

KCC Transport Scheme Business Case Report Folkestone Seafront

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1 Introduction

1.1 Overview

Amey has been commissioned by Kent County Council (KCC) to prepare a Transport Scheme Business Case (TBC), appropriate to the size and scope of each scheme, for each of the projects which have been allocated Local Growth Fund finance by the South East Local Enterprise Partnership (SELEP).

1.2 Purpose of Report

The overall purpose of this TBC report is to provide a 'proportionate' justification for the 2015/16 funding allocated to the Folkestone Seafront: onsite infrastructure and engineering works. The scope of the TBC is not aligned with any specific stage of the Department for Transport (DfT) 'Transport Business Cases' procedure. Rather, it is a 'lighter touch' report in the spirit of the DfT advice for' LEP Assurance Framework' (December 2014), which agrees with using 'proportionate appraisal' appropriate to the scope of a transport scheme.

The TBC report does, however, consider the five key strands of TBC content required by DfT and HM Treasury's The Green Book, namely strategic, economic, financial, commercial, and management. It also brings in other strands where relevant, such as summary of predicted scheme outcomes and scheme operational case. It draws from the results of the earlier Amey Gap Analysis of KCC programmed transport schemes and the resulting scheme development briefs.

This TBC report may need to stand as an interim submission, justifying SELEP allocation of 2015/16 LGF to the Folkestone Seafront: onsite infrastructure and engineering works, but which will need to be supplemented by a further TBC submission in later financial years, as the content and delivery aspects of the scheme are resolved in greater detail.

The report broadly follows the 5-Case Model for Transport Business Case preparation, incorporating design and environmental issues as well as a summary of the overall risks in terms of project delivery and project funding approval. These risks include:

- The potential for the project to be called in for review by DfT or other bodies before it is delivered
- The potential for challenge from stakeholders which may jeopardise or delay the project



• The potential that a subsequent review of the project after implementation may identify issues relating to the delivery of overall outcomes (e.g. job creation or transport modal shift)

1.3 Specific Scheme

This scheme, as in the first strategic outline business case submitted to SELEP (2014), is entitled: Folkestone Seafront: onsite infrastructure and engineering works.



2 Project Outline

2.1 Location of the Scheme

The Folkestone Seafront: onsite infrastructure and engineering works comprise Tontine Street on the eastern extents of Folkestone's Creative Quarter and Harbour Street which leads to Folkestone Harbour. The one-way gyratory system of Harbour Approach Road, Marine Parade, Marine Terrace, and Lower Sandgate Road are also included. A location plan of the scheme extents is shown in Figure 1.



Figure 1 – Scheme Location

2.2 Current Conditions

The road network included in the Folkestone Seafront: onsite infrastructure and engineering works is of very poor quality. Identified on the latest mechanical condition data surveys, the aforementioned roads require strengthening to mitigate against further degradation of the surface course.

Historic records from the condition data surveys suggest that this area has had an underinvestment in previous years.



The area under consideration is urban in nature with a mixture of commercial, residential and recreational premises. The current road network reflects a sector of the economy which is no longer in existence, namely, that of ferry/freight traffic. The proposed conversion of Tontine Street to two-way will improve general access to the Creative Quarter, Harbour area, and the Old Town leading to improved accessibility to employment opportunities for job seekers in the surrounding areas, and providing a more direct route to and from the Harbour for residents and visitors alike.

The proposed conversion of Tontine Street to two-way will also support a robust bus service that cannot be sustained under the current arrangements.

There have been a number of improvements in the area around Folkestone Harbour. The most significant of these is the creation of the Creative Quarter which is a home for artisans, artists, retailers and others working in a range of digital and creative industries, as well as education.

Major improvements to the harbour-side itself, include the popular interactive fountain, new restaurants, support for events and the introduction of a sea sports facilities.

All the above improvements will result in increased numbers of pedestrians and cyclists to the area. There is therefore an increased need to ensure that the highway network is fit for purpose.



Photographs of the current conditions are shown in Figures 2 to 6.

Figure 2 – Current Conditions (Marine Parade)





Figure 3 - Current Conditions (Harbour Street)



Figure 4 - Current Conditions (Marine Terrace)





Figure 5 - Current Conditions (Tontine Street)



Figure 6 - Current Conditions (typical ironworks)



2.3 Scheme Layout and Function

The Folkestone Seafront: onsite infrastructure and engineering works will improve the carriageway condition on a number of streets between the centre of Folkestone and the harbour. The scheme has been identified based on results from annual carriageway condition surveys. The identified streets require substantial repair, due to failure of lower carriageway construction levels.

The current layout consists primarily of a number of one-way systems. Tontine Street is one-way (away from the Harbour towards Dover Street: The Tram Road is the one-way street that returns from Dover Street to the harbour area). Harbour Street is a short section of two-way carriageway that connects Tontine Street and The Tram Road to a one-way (clockwise) gyratory system that includes Harbour Approach Road, Marine Parade, Marine Terrace, and Lower Sandgate Road.

2.4 Category of Scheme Transport Business Case

With a projected expenditure of £0.5m, this scheme is categorised as 'small', according to criteria agreed between SELEP and DfT.

2.5 Background to the Transport Business Case

UK Treasury's 'The Green Book' (July 2011) sets out a process for presenting the business case for investment schemes involving public funds. This approach has been endorsed by DfT and tailored specifically to transport investment in 'The Transport Business Cases' (DfT, January 2013). The TBC usually involves three stages:

Strategic Outline Business Case (SOC)

This is the scope-setting stage of the investment process. The purpose of the SOC is to confirm the strategic context of the investment; to make a robust case for change; and to provide stakeholders and customers with an indication of the proposed way forward, together with indicative costs. Since an earlier pre-feasibility review has already established that the scheme can achieve an economic benefit, the SOC in this case takes account of this in the context of the modified design. More detailed design work will be conducted as the Transport Business Case progresses.

Outline Business Case (OBC)

This is the detailed planning phase of the investment, revisiting the OBC in more detail and to identify a preferred option which demonstrably optimises value for money. It



also sets out the likely approach to funding; demonstrates its affordability; and details the supporting procurement strategy, together with management arrangements for the successful rollout of the scheme.

Full Business Case (FBC)

This takes place within the procurement phase of the project, though before a formal decision to proceed has been made and prior to the formal signing of contracts and the procurement of goods and services. The purpose of the FBC is to revisit the OBC and record the findings of the subsequent procurement process. It also sets out the recommendation for an affordable solution which continues to optimise VFM, and includes detailed arrangements for the successful delivery of goods and implementation of services from the recommended supplier.

'Lighter Touch' Transport Business Case

As mentioned in section 1.2, DfT and SELEP have confirmed that a streamlined approach to presenting the TBC for the KCC schemes, earmarked for funding in 2015/16, is appropriate, if the scheme value is relatively small (i.e. <£8m cost). There is no definitive guidance as to the precise scope and content of this 'lighter touch' TBC, but for the Folkestone Seafront: onsite infrastructure and engineering works, it is assumed to require a proportionate coverage of the key items from the three TBC stages, above, condensed into a hybrid report. The main considerations for the lighter touch TBC have been assumed to be as follows:

- Address, briefly, each of the five aspects common to all stages of the TBC, namely, the strategic, economic, financial, commercial and management, cases;
- Present a clear train of logical reasoning and correlated steps for how the scheme is justified;
- Provide qualitative evidence in support of the scheme, if it is not possible or good value to assemble quantitative evidence.

2.5.1 TBC 5-Case Model

The Transport Business Case process is designed to ensure that investments are directed at the right schemes and that these are managed and delivered in the best way. This ensures that transport investment addresses important issues in an effective way, delivering value for money.

The core of each stage of the Transport Business Case is the 5-Case Model which ensures that schemes:



- Are supported by a robust case for change that fits with wider public policy objectives – the 'strategic case';
- Demonstrate value for money the 'economic case';
- Are commercially viable the 'commercial case';
- Are **financially affordable** the `financial case'; and
- Are **achievable** the 'management case'.

This document uses this 5-case model in an appropriate and proportionate way to demonstrate the merit of investing in the proposed Folkestone Seafront: onsite infrastructure and engineering works.

2.6 Context of the Transport Scheme Funding Bid and TBC

Currently, standard DfT guidance requires promoters of all schemes involving an investment of public funds over £5m, ('major schemes'), to prepare and submit a Transport Business Case. Previously a Business Case would be submitted to the Department for Transport (DfT).

Recent Government policy changes have involved the devolution of decision-making for smaller major schemes to Local Enterprise Partnerships (LEPs). These bodies are designed to direct investment for an area based on economic priorities set through a partnership which is private-sector led. Kent County Council is in the South East LEP (SELEP) area.

The devolved funding arrangements were put in place in July 2014 through the Local Growth Deal announcements, including devolution of funds to the SELEP on the basis of the SELEP 'Growth Deal and Strategic Economic Plan' (March 2014).

This Transport Business Case submission to SELEP forms a bid to request confirmation of the already allocated LGF funding for the scheme.



2.7 'Screening' Summary for Scheme 2015/16 LGF Bid and Supporting TBC

This report consists of a 'lighter touch' transport scheme business case in support of the 2015/16 LGF bid for the Folkestone Seafront: onsite infrastructure and engineering works. As such, the TBC has been tailored to be 'proportionate' to the scope of the scheme and the scale of required funding. This means that some criteria for justifying the scheme have only been considered in a simplified way, with qualitative supporting evidence, rather than with detailed quantified appraisal. Less relevant criteria for this scheme have been largely omitted from the TBC report.

Table 1 gives a 'screening' summary to show how each of the transport scheme appraisal criteria specified by DfT (broadly aligned with WebTAG Appraisal Summary Table – AST) have been handled with respect to the 2015/16 LGF bid for the Folkestone Seafront: onsite infrastructure and engineering works.

Scheme Impact	'Proportionate' Details Covered in this Scheme (2015/16) 'Lighter-	Quantitative / Qualitative Appraisal of Impacts?		Details To be Covered only in a Later-Stage
	Touch' TBC?		Qualitative	
Economy (Travel Congestion				
Impacts for All Users)				
User Travel Time (congestion)	No anticipated impact	×	1	
User Travel Distance (operation)	No anticipated impact	×	1	
Journey Reliability (travel time variability)	Yes – Reduced likelihood of delay caused by temporary works	×	~	
Wider Impacts				
Regeneration	Yes – likely to support regeneration	×	*	
Wider Economy				
Agglomeration Economies	No anticipated impact	×	✓	
Output in Imperfect Markets	No anticipated impact	×	×	

Table 1 – 'Screening' Summary for 'Lighter Touch' Scheme Appraisal and TBC

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	'Proportionate' Details		itative	Details To be Covered only in a Later-Stage	
Scheme Impact	Covered in this Scheme / Qua		litative		
	(2015/16) `Lighter-	Jhter- Appraisal of		Scheme TBC?	
	Touch' TBC?	Imp	acts?		
Labour Market Tax Revenue	No anticipated impact	×	✓		
Housing (Property) Impact Value	No anticipated impact	×	✓		
Public Accounts Impacts					
Public Accounts Cost	No anticipated impact	✓	×		
Indirect Tax Revenue	No anticipated impact	×	✓		
Environmental Impacts					
Noise	No anticipated impact	×	✓		
Air Quality	No anticipated impact	×	✓		
Greenhouse Gas	No anticipated impact	×	✓		
Landscape	No anticipated impact	×	~		
Townscape	Yes – improved aesthetics	×	✓		
Heritage (Historic Environment)	No anticipated impact	×	✓		
Biodiversity	No anticipated impact	×	~		
Water Environment	No anticipated impact	×	~		
Social / Distributional impacts					
Physical Activity	Yes – may encourage	×	~		
	cyclists				
	Yes – Improved experience				
Journey Quality	for road users (cars and	x	1		
	NMUs)				
	Yes – possible reduction in				
Accidents	accidents caused by	×	✓		
	potholes				
Security	No anticipated impact	×	×		
Accessibility of Services / Opportunities	Supports Tontine Street	x	1		
	development				
Personal Affordability	No anticipated impact	×	×		
Severance	No anticipated impact	×	×		
Absenteeism (Employer Benefit)	No anticipated impact	×	×		
Non-User Option / Non-Use Value	No anticipated impact	×	×		
Door to Door Strategy for					
Sustainable Transport					
Information on transport options	No anticipated impact	×	×		

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Scheme Impact	'Proportionate' Details Covered in this Scheme (2015/16) 'Lighter- Touch' TBC?	Quantitative / Qualitative Appraisal of Impacts?		Details To be Covered only in a Later-Stage Scheme TBC?
Ticketing for entire journey	No anticipated impact	×	×	
Transport connections across stages & modes	No anticipated impact	×	×	
Safe & comfortable transport facilities	No anticipated impact	×	×	
Influencing travel demand, awareness & behaviour	No anticipated impact	×	×	
Effective Scheme Design				
Fitness for Purpose / Successful Operation	Yes – extent of scheme determined by condition data surveys	×	*	
Future Network Resilience and Resistance to Shocks	No anticipated impact	4	×	



3 Strategic Case

3.1 Overview

The Strategic Case outlines the overarching reasons for proposing the scheme intervention, in terms of its contribution to improving local transport and making effective use of infrastructure. A further consideration is the scheme's alignment with wider aspirations, such as a prosperous economy, an enhanced community, an attractive and sustainable environment, safer and healthier lifestyles and access to opportunities for all.

