
- Expensive for the market to complete the full tender and ultimately low probability of winning. This can lead to dissatisfied suppliers or reduced level of interest.

Option B

Restricted Competitive Tender (OJEU) involving a two stage process of Pre-qualification questionnaire (PQQ) followed by Invitation to Tender to those that successfully pass the PQQ stage.

Advantages:

- Allows the Council to deselect suppliers not capable or with insufficient technical or financial capacity before the tender stage;
- Reduces the time and effort required for the evaluation of final tenders;
- Can make evaluation of supplier's tenders more straightforward and on a simple cost-comparison basis.
- Reduces the risk for suppliers of investing large sums of money on an entire bid when they can complete a PQQ first before advancing to ITT stage.

Disadvantages:

- Makes the process longer for both the Council and suppliers;
- Requirement to evaluate both PQQ stage and tender stage;

- Can exclude suppliers who may otherwise be capable if they are new entrants to the market.

Option C

An existing Construction framework would allow KCC to appoint a contractor from a pre-awarded supplier list with a mini competition being used to determine the best bidder against our own specified criteria. This competition would not need to include traditional selection questions to assess supplier evaluation and capacity, there would also be no need to advertise the requirement through the OJEU as the framework has already been competed via OJEU.

Advantages:

- Using a framework is a faster and less resource intensive procurement route
- Reduces procurement costs to the Council and suppliers and such savings may translate into lower tender prices.
- Terms and conditions of contract are also pre-agreed which removes the risk of disagreement later.
- Providers on a framework have also been evaluated against pre-qualification criteria providing confidence that the works can be delivered.

Disadvantages:

- It is a restricted tender process, so does not allow all interested suppliers to participate in the process.
- Can exclude suppliers who may otherwise be capable if they are new entrants to the market.

Option D

Delivery through existing Amey Highways Term Maintenance Contract (HTMC) - This option is strictly not procurement as the HTMC is an existing KCC contract. The HTMC is based on a Schedule of Rates agreed at the inception of the contract. The price for each individual scheme is determined by identifying the quantities of each required item into a Bill of Quantities. Amey may price 'star' items if no rate already exists for the required item. If the scope of a specific scheme is different from the item coverage within the HTMC contract a new rate can be negotiated.

Advantages:

- Using the existing KCC HTMC is the quickest route to market and working practises are well established between KCC and Amey, including strong governance procedures.
- Reduces procurement costs to the Council and supplier and such savings may translate into lower prices.
- Terms and conditions of contract are also pre-agreed which removes the risk of disagreement later.

Disadvantages:

- It is a restricted process, so does not allow all interested suppliers to participate in bidding for the work.
- Can exclude suppliers who may otherwise be capable if they are new entrants to the market.

4.2. Preferred procurement and contracting strategy:

Given the nature, value and programme pressures of this project, the preferred option for the delivery of the A2/A251 junction improvement scheme is via the HTMC. This contract will promote early contractor involvement and allow greater time to plan the work programme and offer greater opportunity to provide value engineering solutions.

4.3. Procurement experience:

Previous experience has been gained by successfully procuring works at Tonbridge Station and Tunbridge Wells Phase 2 Public Realm (as part of West Kent LSTF) Local Growth Funded projects, through this mechanism. These followed the county council's approach to "Spending the Councils' Money".

4.4. Competition issues:

None Identified

4.5. Human resources issues:

None Identified

4.6. Risks 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 land acquisition, 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.

The following table shows how risk will be apportioned in the design, build and operational phases of the scheme.

Risk Category	Potential Allocation			Notes
	Public	Private	Shared	
Design risk	X			Detailed design developed and will be issued to Contractor. Design risk is therefore apportioned to the public sector.
Construction and development risk			x	
Financing risks	x			
Legislative risks	x			
Other project risks			x	

4.7. Maximising social value*:*

Social value will be brought to the scheme through the procurement process by ensuring that the contractor undertakes the following:

Economic Well-being

- Employment or training opportunities
- Apprenticeships
- Work experience placements
- Employing a local workforce

Environment Well-being

- Reducing impact on the environment
- Engagement with schools to promote sustainability
- Ethical supply chain, including supporting SMEs

Social Well-being

- Helping disadvantaged people to access employment or training
- Supporting community projects
- Charitable donations.