Ultimately, the Strategic Case indicates who, what, why, when, where and how, the scheme will assist.

3.2 Purpose of the Proposed Investment

The Folkestone Seafront: onsite infrastructure and engineering works are required to strengthen the road carriageway on a number of streets in an area of Folkestone that is earmarked for future regeneration. The streets form an important connection between the proposed regeneration area and the more recently completed regeneration area, namely the Folkestone Creative Quarter. These streets have not had adequate investment in previous years and as a result are becoming degraded with reactive maintenance being more increasingly applied. This type of repair does not tackle the underlying causes of the degradation.

By strengthening the carriageway the immediate benefit are aesthetic and safety. The more thorough maintenance planned as part of these works will ensure that these benefits will be retained for a much longer period than currently.

3.3 Strategic Context

In line with the latest Government guidance for SELEP ('LEP Assurance Framework', HMT, December 2014), the Folkestone Seafront: onsite infrastructure and engineering works are justified in a manner 'proportionate' to the scope of the scheme and the scale of funding required.



There are a number of other benefits that will be realised. The improved streetscape aesthetics associated with a well maintained highway are important factors in creating the right conditions for future inward investment in Folkestone, which with it brings more opportunities for employment. This scheme is therefore of economic and social importance and supports the wider strategic direction of KCC.

3.3.1 National Strategy: 'National Infrastructure Plan'

The Folkestone Seafront: onsite infrastructure and engineering works align with the 'National Infrastructure Plan' (HMT, December 2013) as this investment will ensure that the local road network is kept in good order, preventing potholes and making journeys safer.

Whole life planning and cost control is one of the key actions that the Infrastructure Client Group is focussing on to 2020. The whole life cost of options considered as part of this commission will therefore be a key driver in the development of a preferred solution.

There is reliance from other areas of investment on the highway asset to work effectively. It is therefore important that these assets are sufficiently resilient to degradation over time.

3.3.2 National Strategy: 'Creating Growth, Cutting Carbon'

The Folkestone Seafront: onsite infrastructure and engineering works align with 'Creating Growth, Cutting Carbon – Making Sustainable Local transport Happen' (DfT, January 2011) as the objective of the scheme recognises the economic and social importance of well-maintained highways to local communities. Improvements to the streets in the study are will encourage more sustainable modes of transport (public transport and cycling) and will improve the safety of these streets as damage/accidents caused by the degraded asset is reduced. This scheme will improve the condition of the roads within the study area and reduce the re-occurrence of pot-holes that otherwise would have the potential to cause damage/accidents and ultimately discourage cyclists.

3.3.3 National Strategy: 'Door to Door'

The Folkestone Seafront: onsite infrastructure and engineering works will deliver a high quality cycling environment in the Harbour area of Folkestone as a result of the improvement to the carriageway (i.e. removal of uneven surfaces, sunken ironwork, and potholes). This aligns with 'Door to Door' A Strategy for Improving Sustainable Transport Integration' (DfT, March 2013).



3.3.4 Regional Strategy: 'Growth Deal and Strategic Economic Plan'

The Folkestone Seafront: onsite infrastructure and engineering works align with the SEP 'Growth Deal and Strategic Economic Plan' (SELEP, March 2014) by improving the highway asset between the recently developed Folkestone Creative Quarter and the proposed revitalisation of Folkestone Seafront, thus supporting the transformation of the local economy through the likes of tourism. The Folkestone Seafront and Harbour regeneration schemes are envisaged to bring 1,000 new homes and up to 10,000 m² of commercial floor space together with improvements to the beach and seafront facilities. It is important that the highway asset is resilient enough to combat the potential increases in use.

The 'Growth Deals Initial Guidance for Local Enterprise Partnerships' (July 2013) sets out the key elements of a Strategic Economic Plan. This includes aligning local authority capital and revenue spend. The Folkestone Seafront: onsite infrastructure and engineering works provide evidence of a clear asset management strategy with whole life costs influencing the preferred option.

3.3.5 Local Strategy: 'Growth without Gridlock'

The Folkestone Seafront: onsite infrastructure and engineering works align with 'Growth without Gridlock' – A Transport Delivery Plan for Kent (Kent CC, December 2010) by supporting the regeneration proposals for the seafront as part of the Folkestone Harbour and Seafront Masterplan, with better access to the seafront from the town centre.

These works also support Health and Safety elements of The Plan, by making the highway network safer for the likes of cyclists and other non-motorised users (NMUs). It also supports the improvement of public transport to development sites and expansion of the urban bus network in a sustainable way.

3.3.6 Local Strategy: Local Transport Plan for Kent 2011-16

The Folkestone Seafront: onsite infrastructure and engineering works align with principal aims of the Kent CC third Local Transport Plan 2011-16 (LTP3).



LTP3 requires that "*current spending pressures call for a continued emphasis on the maintenance of existing assets in the short term. However, a step-change is required in the way in which the annual maintenance programme is executed, including the adoption of asset management principles which move beyond short term, reactive works towards a more strategic, programmed approach which has the potential to deliver significantly higher value for money*". The evidence to support this scheme's value for money is included in the Financial Case (Section 5)

There are a number of specific Transport Objectives in the LTP that the Folkestone Seafront: onsite infrastructure and engineering works are also aligned with. These are set out in Table 2 below.

LTP3 Theme	LTP3 Objective	Folkestone Seafront Contribution to Achieving Objectives
Growth Without Gridlock (Support Economic Growth)	Tackling Congestion	Reduction in disruption to network caused by reactive maintenance
	Supporting Regeneration and Delivering Housing	Facilitates improvement of public transport to development sites and expansion of the urban bus network in a sustainable way
	Access to Jobs and Services	Improves access to jobs and services by efficient means of transport like public transport, and cycling
	A Resilient Network	Maintains and improves the long term condition of the road network
	UK Gateway	Improves Folkestone Harbour area
A Safer and Healthier County (Contribute to Better Safety, Security and Health)	Safer Roads	Potential to reduce number of collisions and resultant casualties as need for road users to avoid potholes (i.e. by swerving) is removed
	Protecting Communities	Reduces impact of disruption and pollution (noise, air quality, vibration) due to reduced frequency of maintenance works
	Active Transport	Encourages cycling

Table 2 - Scheme Alignment with LTP3 Objectives

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LTP3 Theme	LTP3 Objective	Folkestone Seafront Contribution to Achieving Objectives
	A Safe and Secure Network	Fewer numbers of potholes that may cause accidents (particularly for cyclists)
Supporting Independence (Promote Equality of Opportunity)	Supporting Independence for All	Improves access by cycling and complimenting expansion of the urban bus network. Supports the investment at the Seafront and in the vicinity of the Creative Quarter.
Tackling a Changing Climate (Tackle Climate Change)	Reducing Emissions	Will improve carbon efficiency due to reduced occurrences of start-atop associated with road works
	Smarter Travel	Encourages cycling
Enjoying Life in Kent (Improve Quality of Life)	Accessing Life's Opportunities	Improves access to the Folkestone Seafront and Harbour regeneration scheme
	Enjoying the Journey	Will improve the journey experience of all road users
	Protecting Kent's Natural and Man-made Environment	Reduces impact of pollution (noise, air quality, vibration) due to reduced frequency of maintenance works
	Sociable Streets	Will enhance wellbeing through facilitation of cycling

3.3.7 Local Strategy: Local Plan

The Folkestone Seafront: onsite infrastructure and engineering works will indirectly support the aims of the Shepway District Local Plan by improving the townscape and encouraging inward investment. The most relevant aims are:

- to concentrate new development in or adjoining the main urban areas, wherever possible, whilst protecting identified areas of open and undeveloped space with recreational or amenity value;
- to improve people's employment opportunities and support the local economy;
- to support the vitality and viability of Folkestone Town Centre as the main retail, commercial and cultural centre; and



 to enhance people's quality of life through meeting economic and social needs in a way that ensures the protection and enhancement of the environment and of resources for leisure, arts, recreation and sporting activities.

The scheme will not conflict with any wider strategy directions.

3.4 The Case for Change

There are a number of factors that support the development of the Folkestone Seafront: onsite infrastructure and engineering works.

- There is a strategic requirement to ensure more sustainable solutions are promoted. The whole life costs for this proposed scheme support this application;
- Deferred maintenance makes future maintenance more expensive and reduces the residual life of the asset; and
- This scheme is a 'small' scheme (costing £0.5) and is considered value for money.

3.4.1 The Need for the Scheme

The road network included in the Folkestone Seafront: onsite infrastructure and engineering works is of very poor quality. Identified on the latest mechanical condition data surveys, the aforementioned roads require strengthening to mitigate against recurring issues with the binder and surface course.

Historic records from the condition data surveys suggest that this area has had an underinvestment in previous years.

Table 3 shows that this scheme will not be directly responsible for the creation of any new homes or jobs. It is difficult to quantify any new jobs that may be created indirectly by the fact that the highway network is in a good state of repair with further degradation reduced or delayed.

Target Numbers of New Homes and Jobs to be Enabled by the Scheme								
	2015/16 2016/17 2017/18 2018/19 2019/2020 2020/2025 Post 2025 Total							
No. Jobs	0	0	0	0	0	0	0	0
No. Homes	0	0	0	0	0	0	0	0

Table 3 – New Homes and Jobs Targets



Without this scheme, the highway network within the study area may become less attractive with the upshot being that residents and visitors avoid the area and use more sensitive parts of the town to access the Harbour area, Seafront Development, and Creative Quarter.

Two-way AADF information gathered along Harbour Street shows that the number of cyclists in the area has risen over the past decade. It is envisaged that this trend will continue as a result of ongoing regeneration, bringing more cyclists into/through the area. Improving the condition of the roads within the study area will make it safer for all road users as the need for cyclists to avoid potholes etc. is reduced.

3.4.2 Current Transport Problems

This scheme does not resolve any transport issues directly but it does support the strategic requirements to develop a sustainable approach to maintenance. The conversion of Tontine Street to two-way will benefit from this scheme as even though it is primarily a signs and lines scheme, it will open up the Harbour area to improved Public Transport accessibility.

3.4.3 Likely Impact of No Change

The Economics of Road Maintenance Report (Gould et al 2013) produced by Transport Research Laboratory (TRL) on behalf of RAC Foundation and the Association of Directors of Environment, Economy, Planning & Transport (ADEPT) suggests that timely treatment of assets can keep them in a good state of repair and reduce or delay further degradation. While this incurs earlier costs it can avoid greater costs in the future and therefore reduce net present costs to the highway authority. It also implies that planned maintenance regimes may:

- Reduce accident rates;
- Reduce wear and tear on vehicles;
- Decrease journey times/ reduced journey reliability;
- · Decrease noise and vibration for adjacent properties;
- Decrease fuel consumption and emissions;
- Reduce creations of spray and dust;
- Greater impact of interventions by others;
- Reduced risk of asset failure; and



• Improved accessibility for all types of road users.

It is clear that investment in road maintenance can improve a number of factors which be measured in both a quantitative and qualitative terms.

There is also the risk that the poor state of infrastructure in the Harbour area could deter developers and inward investors as the impression could be that the area is on the decline. Providing a good quality infrastructure will negate this issue.

Table 4 summarises the current and future problems that the scheme is intended to solve.

Table 4 – Summary of Problems

Summary of Identified Problem Issues to be Resolved by the Scheme						
Strategic / Local Context & Primary / Secondary Problem			Details of Problems (e.g. Type, Scale, Timeframe, Affected Groups and Impact Severity)			
		Identified Problem Issue	Existing Problems	Future Problems		
Strategic / Localised	Secondary					
	Primary	Asset Condition	Poor asset condition	Asset will require increasing numbers of temporary and permanent repairs		
Localised		Asset Condition	Claims for damages caused by degrading asset	Number of claims likely to rise as degradation continues		
	Secondary	Congestion	Reactive maintenance increases occurrences of congestion – delays due to roadworks	Conditions likely to worsen over time		
		Environmental Impacts	Associated impacts associated with roadworks including noise pollution, vibration, air quality	Conditions likely to worsen over time		
		Accidents	Potential for accidents as vehicles due to skidding and also because road users may take evasive action to avoid hazards (e.g. potholes).	Conditions likely to worsen over time		
				Operation	The one-way nature of the roads in the area may result in significant diversions in order to carry out roadworks	Conditions likely to worsen over time
Strategic	Primary	Lack or investment	Lack of investment in area between town centre and harbour area	Future investment in Folkestone town centre becomes more challenging to secure without additional incentives		
	Secondary	Asset Condition	Condition of asset discourages cyclist to use these roads to access the Harbour and Seafront areas	Conditions likely to worsen over time		



3.4.4 Factors Driving the Need for Change

There are a number of drivers for change:

- Increasingly limited highway maintenance funding value for money becoming progressively more important with the principles of whole life costing being used increasingly to reduce longer term costs of maintenance;
- Pressures to reduce costs early life failures of surface course are currently being maintained through a reactive approach which provides poor value for money;
- Improved service to customers improvement in public perception of the network through improvement in responses to local surveys. Reduced occurrence of potholes; and
- Minimise repeat visits to repair the same defect widespread and severe early life failures of the surface course have presented significant safety concerns in addition to the reduced level of service, poor value for money and increased disruption resulting from the increased requirement for maintenance.

3.4.5 Opportunities for Betterment

By its very nature, the Folkestone Seafront: onsite infrastructure and engineering works will improve accessibility for all types of road users. This has the potential to provide health, fitness, and general well-being improvements as there is the potential to increase the numbers of cyclists and pedestrians through the area. More specifically opportunities for betterment include:

- Wider Regeneration the works will support the longer term regeneration strategy to improve access for residents and visitors to and from the Harbour area and to improve local bus services. Physical improvements and investments in town centres are often justified in terms of acting as a stimulus for further investment in the retail sector or creating the conditions for future commercial and residential investment ;
- Political Intervention conditions of highways are becoming a 'hot topic' with bad winters, hot dry summers, and flooding all having a significant impact on highway condition;
- Accident Claims declining highway conditions can lead to increased number of third party claims;



• Environmental Improvements - poor road surfaces contribute to increased fuel consumption. Improving the road surface will lead to decreasing fuel consumption therefore decreasing emissions, both in terms of localised emissions, such as oxides of nitrogen (NOx) and particulate matter (PM), heightened levels of which are associated with negative health impacts such as asthma, and carbon dioxide (CO2), which contributes to climate change

3.5 Scheme Objectives and Scope

3.5.1 Objectives

There are a number of both direct and indirect objectives of this scheme. These are set out below:

- **Objective 1** Reduce reactive maintenance
- **Objective 2** Improve Public Perception
- **Objective 3** Deliver a financially sustainable scheme which limits long-term maintenance liability
- **Objective 4** Deliver scheme to a tight programme
- **Objective 5** Maintain or improve the local environment around the scheme

Table 5 summarises the broad scheme objectives / identified problems, intended outcomes and target timeframe for achieving the aims of the scheme.

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Table 5 – Summary of Objectives

Summary of Objectives / Identified Problems and Outcomes to be Achieved by the Scheme								
Strategic / Local Context & Primary / Secondary Objective		Broad Scheme Objective / Identified Problem	Details of Scheme Targeted Outcomes	Timeframe to Achieve Scheme Aims				
Strategic / Localised	Primary / Secondary							
	Primary	Reduce reactive maintenance	Reduce reactive maintenance in area by 30%	Objective to be achieved in 12 months				
Localised		Deliver scheme to a tight programme	Complete works before summer	Before June 2015				
	Secondary	Poor public satisfaction	Improvement in annual performance KPI's by at least 10%	Objective to be achieved in 12- 36 months				
Strategic	Primary	Deliver a financially sustainable scheme	Reduced maintenance spend on roads within study area	Objective to be achieved in 12- 36 months				
	Secondary	Wider regeneration	Facilitate Tontine Street conversion to two- way	Objective to be achieved in 12 months				

3.5.2 Scope

The scope of the Folkestone Seafront: onsite infrastructure and engineering works are limited to Tontine Street, Harbour Approach Road, Marine Parade, Marine Terrace, and Lower Sandgate Road. The works include strengthening of the carriageway only. The works are provisionally programmed for delivery in September 2015.

Table 6 summarises the project scope. The scheme will not deliver improvements to street lighting, street furniture, or signs and lines.

The preferred option will have a design life of 25 years.

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Table 6 – Summary of Project Scope

Items Within and Outside the Scope of the Scheme Project					
Item of Interest	Details Within Scope of the Scheme	Details Outside Scope of the Scheme			
Carriageway	Limited to Tontine Street, Harbour Approach Road, Marine Parade, Marine Terrace, and Lower Sandgate Road				
Footway		Not Included			
Street Lighting		Not Included			
Street Furniture		Not Included			
Signs and Lines		Not Included			

3.6 Determining Success of the Scheme

Fulfilment of certain successful performance criteria, together with negotiating a number of essential hurdles to fund and deliver the scheme, can be regarded as 'Critical Success Factors' (CSF) for the Folkestone Seafront: onsite infrastructure and engineering works, in accordance with HM Treasury's 'The Green Book' (July 2011).

3.6.1 Critical Success Factors

There are several 'Critical Success Factors' (CSF) that will determine if the Folkestone Seafront: onsite infrastructure and engineering works can be introduced satisfactorily. These CSF are essentially a combination of performance, finance and delivery assurances, as suggested in HM Treasury's 'The Green Book' (2011) and which can be assessed qualitatively and broadly aligned under the five criteria of the 'Transport Business Cases' (DfT, January 2013).

The CSFs for the Folkestone Seafront: onsite infrastructure and engineering works have been selected and categorised as follows:

• CSF1: Strategic Fit

- Will reduce car use and increase active travel;
- Will lock-in benefits of other transport investments in local and surrounding areas;
- CSF 2: Prosperous and Sustainable Economy and Value for Money
 - Will reduce cost of travel and increases journey reliability for scheme users;
 - Will improve safety for scheme users;



- Will maximise return on investment, striking a balance between the cost of delivery and the cost to the economy of non-delivery;
- Will limit long-term maintenance liability;
- Will improve public health through active travel;
- Will reduce carbon emissions and enhances the natural / urban environment;
- Will expand access to opportunities in an equitable manner;

• CSF 3: Affordable Finance

- Can be delivered within the likely capital funding available;

• CSF 4: Achievable Construction

- Can be delivered using current engineering and technological solutions;
- Can be procured through accepted methods of commissioning;

• CRF 5: Manageable Implementation and Operation

- Can be delivered within the timeframe of available funding;

3.6.2 Successful Performance Criteria

Some of the critical success factors for the Folkestone Seafront: onsite infrastructure and engineering works relate to the operational performance of the intervention.

The characteristics and outcomes that will be assessed, once the scheme is completed, are:

- Number of reactive maintenance repairs per annum;
- Number of third party claims per annum;

3.6.3 Measurement of Successful Scheme Performance

Table 7 summarises the proposed measurements and thresholds of acceptability that will be used to assess the performance of the scheme against its intended objectives and identified problems.





Table 7 – Summary of Measurements to Determine Scheme Success

Summary of Measurements and Thresholds of Acceptability for Determining Scheme Performance Against Objectives and Problems						
Localised / Strategic Context & Primary / Secondary Objectives & Problems		Scheme Objective / Identified	Type of Scheme Performance	Success Criteria: Thresholds of Acceptability for Scheme Performance Measurements		
				Acceptable / Targeted	Unacceptable	
Strategic / Localised	Primary / Secondary	Problem Issue	Measurement	Outcome Values	Outcome Values	
Localised	Primary	Reduce dis- benefits (to users) of reactive maintenance	Journey Time	Improved journey time reliability through area.	Reduction in journey time reliability within 5 year period post implementation of scheme compared with existing data	
		Reduce dis- benefits (to environment) of reactive maintenance	Noise pollution Air Quality	Reduction in environmental impacts	Increase in environmental impacts within 5 year period post implementation of scheme compared with existing data	
		Tight programme	Works completion	Before end of September 2015	After September 2015	
	Secondary	Poor public satisfaction	Annual performance KPI	Increase in score of >10%	Any decrease in score	
Chustania	Primary	Deliver a financially sustainable scheme	Outturn Cost	BoQ cost estimate	> BoQ cost estimate (+5%)	
Strategic	Secondary	Wider regeneration	Facilitate Tontine Street conversion to two-way	Before end of September 2015	After September 2015	

3.7 Constraints and Dependencies

3.7.1 Scheme Constraints

The Folkestone Seafront: onsite infrastructure and engineering works are constrained by a number of factors.

- Results of the condition surveys within the study area;
- The locations of regeneration areas in the Folkestone harbour area. The scheme connects the Creative Quarter to the proposed Seafront Development; and
- The busy tourist period. The works are to be completed prior to the summer.



3.7.2 Scheme Dependencies

There are dependencies between this scheme and the proposed conversion of Tontine Street to two-way. Essentially a lining and signing scheme the Tontine Street conversion will benefit greatly from the reconstructed carriageway. Should the conversion take place prior to the Folkestone Seafront: onsite infrastructure and engineering works, there will be a need to re-line etc. causing repeat disruption needlessly. This will have a negative impact on local businesses and reduce public perceptions.

The local bus company have also expressed that they are proposing to extend their route coverage to the Harbour and Seafront area but only once the carriageway is upgraded (presumably to reduce costs associated with damage caused by the poor road condition).

Regeneration is a complex jigsaw with health, economy, education, social services, environment, transport and infrastructure all forming part of the picture vital for successful long term regeneration.

This scheme has the opportunity to support the proposed regeneration in the area. Whilst not directly related to this scheme, the proposed developments in the Seafront area of Folkestone will benefit from a fit for purpose infrastructure.

3.8 Scheme Strategy Options

3.8.1 Scheme Strategy Identification and Sifting

There are three potential scheme strategies that have been considered to resolving the identified problem issues and achieving objectives. These are:

- Continue with reactive maintenance for a period of five years before carrying out major maintenance (design life of 25 years);
- Carry out more permanent repairs (surface course only with design life of 5 to 10 years) before carrying out major maintenance (design life of 25 years);
- Carry out major maintenance (design life of 25 years).

3.8.2 Proposed Scheme

The proposed scheme strategy is to carry out major maintenance in 2015. This will achieve the local and strategic objectives by providing a quality asset that will not require the levels of reactive maintenance currently experienced.



The scheme will enable the Tontine Street conversion to two-way to be completed. This will increase the exposure of the study area to public transport. Should the increase in buses occur when the carriageway is in its current state, further degradation could be accelerated.

3.8.3 Alternative Scheme Options

The alternative schemes identified have not been carried forward on the basis of whole life costing over a 25 year period as discussed in Section 4.

3.9 Scheme Risks

As with any transport scheme there are a number of risks and issues that must be managed. For the purposes of this Business Case, the main risks associated with proposed investment to progress the Folkestone Seafront: onsite infrastructure and engineering works are summarised in Table 8 below under the headings of project delivery and project funding.

Risk description	Likelihood	Impact	Likelihood	Mitigation
			x Impact	
Public event taking place in town/hotel	1	3	3	Public consultations to take place early to avoid clash of events
Stats and utilities, particularly if there is anything associated with the port, or drainage that may not show up on the stats requests.	1	3	3	STATS to be identified ASAP, including trial holes if required
Road permits/TTRO not being agreed/issued in time.	1	3	3	Coordination to take place early so all issues/impacts are discussed early
Stakeholder/Supply Chain Certainty	1	3	3	ECI to be taken place with Eurovia to ensure resources are set aside
Delays/certainty of funding				Development of robust Business Case approved by the SELEP.
	1	3	3	Regular discussion of Local Growth fund with SELEP.

Table 8 - Scheme Risks



3.10 Stakeholders and Interests

There are a number or parties that will directly influence, be directly affected by and benefit from the proposed scheme, e.g. fund contributors, policy regulators, local land users and occupiers, transport operators, case adjudicators, transport users, developers, construction contractors, etc.

Stakeholders have been defined and analysed in the following manner:

- All stakeholders categorised in terms of their interest in the scheme, how they will be engaged with and consulted through the design and delivery process.
- Stakeholders benefitting from the scheme further analysis of these scheme beneficiaries, mapped against the scheme objectives, enabling consultation to be targeted effectively and assisting in framing the Benefits Realisation Plan for the scheme.

3.10.1 Stakeholder Categorisation

Table 9 summarises the approach used to categorise the various scheme stakeholders.

Stakeholder Category	Stakeholder Characteristics
Beneficiary	Stakeholders who will receive some direct or indirect benefit from the scheme. For details see separate table
Affected	Stakeholders who are directly affected by the scheme in terms of its construction or operation
Interest	Stakeholders who have some interest in the scheme, although not affected directly by its construction or operation
Statutory	Stakeholders who have a statutory interest in the scheme, its construction, operation or wider impacts
Funding	Stakeholders who are involved in the funding of the construction or operation of the scheme

Table 9 – Main Categories of Scheme Stakeholders



3.10.2 Stakeholder Management Matrix

Table 10 summarises the main stakeholder groups identified as being affected by the Folkestone Seafront: onsite infrastructure and engineering works.