5. FINANCIAL CASE

5.1. Total project value and funding sources:

The total project value is £1.678m. S106 developer funding of £0.9m has been identified. There is some uncertainty about S106 funding from one site (Frognal Lane) which may not be available in the necessary timeframe. Consequently, a Local Transport Plan funding request for £158,000 will be submitted to cover the potential shortfall of S016 funding within the project timeframe.

The costs have been derived by engaging with KCC's main contractor; there has been early contractor involvement in the design and working with them to understand how the project may be built. The unknowns at present are the figures highlighted in red in the QRA section – mainly the Utility diversions required although some of these costs have derived from initial contact with the utilities

S106 Developer Funding	**Amount (£)**	**Status**
Perry Court 15/504264 (310 houses)	300,000	Banked
Perry Court Aldi	99,960	Q3 2020
Preston Fields 16/508602 (250 houses)	87,900	Q2 2021
Oare Gravel Works (330 houses)	200,000	Q2 2021 (£100,000)
Frognal Lane 16/507689 (300 houses)	*200,000*	*Q1 2022**
Station Rd Teynham 18/503697 (130 houses)	32,640	Q1 2021
Total	£720,500**	

* S106 for Frognal Lane may arise outside the intended timeframe.
** Excluding S106 for Frognal Lane

The LGF funding (£500,000) requested will be required to be spent by March 2021. The Kent Lane Rental contribution will have no time constraint.

Funding Source	**Amount (£)**	**Conditions**
S106	£720,500	Excluding S106 Frognal Lane
Kent Lane Rental	£300,000	No time constraint
LTP	£158,000	To cover potential shortfall in S106 funding available within timeframe
LGF	£500,000	To be spent by March 2021
Total	**£1,678,363**	

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

The LGF capital required tor the scheme is £0.5m which will be required to be spent by March 2021.

5.3. Costs by type:

Cost Type	20/21	21/22	Total
Capital	441,348	830,099	1,271,447
Non-capital	88,661	33,339	122,000
QRA	272,002	12,914	284,916
Total funding requirement			**1,678,363**

Optimism Bias has not been applied to the costs outlined in the table above. Survey costs for monitoring and evaluation purposes are included in the contingency costs for the scheme.

5.4. Quantitative risk assessment (QRA):

The breakdown of the quantitative risk assessment is summarised in the following cost estimate breakdown.

The percentage figure for risk has been added to each series shown in the table below:
Construction costs have had 20% added
Utility costs have had 30% added
Electrical costs have had 20% added
Traffic signals have had 20% added
Professional fees have had 25% added

A2/A251 Junction Improvements, Faversham			
	Description	**Cost**	risk %age (ave)
Highway Works Volume 1 series	**Construction Costs**	**Detailed design**	
100	Preliminaires	141,125.15	28,225.03
200	Site Clearance	11,922.14	2,384.43
300	Fencing	10,603.53	2,120.71
400	Road Restraint Systems	5,661.05	1,132.21
500	Drainage and Service Ducts	29,935.87	5,987.17
600	Earthworks	68,816.35	13,763.27
700	Pavements	260,951.71	52,190.34
1100	Kerbs and Footways	46,841.45	9,368.29
1200	Signs and Road Markings	4,622.09	924.42
1300	Road Lighting Columns		0.00
1400	Electrical Work		0.00
3000	Landscaping	6,622.62	1,324.52
	Amey 12.12 % add on	71,156.76	14,231.35
	Construction Contingency - 10%	65,825.87	
	Construction risk	131,651.75	131,651.75
	Total Construction Costs	855,736.35	
	Utility Costs		
Utilty diversions	BT	60,000.00	18,000.00
	Instalcom	70,000.00	21,000.00
	Colt	50,000.00	15,000.00
	SGN	200,000.00	60,000.00
	SSE telecoms	50,000.00	15,000.00
	Contingency - 10%	43,000.00	
	Construction Risk	129,000.00	129,000.00
	Total Utility costs	602,000.00	
	Electrical Costs		
Electrical	Bouygues electrical items	25,000.00	5,000.00
	Amey 12.12 % add on Bouygues costs	3,030.00	
	Construction Contingency - 10%	2,803.00	
	Construction Risk	5,000.00	5,000.00
	Total Electrical costs	35,833.00	
	Traffic Signals Costs		
Traffic Signals	Telent -permanent traffic signals	39,572.46	7,914.49
	Construction Contingency - 10%	3,957.25	
	Construction Risk	7,914.49	7,914.49
	Total Traffic Signals Cost	51,444.20	
	Non Construction Costs		
Professional fees	Land purchase	20,000.00	5,000.00
	Land Agents fees - land/legal	15,000.00	1,500.00
	Design fees	10,000.00	1,300.00
	Supervision fees	15,000.00	3,450.00
	Planning app/conservation area approvals fees	1,000.00	100.00
	Contingency - 10%	61,000.00	
	Non Construction Risk	11,350.00	11,350.00
	Total Non Construction Costs	133,350.00	
Grand Total		**1,678,363.55**	284,916.24
	Contingency Total	176,586.12	
	Contingency and Risk Total	461,502.36	