Table 10 – Stakeholder Groups

Name of Stakeholder / Interest Group
Scheme users
Other road users
Access and rights of way groups (including cycling)
Disabled access groups and individuals
Other landowners
Elected Members
Local authorities
Environment Agency
Local Enterprise Partnership
Developers
Residents adjoining route
Businesses adjoining route
Wider business community
Wider community
Local taxpayers

Stakeholder Engagement is covered as part of the Management Case (see Section 7.4).



4 Economic Case

4.1 General KCC Approach to Scheme Economic Case

4.1.1 General Overview of Approach to Economic Case

The economic case is one of five strands of evidence required to support the scheme transport business case. Kent County Council's general approach to the economic case has been determined by the need for it to be proportionate to the scale, scope and cost of the proposed scheme and the preparation time available. This approach is fully consistent with Department for Transport advice to scheme promoters (KCC) and adjudicators (SELEP). This advice recurs in the following DfT guidelines:

- Transport Analysis Guidance (WebTAG) (The Proportionate Update Process January 2014);
- Value For Money advice note, December 2013 (sections 1.4, 1.17, 5.3);
- The Transport Business Cases, January 2013 (Sections, 1.4, 2.7, 6.2);
- LEP Assurance Framework, December 2014 (Sections 5.6, 5.7, Annex A); and
- HM Treasury The Green Book, July 2011 (Appraisal and Evaluation in Central Government).

However, none of the above guidance specifies the parameters of what constitutes a proportionate approach to appraisal. Therefore, KCC has applied best judgement to decide how much rigour there should be in the scheme economic case.

4.1.2 Quantitative and Qualitative Economic Appraisal

In line with the proportionate approach, KCC has prepared partly quantitative and partly qualitative evidence to support the scheme economic case. Generally, for a scheme with relatively large cost (> \pounds 5m), the economic appraisal has been substantiated with quantified outcomes. Conversely for a scheme with relatively small cost (< \pounds 5m), mainly qualitative evidence has been assembled.

It has also been inappropriate to calculate monetised economic impacts for certain KCC schemes for which the LGF bid is not primarily aimed at achieving transport user benefits. Here, the main scheme objective has been, for example, to enable a more prosperous economy and community by improving public realm, or to save unnecessary future expense by maintaining existing transport assets more effectively.



4.1.3 Components of Economic Case

The economic case has initially considered all aspects of scheme performance and likely impacts, in line with the TAG criteria outlined in the Appraisal Summary Table (AST), broadly:

- Economic prosperity and efficiency
 - User travel costs; congestion; reliability; regeneration and wider economy;
- Environment
 - Noise; air quality; greenhouse gases; landscape; townscape; heritage; biodiversity; water;
- Social well-being
 - Accidents; physical activity; journey quality; value for non-users; affordable travel; security; access to opportunities and door-to-door options; severance;
- Public accounts
 - Cost to transport budget; indirect tax; value for money (VfM).

However, many of these aspects are insignificant, or not easily assessed, in the context of the KCC scheme in question. Therefore, the economic case has finally focussed on economic efficiency for transport users, decongestion, reliability, greenhouse gases (carbon), safety, capital cost and VfM, as the core aspects for appraisal.

4.1.4 Quantitative Evidence for Economic Case

Where the predicted economic outcomes from the scheme have been quantified and monetised, the appraisal method used in the economic case has largely followed the non-modelling approach identified in TAG. This is centred on a 2010, present value (PV), cost and benefit analysis, which weighs up the net economic savings to scheme users, against the net economic costs to public accounts, of the investment. Here, the net impacts are derived by subtracting the with-scheme outcomes from the without-scheme outcomes.

Generally, transport model outputs and economic appraisal software has not been used to assess the schemes, because of the disproportionate costs, resources and data inputs that would be entailed. This has precluded use of TUBA, COBALT, INCA, QUADRO and TfL Urban Design Toolkit.


The time period for the economic appraisal is matched to the context of the scheme, ranging from a 60-year horizon for a longer-term one-off investment, to a 1-year horizon for a shorter-term, staged or packaged investment. Intermediate appraisal terms have been used to suit the likely duration of a particular scheme's impacts.

In the quantified economic approach, manual calculations, or the TAG Marginal External Costs technique, have been used to assess the following scheme impacts: travel time and delay savings for transport users; vehicle kilometre and decongestion savings for society; journey time reliability improvements for users; accident savings for users; health benefits for active mode users; carbon emission savings for society; and the capital cost to public accounts of preparing and constructing the scheme.

Standard TAG economic appraisal summary tables have not largely been produced, owing to the limited scope of the KCC schemes and because neither the required breakdown of benefits, by user-type and journey-purpose, nor segmentation of costs by investment item, have been available. This has ruled out inclusion of Transport Economic Efficiency (TEE) and Public Accounts (PA) tables. However, a summary table for Analysis of Monetised Costs and Benefits (AMCB) has generally been included in the quantified economic case.

A recommended TAG and 'Green Book' method has been followed to convert monetised scheme economic costs and benefits from their year of occurrence to 2010 PV equivalents. In essence, this entailed the following steps:

Converting year-of-estimate capital costs to a 'base cost', by adjusting for real construction cost increase between estimate year and year of cost occurrence;

Converting base cost to 2010 prices, by adjusting for GDP deflation;

Discounting year-on-year costs and benefits to 2010 at 3.5% per annum; and

Adjusting 2010 PV costs and benefits from 'factor cost' to 'market prices', by allowing for indirect taxation (+19% increment).

Final summation of the scheme PV outcomes gives a quantified value for PV Benefit (PVB), PV Cost (PVC), Net Present Value PVB-PVC (NPV) and Benefit to Cost ratio PVB/PVC (BCR).



4.1.5 Qualitative Evidence for Economic Case

Where the potential economic outcomes from the scheme have been not been quantified and monetised, they have been assessed by aligning with a qualitative scale. This appraisal method for the economic case has largely followed the steps outlined in the DfT 'Value for Money' approach. The qualitative method is considered to be appropriate for schemes of modest cost and scope, which do not merit an elaborate, quantified economic case.

A sequence of six steps has been traced, to attribute a qualitative scale to the scheme's economic impacts, as follows:

- Define an initial BCR (for usually monetised impacts); and
- Work out an adjustment to the BCR (for sometimes monetised impacts);
 - Both against a 5-point scale (poor/low/medium/high/very high);
- Undertake a qualitative assessment (for rarely monetised impacts), against a 7point scale (slight/moderate/large beneficial, neutral, slight/moderate/large adverse);
- Combine items above, to give initial an VfM, against a 4-point scale (low/medium/high/very high);
- Make a risk assessment, to derive a further adjustment to the initial VfM, using the 7-point scale; and
- Finalise the overall VfM, by adjusting the initial VfM for risk, using the 4-point scale. Qualitative evidence used to support the economic case is based around applying an order of magnitude to a likely scheme outcome, rather than by calculating a precise, quantified, impact value.

4.2 Background

Achievement of the scheme objectives, set out in the Strategic Case (section 3.5.1), is intended to resolve the identified transport problems (section 3.4.2) and result in the anticipated stakeholder benefits (section **Error! Reference source not found.**). Evidence is needed to determine if these predicted outcomes are attainable and so, therefore, they are considered in this appraisal of the scheme in the 'Economic Case'.

This appraisal is focused on predicting the scheme's performance against the selected success criteria (section 3.6.2) using the specified measurements (section 3.6.3).



A subsequent part of the Economic Case is to predict the scheme's ability to satisfy its Critical Success Factors (section 3.6.1), which represent a combination of performance, funding and delivery expectations, in line with HM Treasury guidance. These CSFs are categorised according to Strategic Fit, Value for Money, Achievability, Affordability and Timescale, reflecting the 5-case TBC model. They enable the scheme and its options to be appraised and compared in order to identify the most effective solutions.

The following subsections describe the scheme options, their advantages and disadvantages and whether they have shown sufficient merit to take forward for more detailed economic appraisal. A summary of the options, mapped against the scheme objectives and CSFs is provided.

Following this, the approach towards more detailed economic appraisal is described, followed by the scheme option appraisal itself.

An Appraisal Summary Table, setting out the key issues relevant to this scheme is provided. Although some aspects of this (including the economic appraisal) have been explored at this (Strategic Outline Case) stage, other aspects will not be explored in detail until Outline Business Case or Full Business Case stage.

The nature of the Folkestone Seafront: onsite infrastructure and engineering works is such that it is difficult to predict the impacts it will have in the area given that there are a number of other initiatives being undertaken at a similar time.

The economic case will primarily be based on a qualitative basis, however, the costs will be appraised over a 25 year period to determine the relative performance of each option when considering its whole life costing. The calculations are discussed in Section 5. These costs are based on manual calculations.

Although this scheme is expected to contribute to the wider economic development of the area, it is mainly focused on more localised objectives. The Economic Case is mainly focused on these specific benefits.



4.3 Appraisal Assumptions

With devolution of major scheme approval to Local Enterprise Partnerships, it is important that an approach to appraisal is used that gives regard to local priorities (especially in enabling investment, job creation and housing construction). This must be done with due regard to standard practice, which in transport terms means the use of WebTAG guidance. Discussions with the Department for Transport have indicated that a 'proportionate' approach to WebTAG should be used. Kent County Council has held discussions with the South East Local Enterprise Partnership, in the light of Government Guidance, on how the appraisal of devolved small major schemes should be handled ('Growth Deals Initial Guidance for Local Enterprise Partnerships', HM Government July 2013).

In the context of the guidance, the following approach has been used to assessing the capital cost of the Folkestone Seafront: onsite infrastructure and engineering works, for this Transport Business Case:

- All anticipated scheme design and delivery costs have been calculated as accurately as possible, given the relatively early stage of the design;
- As the design process progresses, any 'optimism bias' included in the costs will be replaced by quantified project risk estimates.

4.4 Scheme Options Assessed

There have been three options subjected to performance assessment and economic appraisal:

Option 1: Do Nothing

Description

This scenario considers a reactive maintenance regime with repairs being temporary in nature. The repairs would not arrest the decline of the asset and frequent re-visits are likely to be required. In the short term, routine maintenance costs are likely to be high due to the ongoing liability to repair Category 1 defects (as defined in Well-maintained Highways). There is also an increased risk of personal injury accidents (resulting from road users" interface with the defective asset) and the resulting legal consequences.

Advantages

There would be a small lead-in time to carry out repairs.



Disadvantages

There would be significant expense arising from "reactive maintenance", which is at least 20 times as expensive, per square metre, as resurfacing.

There is also an increased risk of personal injury accidents (owing to road user difficulties arising from the defective road condition) and the resulting legal consequences.

Conclusion

Option 1: Not relevant for appraisal, as too expensive over whole life (25 years). Will require repeat maintenance yearly as temporary fixes fail and other areas of the carriageway degrade.

Option 2: Do Minimum

Description

This approach seeks to do the minimal amount of routine maintenance work to keep the asset safe and serviceable. Works will normally be restricted to the repair of Category 1 defects.

Advantages

The works effort will be slightly enhanced in comparison to the "Do-Nothing" as repairs will normally be permanent in nature – although they will add no value to the asset.

Disadvantages

In the context of a pavement scheme a Do Minimum approach might be limited to the permanent repair of potholes only. These would be undertaken on an isolated basis or may extend to small patches.

Conclusion

Option 2: Not carried forward, as too expensive over whole life (25 years) plus will require additional repeat maintenance after 5-10 years.

Option 3: Do Something

Description

This will include wholesale replacement or major repair of an asset to a level that will enhance its long term durability and minimise future routine maintenance. A pro-active



approach will be adopted which means that repair takes place before the condition intervention level is reached. In the context of a pavement scheme this could see the treatment of a section of pavement classified as being in the Amber condition category (as defined by UKPMS).

Advantages

The scheme would provide an asset with a longer maintenance free period, which would reduce the need for frequent repeat repairs compared with the Do-Nothing and Do-Minimum.

Disadvantages

The scheme would require higher initial outlay of costs. Disruption to road users is likely to be longer, initially.

Conclusion

Option 3: Carried forward as Preferred Option. Provides best whole life costing over 25 year assessment period.

Table 11 gives a summary of the above review of scheme options, in terms of the objectives and critical success factors for the scheme:

Table 11 - Summary of Scheme Option Assessment and Sifting

	Likely Achievement	of Objectives / Critic	cal Success Factors?
Reference to:	Option 1	Option 2	Option 3
Description of Option:	Do Nothing	Do Minimum	Do something
Scheme Objectives			
1 Reduce reactive maintenance	×	√ *	✓
2 Delivery before summer	✓	✓	✓
3 Financially sustainable scheme	×	√ *	~
4 Improve public perception	×	√ *	✓
5 Support wider regeneration	×	✓	✓
Critical Success Factors			
1 Strategic Fit	√	✓	✓
2 Economic Prosperity/Value for Money	×	×	✓
3 Affordable Finance	√	✓	\checkmark
4 Achievable Construction	✓	✓	✓

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	Likely Achievement of Objectives / Critical Success Factors?									
Reference to:	Option 1	Option 2	Option 3							
Description of Option:	Do Nothing	Do Minimum	Do something							
5 Manageable Implementation/Operation	×	✓	\checkmark							
Summary Conclusion	Rejected	Rejected	Preferred							
* objectives will not be achieved as early as for option 3										

4.5 Economic Case Content and Method

The Folkestone Seafront scheme is not primarily aimed at achieving road user economic benefits, as it is mainly intended to protect the asset value of the road corridor and enhance the economic attractiveness and urban realm of the town.

A conventional road user economic cost and benefit appraisal is not appropriate for the Folkestone seafront scheme, because the proposed do-something initiative will not incur any net economic cost to public accounts (i.e. Present Value Cost is negative), when compared with the do-minimum. This has been confirmed by the 'Whole Life Cost' assessment of future road maintenance costs, detailed in section 5.4.2 of the Financial Case, which indicates a preferred scheme maintenance net PVC saving of £314,796.00, over 25 years, at 2010 present value.

However, in order to derive a more meaningful Net Present Value (NPV) and Benefit to Cost Ratio (BCR – dividing Positive PVB by Positive PVC) for the scheme, in the usual manner, the PVC has been taken to be the full capital cost of the proposed maintenance scheme, without subtracting it from the do minimum capital cost. The full capital cost (PVC), at 2010 present value, has been calculated as £463,510.00, as indicated in Appendix B.

At the same time, the whole life capital cost saving has been transferred to the user benefit side of the appraisal calculation, to become an initial PVB of \pm 314,796.00, at 2010 present value.

On this basis, an initial BCR (PVB/PVC) for the scheme is derived as 0.68.

It is likely that the scheme would achieve conventional benefits for road users, giving a positive uplift to the above net PVB, compared with the do minimum. However no detailed quantified appraisal has been made for these benefits, because under the 'proportionate' approach, the small scale of the scheme funding bid does not merit elaborate assessment of benefits.



It is judged that the scheme could achieve user benefits, assessed qualitatively, in respect of the following:

- Economic prosperity and efficiency
 - User travel time delay and distance cost efficiency savings, associated with less reactive unplanned maintenance disruption and traffic diversion away from Folkestone Seafront (both judged moderate beneficial);
 - User journey reliability improvements (judged moderate beneficial);
 - Regeneration of the local economy by improving labour access to opportunities, attractiveness for business activity and number of visitors (all judged moderate beneficial);
 - Wider economy benefits from business agglomeration, increased output and income tax revenues (all judged slight beneficial);
- Environment
 - Decongestion benefits in terms of noise; local air quality; greenhouse gases; landscape; townscape; and heritage (all judged slight beneficial);
 - Biodiversity; and water (both judged neutral);
- Social well-being
 - Accidents; and physical activity (both judged slight beneficial);
 - Journey quality (judged moderate beneficial);
 - Value for non-users; affordable travel; security; access to opportunities and doorto-door options; and severance (all judged neutral).

Taking each of the above qualitative assessments of user benefit items together, it is likely that the initial PVB of £0.315m can be uplifted at least by 5% for each of 11 slight beneficial impacts and by 10% for each of seven moderate beneficial impacts, giving an overall uplift of at least 125%. This would indicate a notional adjusted PVB of about £0.709m and an adjusted BCR of about 1.53. The BCR is very conservative, because it doesn't account for the fact that there are no net economic costs associated with proposed scheme, compared with the do minimum.

This qualitative assessment of user benefits is summarised in the value for money statement in section 4.8.



As mentioned in Section 3.4.3, there is supporting case study evidence which shows that planned maintenance regimes, such as the proposed scheme, may achieve the following:

- Reduce accident rates;
- Reduce wear and tear on vehicles;
- Decrease journey times/ reduced journey reliability;
- Decrease noise and vibration for adjacent properties;
- Decrease fuel consumption and emissions;
- Reduce creations of spray and dust;
- Greater impact of interventions by others;
- Reduced risk of asset failure; and
- Improved accessibility for all types of road users.

The economic case for this scheme relies on qualitative judgements in lieu of any scheme relevant quantitative information.

There are numerous examples of the benefits of moving away from reactive maintenance. For example, in 2003, Leeds City Council decided to break out of the cycle of reactive maintenance and pursued an asset management approach.

As of 2010, the benefits were a:

- 30% reduction in insurance claims from 2004-2009, decreasing the budget allocation for claims by £300k per annum, with a repudiation success rate in court of over 90%.
- A drop from 39.4% to 16% in road condition performance shortfall over the 2,248 mile-long network.
- 10% reduction over two years in public perception that roads are getting worse.

The experiences in Leeds have been repeated across numerous cities and council areas in the UK with some of the key findings set out below.

Economic Impact



A recent YouGov survey (AIA, 2013) showed that poor condition local roads were costing Small and Medium-sized Enterprises (SMEs) in England and Wales approximately £5bn each year through operational inefficiencies, production delays, raw material and end product delivery delays, and vehicle repair costs, among other factors. The Confederation of British Industry (CBI) found that "94 per cent of business leaders surveyed cited road surface quality as a key concern".

Agglomeration Impacts

Although not a direct benefit, this scheme complements other schemes in the area that may attract investment. The agglomeration effect will boost the economic performance of this area of Folkestone as development of bars/shops/businesses leads to additional development and regeneration.

Labour Market

In supporting the conversion of Tontine Street to two-way, this scheme will help facilitate improved public transport links to the Harbour area. This increased accessibility to the Seafront development areas may incentivise people to work.

Accidents and injuries

Approximately 15% of the legal claims the Cyclists' Touring Club (CTC) handles for its members stems from road defects. It is anticipated that these works will reduce the number of 'accidents' and accompanying legal claims.

Public Perception

The public has a clear impression of their local area and numerous studies support the 'broken-windows' theory (i.e. poor amenity and appearance lead to an increased deterioration in the locality and the need for higher subsequent costs). Studies have also shown the public judge the need for maintenance based on appearance of the road.

Road users expect travel that is safe, reliable and comfortable. The RAC Foundation conducted extensive polling during the 2010 General Election and found that people's top transport priority for the incoming government was "condition of roads and pavements". These works are anticipated to improve the journey quality for its users.

On a local level, the condition of roads and pavements also affect the housing (property) impact value. Improved infrastructure leads to an increased sense of civic pride in an area.

Environmental Impacts



Reduced maintenance funding leads to less works activity and therefore lower gas emissions from maintenance works. There are also fewer vehicles delayed through maintenance sites. However, as roads deteriorate, vehicle speeds reduce and fuel consumption and the levels of emissions change.

Research carried out by Parkman et al. "Fuel consumption of vehicles as affected by road-surface characteristics" (2012) poor road surfaces contribute to increased maintenance costs and fuel consumption. Not only does this increase the costs of driving for the motorist, it also has broader environmental impacts. Increased emissions are a direct result of increased fuel consumption. In particular nitrogen oxide (NOx) and particulate matter (PM) are associated with negative health impacts such as asthma. Other emissions such as carbon dioxide (CO₂) contribute to climate change.

New surfaces, to current standards, may lead to lower levels of noise pollution and vibration in adjacent buildings. It is also worth noting that cheaper surfacings (e.g. temporary surface dressings) can be noisier than the more permanent solutions.

There are environmental impacts associated with the construction process. These include impacts to noise and vibration, air quality, and greenhouse gases. The more episodes of maintenance required, the greater the impact of these areas.

Other impacts of the environment such as biodiversity, heritage, and the water environment are not expected to be negatively (or positively) impacted upon by this scheme.

Congestion and Journey Time

Poor road conditions lead to slower speeds and increased congestion.

With respect to the completion of the different types of maintenance, that which is planned can be scheduled to minimise interference with normal road use, whilst the "reactive" approach does not always offer the same opportunities. Unplanned work during peak periods will only exacerbate any congestion that occurs.

With any maintenance on a 'live' carriageway there is the need for traffic management. Journey times on the highway network will increase, either due to the traffic management slowing traffic through an area (start-stop), or in larger schemes due to actual diversions. The latter has the added impact of introducing additional traffic into more sensitive parts of the town.



With the more frequent "reactive" maintenance regime, users may suffer from poor journey time reliability either as a result of having to drive more slowly through an area to avoid damaging their vehicle, or as a result of the actual roadworks themselves.

These effects could, however, be more than offset by less disruption to journeys due to reduced road works.

Regeneration

There are a number of regeneration proposals in the proximity of the study area. The most significant of these is the Folkestone Seafront Development. This scheme will complement this planned (and other as yet unplanned) developments by raising the standard of the infrastructure in the area and making it more appealing for potential investors.

Physical Activity

There are strong connections between road condition and policies on health and obesity, as poor carriageway and footway conditions deter walking and cycling. The "Manual for Streets" (DfT, 2007) puts people and places before the movement of vehicles: "*Attractive and well-connected permeable street networks encourage more people to walk and cycle to local destinations, improving their health while reducing motor traffic, energy use and pollution*".

This scheme should encourage more people to cycle to the seafront and harbour areas.

Journey Quality

Journey quality for all users is likely to deteriorate with reduced maintenance budgets. Rougher roads are less comfortable to drive on.

Accidents

Road engineering is only one of the factors that can contribute to road accidents. Poor condition of the road surface can increase the risk of accidents because of skidding and also because road users may take evasive action to avoid hazards (e.g. potholes).

As set out in the Strategic Case, this scheme will be important for supporting the development of jobs and housing in the local area. For the purposes of this scheme, the direct employment benefits (i.e. people employed in constructing the scheme) have not been calculated, although these may be assessed as part of the direct jobs generated by the LGF programme as a whole.



The proposed scheme has been identified through an option appraisal process, intended to assure that the scheme will achieve its core objectives. This is detailed in the Strategic Case.

In view of this, the appraisal has been undertaken against three options as discussed in section 4.4.

4.6 **Preferred Scheme Option**

The preferred scheme option is the Do-Something scenario, whereby major maintenance is carried out in 2015. This option performs more satisfactorily when compared to the Do-Nothing (temporary "reactive" maintenance in early years) and the Do-Minimum (permanent repairs to surface course only in early year) as it delivers the best Net Present Value (NPV) over a 25 year appraisal period.

4.7 Appraisal Summary Table

A qualitative assessment of predicted scheme performance against WebTAG appraisal criteria, using Appraisal Summary Table (AST) components and non-AST items (e.g. LSTF), has been completed and is shown in Table 12.

Document Title KCC Transport Scheme Business Case Report



Table 12 – Appraisal Summary Table (AST)

	Scheme Appraisal Summary Table (AST)													
			come tised)	Qualitative Outcome (√) (Non-Monetised)										
Impact	Monetised / Non-	Crosifie Import	ve Out Monei	Beneficial			utral		Adve	erse				
Category	Monetised Impact?	Specific Impact	Quantitativ (Large	Moderate	Slight	Ne	Slight	Moderate	Large				
л А	Usually Monetised	Travel Costs to Business Users and Providers –				~								
Econo	Sometimes Monetised	Reliability for Business Users – Regeneration – Wider Impacts –				✓✓✓								
	Rarely Monetised	None												
ıment	Usually Monetised	Noise – Air Quality – Greenhouse Gases –				\mathbf{Y}								
iroi	Sometimes Monetised	Landscape –				~								
Env	Rarely Monetised	Townscape – Heritage / Historic Environment – Biodiversity – Water Environment –				\mathbf{Y}	* *							
Social	Usually Monetised	Travel Costs to Commuter & Other Users – Accidents – Physical Activity – Journey Quality –			*	\rightarrow \rightarrow	~							
	Sometimes Monetised	Reliability for Commuter & Other Users – Non-User Option/Non-Use Values –				* *								
	Rarely Monetised	Security – Access to Services – Affordability – Severance –				* * * *								
blic unt s	Usually Monetised	Cost to Broad Transport Budget – Indirect Tax Revenue –	-£0.5m					~						
Pu CCC	Sometimes Monetised	None												
•	Rarely Monetised	None												
ŢŸĿ	Usually Monetised	None												
bili ST	Sometimes Monetised	None												
Sustaina (non-ASi I	Rarely Monetised	Co-ordinated Door-to-Door Journeys – Traffic Congestion – Active Travel –				√ √	~							

4.8 Value for Money Statement

A qualitative / quantitative assessment of predicted scheme Value for Money (VfM) performance against DfT criteria has been carried out and is summarised in Table 13.