5.5. Funding profile (capital and non-capital):

Funding Source	20/21	21/22	Total
S106	399,960	320,540	720,500
Kent Lane Rental		300,000	300,000
LTP		157,863	157,000
LGF	500,000		500,000
Total funding requirement	**899,960**	**778,403**	**1,678,363**

On completion of the scheme, all ongoing costs such as maintenance will be included in KCC's annual revenue budget for highway maintenance as all new assets will be registered and added to the annual operating plan.

Future monitoring and evaluation will also be included in KCC's annual revenue budget and therefore have not been included in the above figures.

5.6. Funding commitment:

A signed letter from KCC's Section 151 Officer is attached

5.7. Risk and constraints:

There is a potential risk that Section 106 funding associated with Frognal Lane will not be available in the necessary timeframe (para 5.1). This has been considered and accounted for with provision for alternative funding if needed. The Local Transport Plan funding is in the control of KCC and will be top sliced from the overall annual budget.

A bid for the Kent Lane Rental funding will go forward in July 2020. The project management team has been successful with previous bids to the Kent Lane Rental fund and therefore there is high confidence that this will be approved; especially considering the potential to future proof against further utility works required in the area. This improvement will provide extra space for the utility providers to allow reduced traffic congestion should diversions/upgrades be required.

The Utility diversions are planned to take place from September 2020 onwards which will account for the majority of the LGF funding. Land acquisition, surveys, removal of vegetation and excavation of embankments prior to the main construction work and professional fees along with the purchase of the signal equipment will account for the full expenditure of the LGF contribution by the end of March 2021.

6. MANAGEMENT CASE

6.1. Governance:

KCC have set up a clear and robust structure to provide accountability and an effectual decision making progress for the management of the LEP funded schemes. Each scheme will have a designated project manager who is appropriately trained and experienced member of KCC staff.

The figure below provides an outline of the overall governance structure implemented to manage the delivery each scheme. This structure has been previously applied and accepted for all previous LGF funded schemes.