The VfM assessment is in line with DfT guidance in 'Value for Money Assessment: Advice Note for Local Transport Decision Makers' (December 2013). It follows the qualitative adjustments to an initial 'whole life cost' BCR, as outlined in the itemisation of user economic benefits in section 4.5.

Scheme Value for Money (VfM) Summary										
VfM Component	VfM Assessment Mechanism & Outcome Measurement Method	Scope of VfM Component	VfM Component Strands	VfM Outcome Qualitative (See 2 nd Column)						
Initial and Adjusted BCR	Quantified BCR, or 5pt Qualitative BCR: Poor (<1.0) Low (1.0-1.5) Medium (1.5-2.0) High (2.0-4.0) Very High (>4.0)	Derived from usually- monetised scheme user economic appraisal and cost/benefit analysis	Whole Life Maintenance Cost Saving Economic Efficiency (Consumer Users Commuters & Others) – Moderate beneficial Economic Efficiency (Business Users & Providers) – Moderate beneficial Noise – Slight beneficial Local Air Quality – Slight beneficial Greenhouse Gases – Slight beneficial Journey Quality – Moderate beneficial Physical Activity – Slight beneficial Accidents – Slight beneficial Wider Public Finances (Indirect Tax revenues) – neutral Broad Transport Budget – Moderate Beneficial Overall – Moderate beneficial	0.68 (BCR)						
Adjusted BCR	Quantified adjustment to BCR, or 5pt Qualitative adjustment to BCR: Poor/Low/Medium/High/Very High	Initial BCR adjusted to allow for sometimes- monetised scheme impacts	Journey Reliability – Moderate beneficial Area Regeneration – Moderate beneficial Wider economy – Slight beneficial Landscape – Slight beneficial Non-user option / non-use values –neutral Overall Adjusted – Moderate beneficial	1.46 (BCR)						
Qualitative Assessment	7pt Qualitative outcome: Large/Moderate/Slight Beneficial Neutral Slight/Moderate/Large Adverse	Covers rarely- monetised scheme impacts	Townscape – slight beneficial Heritage / Historic Environment – slight beneficial Biodiversity – neutral Water Environment – neutral Security – neutral Access to Services – neutral Affordability – neutral Severance – neutral Overall – Slight beneficial	1.53 (BCR)						
Initial VfM Category	4pt Qualitative outcome: Low/Medium/High/Very High	Aggregate of above VfM components, excluding risk component	Overall Initial VfM Category (excluding risk adjustment) –	Medium (VfM)						
Key Risks, Uncertainties & Sensitivities	7pt Qualitative negative or positive adjustment to initial VfM: Large/Moderate/Slight Beneficial Neutral	Cost estimate based on BoQ. Non-complex Engineering	Itemise risk / uncertainty / sensitivity factors: Works to be completed before summer Overall risk/uncertainty/sensitivity adjustment – Slight Adverse	Medium						
Final VfM Category	Slight/Moderate/Large Adverse 4pt Qualitative outcome: Low/Medium/High/Very High	Aggregate of above VfM components, including risk component	Overall Final VfM Category (including risk adjustment) –	(Vt™) Medium						



4.8.1 Overall VfM Category

The value for money assessment of the proposed scheme has produced an overall qualitative outcome of *Medium*, on a 4-point scale. This VfM is based on the quantified whole life cost BCR of 0.68, with initial uplift adjustments to give a BCR of 1.05 *(i.e. Low VfM)*. Further adjustments have then been made for non-quantified components and qualitative outcomes to give an adjusted BCR of 1.46 and 1.53, respectively *(i.e. Medium VfM)*. Some dampening is appropriate for risks / sensitivities, but this would still maintain a BCR of about 1.5 *(i.e. Medium VfM)*.



5 Financial Case

5.1 Overview

The Financial Case for the Folkestone Seafront: onsite infrastructure and engineering works gives an itemised breakdown of the expected project cost components and the time profile for the transport investment. It considers if these capital costs are affordable from public accounts at the times when the costs will arise. It also identifies where contributions of anticipated funding will be obtained, to meet the scheme costs and it assesses the breakdown of funds between available sources and by year and considers how secure these funds are likely to be. Finally, it reviews the risks associated with the scheme investment and examines possible mitigation.

5.2 Project Costs

This section considers the capital costs associated with the proposed scheme investment.

5.2.1 Breakdown and Time Profile of Project Costs

The breakdown of estimated project costs, by year of occurrence, is shown in Table 14. This includes cost valuation at year of calculation (e.g. 2014 Quarter 4). The costs are based on unit rates (reviewed annually). Traffic management and mobilisation are included in the costs. The costs are based on a preliminary stage estimates.

Optimism bias has been reduced on this scheme to 6% to reflect the fact that no consultation has taken place. Early Contractor Involvement with Eurovia is also anticipated and this will provide greater confidence that the resources will be available to deliver the works to the required quality, cost, and programme.

An element of risk adjustment and contingency has been included in the total cost calculation and is intended to cover items such as potential additional traffic management changes (both as a result of consultation and for reactive needs), general mobilisation and operation costs, and unforeseen costs associated with unrecorded statutory authority apparatus.



Table 14 – Scheme Capital Cost Breakdown and Profile

Scheme Cost Breakdown and Profile												
		* Cost	Costs by year (£000) Year of Estimate: <u>2014 Q4</u>									
Project Cost	Capital Cost Itoms	Estimate										
Components		Status	2014	2015	2016	2017	2018	2019	2020			
		(O/P/D/T)	/15	/16	/17	/18	/19	/20	/21			
Troffic Delated	Non-Routine Re-construction	Р		430								
Maintenance	Re-Surfacing											
	Surface Dressing											
Indirect Tax	Non-Recoverable VAT (if applicable)											
Contingency	(If appropriate)			45								
Indirect Tax	Non-Recoverable VAT (if applicable)											
Optimism Bias	@6% (Excluded from Total Cost)			25								
	Including Risk Adjustment											
Total Cost	Excluding optimism Bias	Р		475								
	(NB - Not Base Cost with Real Cost Adjustment)											
	*O = Outlin	e estimate, P= F	Preliminar	y estimate	e, D = D	etailed es	timate, 1	Γ = Tende	er price,			

5.3 Project Funding

This section considers the capital funding requirements and commitments for the proposed scheme investment.

5.3.1 Sources of Funding

The funding strategy for the Folkestone Seafront: onsite infrastructure and engineering works is to apply for the capital funds entirely from the SELP Local Growth Fund, as shown in Table 15.

	Scheme Funding Sources and Profile of Contributions													
			Funding Contributions by year											
			(£000)											
Funding Source	Fund Details	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	All Years					
Gov. / SELEP (direct)	LGF –		500						500					
All Funding Sources	Total		500						500					

Table 15 – Scheme Funding Sources and Profile of Contributions



5.3.2 Security and Earliest Availability of Funds

Table 16 confirms the level of security and availability of funds, as set out in the South East LEP Growth Deal and Strategic Economic Plan (March 2014).

Table 16 – Security and Availability of Scheme Funding Contributions

Security of Scheme funding Sources and Earliest Availability											
		Security of (✓)	Funding Cor	Earliest Available Date for Securing Fund Contribution							
Funding Source	Fund Details	Low	Medium	High	Part Funding Date	Full Funding Date					
Gov. / SELEP (direct)	LGF –		~			May 2015					

5.4 Financial Risk Management Strategy

This section examines the risks associated with the costs and financial requirements of the Folkestone Seafront: onsite infrastructure and engineering works. It considers the mitigation that may be needed to handle the identified risks, if they arise.

5.4.1 Risks to the Scheme Cost Estimate and Funding Strategy

Table 17 show the financial risks and suggested mitigation measures associated with this scheme.

Qualitative Financial Risk Assessment										
Scheme Financial Risk Item	Likeli Arisin	hood o g (√)	f Risk	Impact Severity (✓)			Predic on Sc Delive Outco	cted Ef heme ery & ome (√	fect)	Suggested Mitigation
	Low	Medium	High	Slight	Moderate	Severe	Slight	Moderate	Severe	
Unforeseen increase in scheme cost reduces the VfM (i.e. BCR nearer to 1.0 'low')	*			~			*			Amend preferred scheme design content to reduce scheme cost and increase VfM / BCR
Earmarked / secured funds do not cover	*				*			*		Amend preferred scheme design content to reduce scheme cost

Table 17 – Scheme Financial Risk Assessment

Document Title KCC Transport Scheme Business Case Report



Qualitative Financial Risk Assessment										
Scheme Financial Risk Item	Likelihood of Risk Arising (√)			Impact Severity (✓)			Predic on Sc Delive Outco	cted Eff heme ery & ome (√)	fect)	Suggested Mitigation
	Low	Medium	High	Slight	Moderate	Severe	Slight	Moderate	Severe	
current scheme capital										
cost										
Main funding award depends upon sound scheme transport business case, which is not currently achievable	*					*			*	Assemble additional supporting evidence for the scheme and prepare a Transport Business Case to a standard sufficient to confirm funding award

5.4.2 Scheme Value Management Plan

An assessment of whole life costs associated with the highway maintenance profile for Folkestone Seafront has been undertaken on all three options considered during the scheme development. This assessment follows DfT guidance in 'Whole Life Costing for Option Appraisal of Maintenance Schemes for Local Highway Authorities' (October 2011).

This has been based on a 25 year assessment period. The results are shown in Table 18 below. The assessment is based on works costs (estimate at 2014, Q4 prices) that have been deflated to 2010 prices and discounted to 2010 present value.

A detailed breakdown of this assessment is included in Appendix B.



Option	Description	Net Present Value
Do-Nothing	Reactive, 'make-safe'	£584,691
	temporary repairs only -	
	that require additional	
	future maintenance on a	
	regular basis. The design	
	life of the temporary repairs	
	is a year. This assessment	
	has assumed that	
	temporary repairs will be	
	required from years 0 to 5	
	with reconstruction being	
	carried out in year 5 (design	
	life of 25 years)*	
Do-Minimum	Maintenance limited to	£778,306
	essential, permanent repairs	
	to keep assets safe and	
	serviceable. The design life	
	of the permanent repairs is	
	5 to 10 year. This	
	assessment has assumed	
	that temporary repairs will	
	be required from years 5 to	
	10 with reconstruction being	
	carried out in year 10	
	(design life of 25 years)*	
Do-Something	Capital Maintenance.	£463,510
	Pavement treatment	
	Long-term solution	

Table 18: Net Present Value (NPV) - Whole Life Costing

* - NPV calculations take account of residual value of asset at end of 25 year appraisal period.

The positive Net Present Value indicated for the scheme by the Whole Life Cost assessment amounts to a saving of £314,796.00, over 25 years, at 2010 present value.



Future maintenance costs should be reduced as the underlying causes will be rectified with these works. The Do-Something option rectifies the underlying causes much earlier than the other options, and as such delivers benefits much earlier than the other options. Whilst the future renewal costs will occur in different years, it is worth noting that they will occur at similar intervals for all options.



6 Commercial Case

6.1 Overview

The Commercial Case for the Folkestone Seafront: onsite infrastructure and engineering works provides evidence that the proposed investment can be procured, implemented and operated in a viable and sustainable way. The aim is to achieve best value during the process, by engaging with the commercial market.

6.2 Expected Outcomes from the Commercial Strategy

The scheme commercial strategy is aligned with that of Shepway District Council in maximising procurement's contribution to cash and non-cash efficiency savings and creating a visible focus on achieving value for money.

The procurement will also need to support the achievement of the Council's wider objectives, such as promoting diversity and environmental sustainability.

6.3 Commercial Viability of the Scheme

There is a term contract for maintenance currently in place with Eurovia. This has been awarded following Kent County Councils procurement guidelines.

The delivery of the scheme through the external resurfacing Contract instead of the Term Maintenance Contract (TMC) provides efficiencies as the surfacing rates are cheaper as a result of being competitively tendered purely for surfacing rather than all Highway Civils works.

The allocated funds will cover all construction and contractor costs.

The term contract for maintenance has arrangements within it to handle cost overruns.

Details of similar schemes completed by Eurovia are detailed in Section 7.3. There were a number of lessons learnt during these previous works, including laying the final surface course in one go to reduce disruption, and using a geotextile membrane to provide additional strength without the need for additional layers of aggregates.



6.4 Scheme Procurement Strategy

6.4.1 Procurement Options

KCC have identified three procurement options for the delivery of the scheme. The alternative options are:

Full OJEU tender

This option is required for schemes with an estimated value of over £4,322,012.

KCC will then need to opt for an 'open' tender, where anyone may submit a tender, or a 'restricted' tender, where a Pre-Qualification is used to whittle down the open market to a pre-determined number of tenderers. This process takes approximately one month and the first part is a 47 day minimum period for KCC to publish a contract notice on the OJEU website.