KCC LGF Meeting Governance Diagram

Local Growth Fund	High level Agenda	Frequency	Attendees	Format	Scope	Agenda Items	Key Deliverables/Feedback	Templates
Sponsoring Group	Planning Design Construction Post Scheme Monitoring	Every two months - Can be called in emergency if required	**Chair: HT** CM/CD/DH/DE/HF/HT/SP Supported by PB attendees as required	Face to face meeting	To discuss programme (i.e. high level progress/preview next steps and discuss and resolve issues.	LEP programme (high level) progress to date Programme Financial reporting Communicatio/Stakeholder Engagement Issues/Risk/Change Decisions	Minutes of Meeting Action List/Decision Log Output distributed to all attendees + Programme Board Attendees where appropriate	**Agenda** **Minutes** **Decision list**
Sponsoring Group Progress Report	Decisions Needed	Every two months	LG	Report	To record progress/outstanding actions/issues that require a decision made by the board		Action list ready for the Sponsoring Group	**Progress Report**
Programme Board Meeting	Planning Design Construction Post Scheme Monitoring	Bi- Monthly	**Chair: LG** LG/KCC PMs/ External Suppliers	Face to face meeting	To discuss progress/preview next steps and discuss and resolve issues. Escalate issues/decisions required to the Sponsoring Group	LEP programme progress to date Programme financial reporting Communicatio/Stakeholder Engagement Issues/Risk/Change Internal Governance	Minutes of Meeting Action List Output distributed to all attendees + Steering Group attendees where appropriate	**Agenda** **Minutes**
Highlight Report	Identify key points for Programme Board Meeting	Monthly	LG	Report	To collate and streamline all reports highlighting areas of interest for the Programme Board meeting.		Used for Programme Board Meeting. Highlight report shared with PB attendees.	**Highlight Report**
Steering Group Meeting	Progress Update	Monthly/Fortnightly as required	**Chair: KCC PMs** All input staff - Project Team/KCC PMs/External Suppliers	Face to face meeting	Individual meetings per project (including each stage of the LEP process to discuss progress in detail).	LEP project progress to date/MS Programme Project financial reporting Issues/Risk/Change Actions	MS Programme Update Progress update in template for each project e.g Risk Register/ Issues Log	**Agenda** **Minutes** **Progress Report**

l st of Initials:

CM	Cabinet Member Highways and Transport
CD	Corporate Director Growth, Environment and Transport
DH	Director of Highways, Transport and Waste
DE	Director of Environment, Planning and Enforcement,
HF	Head of Financial Management Strategic and Corporate Services.
HT	Head of Transportation for Growth, Environment and Transport
SP	Strategic Programme Manager (KMEP)
LG	Local Growth Fund Programme Manager for Growth, Environment and Transport
PB	Programme Board

6.2. Approvals and escalation procedures:

A detailed breakdown of the meetings (along with the attendees, scope and output of each) which make up the established governance process is set out below.

Project Steering Group (PSG) Meetings
PSG meetings are held monthly to discuss progress on the scheme. Progress is discussed in technical detail raising any issues or concerns for all to action. A progress report, minutes of meeting and an update on programme dates are provided ahead of the Programme Board (PB) meeting for collation and production of the Highlight Report. Any modifications to designs that affect the overall business case are discussed in this group and if any key decisions are required, they will be escalated to the Sponsoring Group.

Highlight Report
The Progress Reports comprise the following updates; general progress, project finances, issues, risks and governance meeting dates. The Highlight Report identifies any areas of concern or where decisions are required by the PB meeting or higher to the KCC LGF Programme Manager. An agreed version of the Highlight Report is issued to the PB meeting attendees during the meeting.

Programme Board (PB) Meeting
The PB meeting is held monthly and is chaired by the KCC LGF Programme Manager. Attendees include representatives from all three stages of the schemes (i.e. KCC LEP Management, KCC Sponsors, KCC PMs, External Consultant and Construction Representatives). This meeting discusses project progress to date, drilling into detail if there is an issue or action (as identified in the PSG meeting), financial progress, next steps and actions. Outputs of this meeting are the Highlight Report and the minutes of the meeting.