The minimum tender period is 6 weeks but could be longer for larger schemes. Once the tenders are received they must be assessed and a preferred supplier identified. There is a mandatory 10 day 'standstill' period, during which unsuccessful tenderers may challenge the intention to award to the preferred contractor.

Delivery through existing Amey Highways Term Maintenance Contract (HTMC)

This option is strictly not procurement as the HTMC is an existing 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.

Delivery through existing Eurovia Resurfacing Contract

KCC have an existing contract with Eurovia for resurfacing works. All work delivered through the contract is via NEC Option B which reduces the potential financial risk to KCC once a price has been agreed.

6.4.2 Preferred Procurement Option

The preferred procurement route for the Folkestone Seafront: onsite infrastructure and engineering works scheme is delivery through the Eurovia resurfacing works contract.

This option has been selected as the value of the scheme is less than the OJEU scheme value threshold and the contract is set up specifically to deliver this type of work.



Although, the works will be delivered by an external contractor, the design will be carried out by the Highways, Transportation & Waste team within KCC. The design will be subject to the usual KCC check processes to reduce the risk of the design failing.

6.5 Commercial Risk Assessment

The simple uncomplicated nature of the Folkestone Seafront: onsite infrastructure and engineering works mean that there is little commercial risk involved.

Should the works be delayed, they may have to be postponed until after the summer period. This is considered unlikely but could result in an additional number of months where reactive maintenance is the only solution which could not only cause disruption to traffic in the busy summer months, but would involve additional costs. The commercial risks are shown in Table 19.

Qualitative Commercial Risk Assessment										
Scheme Commercial Risk Item	Likelihood of Risk Arising (√)			Impact Severity (√)			Predicted Effect on Scheme Procurement, Delivery & Operation (✓)			Immediate Bearer of Risk and Suggested Mitigation
	Low	Medium	High	Slight	Moderate	Severe	Slight	Moderate	Severe	
Scheme construction is delayed which will result in scheme having to be postponed until after the summer	¥			*			✓			Kent CC, as scheme promoter, bears the risk. Ensure that scheme programming and construction is sufficiently robust to minimise likelihood of construction difficulties

Table 19 – Scheme Commercial Risk Assessment



7 Management Case

7.1 Overview

The Management Case outlines how the proposed scheme and its intended outcomes will be delivered successfully. It gives assurances that the scheme content, programme, resources, impacts, problems, affected groups and decision makers, will all be handled appropriately, to ensure that the scheme is ultimately successful.

7.2 Project Governance, Roles and Responsibilities

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. Each scheme will have a designated project manager who will be an appropriately trained and experienced member of KCC staff.

Table 20 shows the key resources identified for the delivery of these works.

Project Role	Name	KCC Experience
KCC SELEP Schemes Delivery Manager	Mary Gillett (MICE CEng)	Major Projects Planning Manager
Project Sponsor	Alan Casson	Resurfacing Manager
KCC Project Manager	Byron Lovell (IEng, MCIHT)	Machine Resurfacing Team Leader

Table 20 - Delivery Team

Figure 7 overleaf provides an outline of the overall governance structure implemented to manage the delivery of each scheme.



Figure 7 – KCC Project Governance Structure

KCC LEP Meeting Governance Diagram										
Bid	Design Construction	High level Agenda	Frequency	Attendees	Format	Scope	Agenda Items	Key Deliverables/Feedback	Templates	
:	Bid Sponsoring Gro ^j up Design Construction		Bid Monthly - Can be Design called in emergency if istruction required at		Face to face meeting, rotating venue	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 Next steps Issues/Risk/Change Actions	Minutes of Meeting Action/Decision Log Output distributed to MG	Agenda Minutes Decision list	
	^					-				
	Escalation Report	Decisions Needed	Monthly	MG/JW	Report	that require a decision made by the board		Action list ready for the Steering Group	Action List	
	1									
Prog	ramme Board Meeting	Bid Design Construction	Monthly	Chair: MG MG/FQ/KCC Promoters/KCC PMs/ AQ or RC/Amey TE's SW&IC/JW	Face to face meeting, rotating venue	To discuss progress/preview next steps and discuss and resolve issues	LEP programme progress to date Project financial reporting Next steps Issues/Risk/Change Actions	Minutes of Meeting Action List Output distributed to all attendees	Agenda Minutes	
										
	Highlight Report	Identify key points for Programme Meeting	Monthly	JW/MG	Face to face meeting/report	JW to collate and streamline all reports highlighting areas of interest for the programme meeting. To be fed back to MG by report/meeting		Highlight report for MG to use for Programme Meeting. Highlight report shared with PR attendees.	Highlight Report	
	1									
Ste	ering Group Meeting	Progress Update	Monthly/Fortnightly as required	Chair: KCC PMs All input staff - KCC Bidding/KCC Promoters/KCC PMs/Amey Design/TMC/JW	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	Progress Report	

List of Initials:

BC	Barbara Cooper
JB	John Burr
TR	Tim Read
MG	Mary Gillett
FQ	Fayyaz Qadir
AQ.	Andrew Quilter
CM	Chris Morris
RC	Richard Cowling
SW	Steve Whittaker
IC	lan Cook
JW	Joanne Whittaker



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 fortnightly to discuss individual progress on each scheme and are chaired by KCC Project Managers (PMs). Attendees include representatives from each stage of the LEP scheme (i.e. KCC Bid Team, KCC sponsor, KCC PMs, Amey design team and construction manager). 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.

Highlight Report

The Progress Reports sent by the KCC PMs comprise of 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 LEP 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 LEP Programme Manager. Attendees include representatives from all three stages of the schemes (i.e. KCC LEP Management, KCC LEP Bidding, KCC Sponsors, KCC PMs, Amey Account Manager, Amey Technical Advisors, Amey 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 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



The SG is held monthly and will be chaired by Tim Read (KCC Head of Transportation). Attendees are Barbara Cooper (Corporate Director), John Burr (Director of Highways, Transportation and Waste), Tim Read and Mary Gillett (KCC Major Projects Planning Manager). This meeting discusses high-level programme progress to date, financial progress, next steps and closes out any actions from the escalation report. Output is sent to Mary Gillett for distribution. 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).

7.3 Evidence of Previously Successful Scheme Management Strategy

KCC have a successful track record of delivering major maintenance schemes within the county. Two recent similar schemes are detailed below:

Example 1 - Willington Street, Maidstone.

Cost of scheme - £1.6m

Completed September 2014

The initial design was a full depth reconstruction, up to 850mm deep for the worst 2km section but due to restrictions in re-routing existing services and acceptable time restraints, the scheme was redesigned to satisfy the above constraints along with a politically acceptable solution in a very sensitive area affecting in excess of 6,500 households.

Major traffic diversions had to be installed in order to divert HGV's in particular from the area which involved routes through Maidstone town centre and avoiding a low bridge. Local diversions were adjusted for each phase of the works.





Figure 8 - Full depth reconstruction underway at Willington Street

It was agreed that the first section would consist of 4 phases of approximately 250m lengths from Northumberland Road to the A252 Sutton Road. Each phase would take 7 days to complete with all surfacing works being carried out over the weekends and all works were to be completed within the 6 week school holiday period. It was also necessary to provide up to 24 gatemen giving 24/7 coverage to provide traffic and pedestrian management and night time security.



Figure 9 - Works completed at Willington Street



In each phase 1,200 tonnes of material was excavated and replaced whilst maintaining pedestrian access to properties on both sides of the road. The programme was further challenged by fractured water mains in a number of locations which resulted in additional soft spots and the severe rainstorms that swept across the country. The existing road was milled to a depth of 240mm; any soft areas were excavated and replaced with a minimum of 250mm of Type 1 material laid over a 'Fastrack' membrane.

The surfacing consisted of 130mm Base, Geo grid reinforcement, 70mm of Binder and 40mm HRA Surface Course.

Following the completion of Phase 1 feedback from local residents & stakeholders was very positive with over 85% stating that they were either satisfied or very satisfied with the way that the works were delivered.

Example 2 - Arcadia Road, Istead Rise, Gravesham.

Cost of scheme - £83k

Completed October 2014

This was highlighted as a priority road needing treatment from the Kent Gateway Asset Management System. The road construction was concrete, although the construction was sound residents were complaining of skid issues as it was on a hill and joint failures including bad utility trench reinstatements.

The preferred solution was remove 25mm of the overlaid surface dressing and concrete, treat all joints/bad reinstatements with stress absorbing inlay crack repair system and overlay with a 25mm 6mm SMA

It was completed October 2014. October was chosen because of the school half term. There was a school adjacent to the site.

The scheme was completed to programme which was critical due to the proximity of the school and was completed to budget. There was some betterment as a result of a number of ironworks added whilst on site.

7.4 Stakeholder Engagement

Further to the identification of key groups that may be affected by these works in Section 3.10, the management and engagement of stakeholders is a key part of the management case.



7.4.1 Engagement Categories

Table 21 shows the methods of engagement proposed for the various scheme stakeholders and interest groups.

Engagement Category	Details of Engagement Method
	Stakeholders who are directly affected by the scheme and whose agreement is
Intensive consultation	required in order for the scheme to progress. Consultation throughout the
	design and implementation.
Concultation	Stakeholders who are affected by the scheme and can contribute to the
Consultation	success of its design, construction or operation. Consultation at key stages
Information	Stakeholders with some interest in the scheme or its use. Information to be
	provided at appropriate stages

Table 21 – Main Methods of Engagement with Scheme Stakeholders

7.4.2 Stakeholder Management Matrix

Table 22 summarises the strategy for managing engagement with stakeholders for the Folkestone Seafront: onsite infrastructure and engineering works. It itemises the relevant stakeholders and interests. It also indicates the stakeholder category with which each is associated and identifies the engagement method proposed for handling each party.

Name of Stakeholder / Interest Group	Stakeholder Category	Engagement and Consultation Method	Comments
Scheme users	Beneficiary Affected	Information	
Other road users	Beneficiary Affected	Information	Engagement through established mechanisms
Access and rights of way groups (including cycling)	Interest	Consultation	Focus on scheme programme
Disabled access groups and individuals	Interest	Consultation	
Other landowners	Interest	Information	Engagement through established mechanisms

Table 22 – Stakeholder Management Matrix

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Name of Stakeholder / Interest Group	Stakeholder Category	Engagement and Consultation Method	Comments
Elected Members	Beneficiary Affected	Information	Engagement through established mechanisms Focus on scheme programme
Local authorities	Beneficiary Affected Statutory	Information	County, District & Parish
Environment Agency	Statutory	Information	
Local Enterprise Partnership	Beneficiary Funding	Information	Through LGF Business Cases & progress reports
Developers	Beneficiary	Information	Only as relevant to scheme
Residents adjoining route	Beneficiary Affected	Information	
Businesses adjoining route	Beneficiary Affected	Information	
Wider business community	Beneficiary	Information	
Wider community	Beneficiary	Information	
Local taxpayers	Beneficiary	Information	

7.4.3 Stakeholder Beneficiaries and Alignment with Scheme Objectives

In Table 23 there is a breakdown of the benefits for stakeholders that are expected to arise from the Folkestone Seafront: onsite infrastructure and engineering works, by achieving the stated scheme objectives outlined in section 3.5.

Table 25 – Achievenient of Scheme Objectives and Stakenolder Dehenciaries

Scheme Objective to be Achieved	Main benefits for Respective Stakeholders
	Local Taxpayers
Objective 1	Reduced demand on local taxation
Peduce reactive maintenance	Local Authority
	Reduced budgetary demands (incl. claims due to damage caused by poor road
	quality)

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Scheme Objective to be Achieved	Main benefits for Respective Stakeholders					
	Users and their families					
	Personal safety and security for users of the route and their families					
	Local Authorities, NHS and Local Enterprise Partnership					
Objective 2	Public health benefits of active travel					
Improve Public Perception	Improved attractiveness of the area for inward investment and job creation					
	Developers and Employers					
	Improved attractiveness of the area for development					
	Ability to create employment and attract employees					
Objective 3	Local Taxpayers					
Deliver a financially sustainable	Reduced demand on local taxation					
scheme which limits long-term	Local Authority					
maintenance liability	Reduced budgetary demands					
Objective 4	Local authority & Local Enterprise Partnership					
Deliver scheme to a tight	Locking in the decongestion benefits of other transport investments in Harbour					
programme	area					
	Local residents and businesses					
	Maintaining the attractiveness of the area					
Objective 5	Preserving and improving the natural and built environment					
Maintain or improve the local	Local authority					
environment around the scheme	Meeting statutory duties					
	Local Enterprise Partnership					
	Maintaining the attractiveness of the area for investment, jobs and housing					

7.5 Project Risk Management

7.5.1 Risk Management Strategy

Project risk is managed as an on-going process as part of the scheme governance structure, as set out in section 7.2 of this report. A scheme risk register is maintained and updated at each of the two-weekly Project Steering Group meetings. Responsibility for the risk register being maintained is held by the KCC PM 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 (PB) meeting. Required mitigation measures are discussed and agreed at the PB meeting and actioned by the KCC PM as appropriate.

An example scheme risk register is shown in Figure 10 below:



REX R	ORSTER														
Project Title: Example 1												Hiek			
Project Manager: Mr Imith					Holina						Halim		Total Risk Allowance		
Date of Last Review 2940/2014					Lea				x.	tau		•	Rick Clared		
Rick Numbe 1	Risk Description	Date Legged	Table 1	Producting	And a second	Noture of Impact (Connercial/Programme/HkS)	Action to be taken (Mitigation)	87 Vi	By Vice	Recident	Public Street	Resident Principy	Prograss	Resident Cost Allowance in Project Estimate	Risk knowled this review?
#1	En angle: Plancin parmiarian for nonartic functional abidina di la format	CARGON .	L.	×.	×.	Example: Delay ta project as Eingraction, contract decomentation.	Econario: Econo chaticio in prejorta regramma citta ele porte Una Mant presi de L	Ama;14000		×.	¥.	×.			

7.5.2 Programme

From a programme perspective, the greatest risk is that the works are not completed prior to the summer. The summer brings with it the highest volume of tourists and as this is a substantial part of the local economy, any disruptions are likely to have largely negative impact.

7.6 **Project Assurance**

A signed letter by KCC's Section 151 officer providing appropriate project assurances is contained as **Appendix B**.



8 Operational Case

8.1 Overview

Although it is not required under the DfT 5-strand transport business case guidance, or the KCC/SELEP scheme template, the scheme operational case has been included here, in order to affirm that the proposed scheme content and layout design will be fit-forpurpose, fulfil its operational remit, conform to appropriate design standards and be resilient to future shocks (such as incorporating sufficient 'headroom' capacity to handle unexpected growth in travel demand).

8.2 Criteria for Scheme Operation

The aspects of scheme design and planned operation that are critical to the success of the scheme include:

- Compliance with specified design standards;
- User-friendliness and equitable access during works;
- Aesthetic design; and
- Sustainable operation and maintenance.


8.3 Scheme Operational Risks

Risks that could prevent optimal design or operation of the Folkestone Seafront: onsite infrastructure and engineering works are summarised in Table 24.

Table 24 – Scheme Design and Operational Risk Assessment

Qualitative Scheme Operational Risk Assessment													
Scheme Design / Operational Risk Item	Likeli Arisin	hood of Ig (√)	f Risk	Impa (√)	ct Seve	rity	Predi on Sc Perfo	cted Ef heme rmance	fect e (√)				
	Low	Medium	High	Slight	Moderate	Severe	Slight	Moderate	Severe	Suggested Mitigation			
Stats and utilities, particularly if there is anything associated with the port, or drainage that may not show up on the stats requests.	*				*				*	STATS to be identified ASAP, including trial holes if required			
Road permits/TTRO not being agreed/issued in time.	~				~				~	Coordination to take place early so all issues/impacts are discussed early			
Stakeholder/Supply Chain Certainty	*				*			*		ECI to be taken place with Eurovia to ensure resources are set aside			
Delays/certainty of funding	~				~			*		Attendance of regular LEP meetings			
Public event taking place in town/hotel	~				~				~	Public consultations to take place early to avoid clash of events			



9 Scheme Monitoring, Evaluation and Benefits Realisation

9.1 Overview

The strategy for monitoring the outcomes from the named scheme, once it is in operation, is usually contained within the Management Case. However, it has been included separately here, to fit with the agreed format of the Kent CC / SELEP scheme transport business case executive summary. It identifies the scheme performance aspects, measurement items and thresholds of acceptability that will be monitored, in order to evaluate whether or not the scheme achieves its stated objectives and targeted outcomes and resolves the identified problems.

9.2 Outcomes Monitoring

Table 25 below provides a summary of the indicators which are to be used to monitor scheme outcomes which have been aligned to the scheme objectives.

Objective	Monitoring Indicator
Reduction in reactive maintenance	Maintenance costs for Harbour area. Costs to be extracted from annual works.
Alleviate congestion by allowing better flow of traffic	Journey time reliability. Data to be collected through journey time surveys.
Improve air quality	Recorded nitrogen dioxide emissions (roadside monitors).
Improve safety for all road users	Recorded incidents of damage due to poor condition of the road surface. Data to be extracted from KCC "Crash Reports".
Improve accessibility to jobs and services by sustainable modes	Pedestrian/cycle/Public Transport modal split. Information to be captured by link surveys.

Table 25 – Outcome Monitoring Indicators



9.3 Outcomes Evaluation/Benefits Realisation

Table 26 below provides a summary of the proposed measurement metrics and thresholds of acceptability that will be used to evaluate the benefits of the scheme.

Monitoring Indicator	Measurement	Acceptable Threshold							
Recorded nitrogen dioxide emissions	Annual mean Nitrogen Dioxide (NO ₂) measured at AQMA monitoring station	Recorded level of less than 40 µgm ⁻³							
Maintenance spend	Amount of money spent carrying out reactive maintenance	Reduction in spend on reactive maintenance within study area							
Recorded incidents of damage due to poor condition of the road surface	Recorded number of damage claims	Reduced number of claims within 5 year period post implementation of scheme compared with existing data							
Pedestrian/cycle modal split	Combined % of pedestrian /cyclist trips within town centre	Increased number within 5 year period post implementation of scheme compared with existing data							
Scheme delivery	Completion date	Before summer 2015							

 Table 26 – Outcome Measurement and Acceptability Thresholds

KCC will conduct a full evaluation of the impact of the scheme in the period after it is completed. The Council will prepare evaluation reports one year and five years after scheme opening, using the information to be collected as set out above to gauge the impact of the scheme on the traffic network, and assess the success in meeting the scheme objectives. Unexpected effects of the scheme will be reported upon and, where appropriate, remedial measures identified.



10 Conclusions and Recommendations

10.1 Conclusions

The Folkestone Seafront: onsite infrastructure and engineering works are required to improve the structural and surface condition of a number or roads including Tontine Street on the eastern extents of Folkestone's Creative Quarter and Harbour Street which leads to Folkestone Harbour. The one-way gyratory system of Harbour Approach Road, Marine Parade, Marine Terrace, and Lower Sandgate Road are also included.

The Preferred Option is to carry out major maintenance in 2015. This will deliver whole life costing savings whilst also reducing negative impacts associated with the current reactive maintenance regime for the area.

This scheme will complement other planned regeneration schemes, including the current proposals to convert Tontine Street to two-way. There are other developments being planned in the area (notable the Folkestone Seafront Development). The Creative Quarter in Folkestone will be connected to the Harbour area by the streets under consideration.

On the basis that physical improvements and investments in town centres are often justified in terms of acting as a stimulus for further investment in the retail sector or creating the conditions for future commercial and residential investment, this scheme should be considered, not solely on its performance with respect to asset improvement but in relation to wider regeneration also.

10.2 Recommended Next Steps

Development and delivery of the scheme should be approved and should proceed.

10.3 Value for Money Statement

The value for money assessment of the proposed scheme has produced an overall qualitative outcome of Medium, on a 4-point scale.

The Value for money assessment has been undertaken from a qualitative perspective as the actual benefits of the scheme are difficult to quantify due to its size.

The scheme has wider impacts that will benefit the town considerably more than solely from a transport perspective and further adjustments have been made with regard to this.



This VfM is based on the quantified initial BCR for the scheme of MEDIUM with further adjustments for non-quantified BCR components, qualitative outcomes and risks/sensitivities.

10.1 Funding Recommendation

It is recommended that the \pounds 0.5m required for the Folkestone Seafront: onsite infrastructure and engineering works from SELEP, through the TGF, should be released to Kent CC.



Appendix A Whole Life Cost Calculations

Tontine Street			Street Tontine Street (main) Tontine Street (spur) Harbour Street Harbour Approach Road Marine Parade Marine Terrace Lower Sandgate Road	Length (m) 422 75 95 150 105 125 115	Width (m) 8 7 8 10 10 10 10	Area (m^2) 3376 525 760 1500 1050 1250 1150
Harbour Street			Carriageway	1087	63	9611
Hard Hard Hard			Footway	760	2	1520
Lower Sandgate Road	Do Nothing	Cat 1 (temp)	Temp Road Repairs Temp Footway Repairs Cobbled Area Temp Repairs			f 5,000 per year f 2,500 per year f 95,000 every 5 year
(ds)	Do Minimum	Cat 1 (perm)				
Marine Terrace		. ,	Minor Resurfacing @ £/m2	25		£ 240,275
Narine Parade			Minor Footways @ £/m2	10		£ 15,200
Jetty Jetty						£ 255,475
Market Eo kestone Harbour Pier	Do Something	Major Maint				
			Major Resurfacing @ £/m2	35		£ 336,385
			Recon Footways @ £/m2	35		£ 53,200
						£ 389,585
				2% Design		£ 7,791.70
			39	% Supervision		£ 11,687.55
				6 % OB		£ 433,608
			R	isk Allowance		£ 10,000.00
			Traffic	Management		£ 10,000.00
			10%	6 contingency		£ 45,361
					Total Cost	£ 498,969



Project Name Folkestone Seafront

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				2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	-		
Mainten Title	ance Strategy Description	Performance Prediction	Works Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
			Cat 1	Cat 1	Cat 1	Cat 1	Cat 1																								
				Repairs	Repairs	Repairs	Repairs	Repairs	Reconstru																						
			Intervention type	(temp) 102,500	(temp) 7,500	(temp) 15,000	(temp) 22,500	(temp) 30,000	ction 498,969																						
			Works Cost (2014, Q4 prices)	95.216	6.967	13.934	20.901	27.868	463.510																						
Reactive, 'make-safe' Category : temporary repairs only - the next 5	Category 1 (temporary) repairs undertaken over the next 5 year period (assumed design life of	Costs Deflated to 2010 Prices	95 216	7 211	14 926	23 173	31 979	550 505																							
Do-Nothing	that require re-visiting on a regular basis.	temporary repairs is 1 year). Full reconstruction with design life of 25 years) planned for Year 5.	Inflated (@ 3.5%) (2010 prices)	95 216	6 967	13 934	20 901	27 868	463 510	-	_	-	-	-	-	-	-	-	_	_	-	_	-	_	-	_	-	-			
		inter design me or 25 years) planned for rear st	Discounted Works Cost	55,210	0,507	13,554	20,501	27,000	405,510																			- 99 793 78	At end of an	alysis	7
			Residual Value																									- 43 705	period, asse of design life	t has 5 years e remaining	5
			Discounted Residual Value		_																							- 43,703	1		
			Net Present Value (NPV)	£584,69	1																										
				Cat 1 Renairs					Cat 1 Renairs	Reconstru																					
			Intervention type	(perm)					(temp)	(temp)	(temp)	(temp)	(temp)	ction																	
		Category 1 (permanent repairs undertaken over a 10 year period (assumed design life of permanent permanent repairs is 5-10 years, hence seep assets safe temporary repairs in Years 5 - 10). Full reconstruction with design life of 25 years) planned for Year 10.	Works Cost (2014, Q4 prices)	255,475					102,500	7,500	15,000	22,500	30,000	498,969																	
			Costs Deflated to 2010 Prices	237,320					95,216	6,967	13,934	20,901	27,868	463,510																	
Do-Minimum	Maintenance limited to essential, permanent		Inflated (@ 3.5%) (2010 prices)	237,320					113,087	8,564	17,728	27,523	37,981	653,827																	
	repairs to keep assets safe and serviceable.		Discounted Works Cost	237,320					95,216	6,967	13,934	20,901	27,868	463,510																	
			Residual Value																									- 199,588	At end of an	alysis	٦
			Discounted Posidual Value																									- 87,411	years of des	ign life	
			Net Present Value (NPV)	£778 30	5																								remaining		
			Net Fresent value (NFV)	Reconstru	5																										
			Intervention type	ction																											
			Works Cost (2014, Q4 prices)	498,969																											
		The asset receives a major maintenance	Costs Deflated to 2010 Prices	463,510																											
Capital Maintenance Do-Something Pavement treatment 'X' Long-term solutio	Capital Maintenance.	treatment (Type 'X' in Year 0 (i.e. current works year).	Inflated (@ 3.5%) (2010 prices)	463,510																											
	Pavement treatment Type 'X' Long-term solution	The treatment is designed to deliver a 25 year	Discounted Works Cost	463,510	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		design life.	Residual Value																									-	At end of an	alysis t has 0	n i
			Discounted Residual Value																									-	years of des remaining	ign life	
			Net Present Value (NPV)	£463.510	0																										_
L	1	1			-																								1		





Appendix B Section 151 Officer Letter