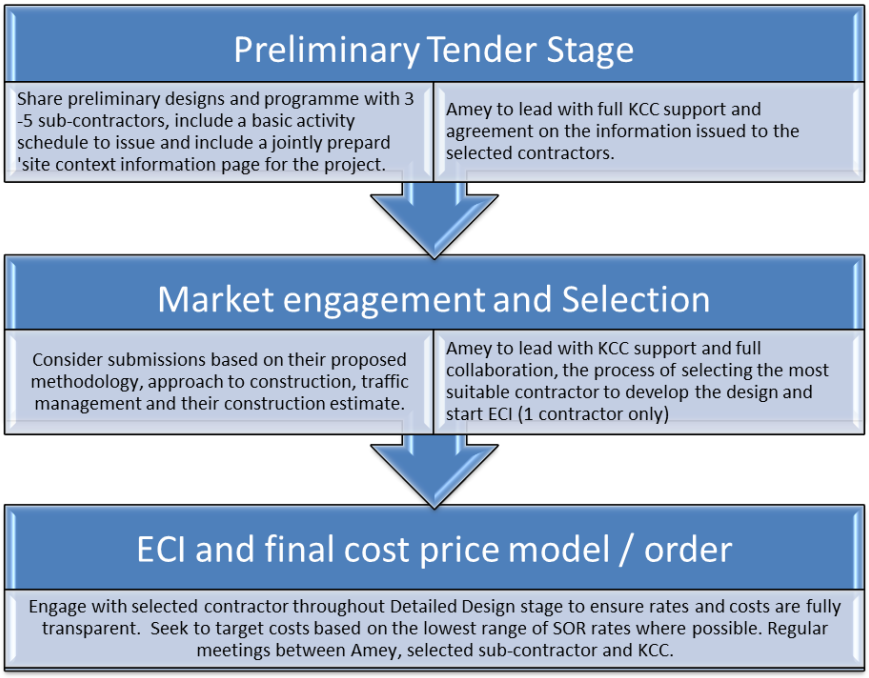
Escalation Report
A list of actions and decisions that the PB meeting was unable to resolve is prepared ready for the Sponsoring Group (SG) meeting to discuss and ultimately resolve.

Sponsoring Group (SG) Meeting
As KCC is the sponsor of the scheme an SG meeting is held monthly and chaired by Tim Read (KCC Head of Transportation).
Attendees are:
Michael Payne (Cabinet Member for Highways and Transport),
Barbara Cooper (Corporate Director Growth, Environment and Transport),
Simon Jones (Director of Highways, Transportation and Waste),
Director of Environment, Planning and Enforcement,
Head of Financial Management Strategic and Corporate Services.
Economic Strategy and Policy Manager for Growth, Environment and Transport and
Kerry Clarke Local Growth Fund Programme Manager.

The meeting discusses high-level programme progress to date, financial progress, next steps and closes out any actions from the escalation report. Technical advisors are invited if necessary, to expand upon an issue. All actions from the start of this meeting cycle are to be closed out by the SG when they meet (i.e. no actions roll over to subsequent meetings).

6.3. Contract management:

The process adopted when using the HTMC, to ensure best value for money, is shown below.



KCC will meet with the contractor on a monthly basis throughout the construction period, or more frequently if this is deemed necessary by the Project Manager. The contractor will be contractually obliged to provide monthly progress and financial updates to KCC, which will include updates to the project programme.

6.4. Key stakeholders:

The Key Stakeholders are:

- Kent County Council as Highway Authority, lead promoter, Project, Programme and finance Manager.
- Swale Borough Council – Local Borough Council
- Local Residents
- Local Businesses
- Kent Fire and Rescue Service
- Abbey Academy
- Residents Association

KCC has undertaken a feasibility study into various options at this major junction. A consultation took place between 25 April and 16 May 2014. Residents and the wider community were asked to comment on the scheme proposals which included a traffic signalised junction or a roundabout. The proposals were accessible via the KCC website consultations page, with hard copies available on request or from the local library. Local groups with an interest in highway improvements have also been consulted.

The consultation responses favoured a signalised junction and a recommendation was made to the Swale Joint Transportation Board on 9 June 2014 for the signalised junction option to be progressed to design and a fresh funding bid progressed. Several designs have been investigated in the intervening period with a conclusion that a medium scale scheme be promoted at this stage. An update report was presented to Swale Joint Transportation Board in March 2019 and a further update in June 2019.

An engagement exercise will be required from June to July as per the engagement plan and will include all stakeholders. This will include letters sent to all residents and businesses immediately affected by the scheme.

6.5. Equality Impact:

An Equality Impact Assessment (EqIA) has been completed.

6.6. Risk management strategy:

Project risk is managed as an on-going process as part of the scheme governance structure, as set out in previously in this report. A scheme risk register is maintained and updated at the monthly Project Steering Group Meetings. Responsibility for the risk register being maintained is held by the KCC Project Manager and is reported as part of the monthly Progress Reports.

Any high residual impact risks are then identified on the highlight report for discussion at the Programme Board meeting. Required mitigation measures are discussed and agreed at the PM meeting and actioned by the KCC Project Manager as appropriate.

An example scheme risk register is shown in the Figure below.

6.7. Work programme:

A work programme outlining key tasks is provided in Appendix C. Detailed design, scheme estimate and safety review are due to be complete by the end of June 2020. The works pack will be issued by 13 July 2020 and Utility works diversions started by 31 August 2020. Construction is due for completion by the end of March 2021.

6.8. Previous project experience:

KCC have a successful track record of delivering major transport schemes within the county, the most recent of which were the Local Growth funded:

The Maidstone Bridges Gyratory project, completed in March 2017, was designed to reduce congestion, improve journey time reliability and support economic growth. A complex project within the heart of a busy county town was successfully delivered on time and to budget whilst maintaining access for local businesses and commuters alike. The total value of the scheme was £5.74m of which £4.6m was funded by LGF.

M20 Junction 4 Eastern Overbridge Widening was implemented to reduce congestion and support local housing growth in the surrounding area. Completed in January 2017, this was a £5m LGF scheme delivered on time and within budget.

Westwood Relief Strategy, Poorhole Lane Widening was a 'Local Pinch Point' funded scheme that has seen the reduction in congestion at the highly trafficked location near the Westwood Cross shopping centre in Thanet. The £5m project was successfully completed in June 2015 within budget despite being a challenging construction scheme due to the amount of utility diversions required and large number of fibre optic cables requiring a close working relationship with a diverse range of companies.

North Farm Improvements also funded through 'Local Pinch Point' was completed in October 2015 on budget but delayed due to very complex utility diversions and lack of co-operation from Statutory Undertakers. KCC has mitigated this risk on subsequent projects of a similar nature by engaging a dedicated Statutory Undertaker Co-Ordinator. With a total project cost of £7.35m, the scheme was delivered to reduce congestion, improve journey time reliability and benefit the air quality in a busy business area.

Project Managers are required to have extensive experience of delivering highway projects. The Project Manager identified for this scheme is Mr Jamie Watson (I Eng MICE) who has project managed the Tunbridge Wells Public Realm Local Growth Funded scheme, Tonbridge High Street regeneration Scheme and many other highway related schemes within Kent including the Ashford Shared Space project.
Qualifications: Member of the Institution of Civil Engineers, APM Fundamentals.

6.9. Monitoring and Evaluation and Benefits Realisation

The Logic Map below provides a read across between the objectives, inputs, outputs, outcome and impacts of the scheme and is based on the Logic Map established in the Strategic Case.

A Benefits Realisation Plan is provided at Appendix G.

Logic Map

Objectives	Inputs	Outputs	Outcomes	Impacts
Objective 1: To improve junction capacity Objective 2: To reduce congestion and delay Objective 3: To improve pedestrian safety and access to the town.	• Grant Spend £0.5m • Matched Contribution Spend £1.2m	• New signalised junction to include two lanes for each signal-controlled approach to the junction • New pedestrian crossing provision across the A2, to the east of the junction • Resurfaced roads (3,592m2)	• Increased junction capacity • Reduced junction delay and journey time • Improved connectivity and access	• Increased attraction of the area for inward investment

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?	*Yes / 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	*Yes /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?	*Yes / No*

I am content for information supplied here to be stored electronically, shared with the South East Local Enterprise Partnerships Independent Technical Evaluator, Steer, and other public sector bodies who may be involved in considering the business case.

I understand that a copy of the main Business Case document will be made available on the South East Local Enterprise Partnership website one month in advance of the funding decision by SELEP Accountability Board. The Business Case supporting appendices will not be uploaded onto the website. Redactions to the main Business Case document will only be acceptable where they fall within a category for exemption, as stated in Appendix F.

Where scheme promoters consider information to fall within the categories for exemption (stated in Appendix F) they should provide a separate version of the main Business Case document to SELEP 6 weeks in advance of the SELEP Accountability Board meeting at which the funding decision is being taken, which highlights the proposed Business Case redactions.

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. Any expenditure defrayed in advance of project approval is at risk of not being reimbursed and all spend of Local Growth Fund must be compliant with the Grant Conditions.

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	