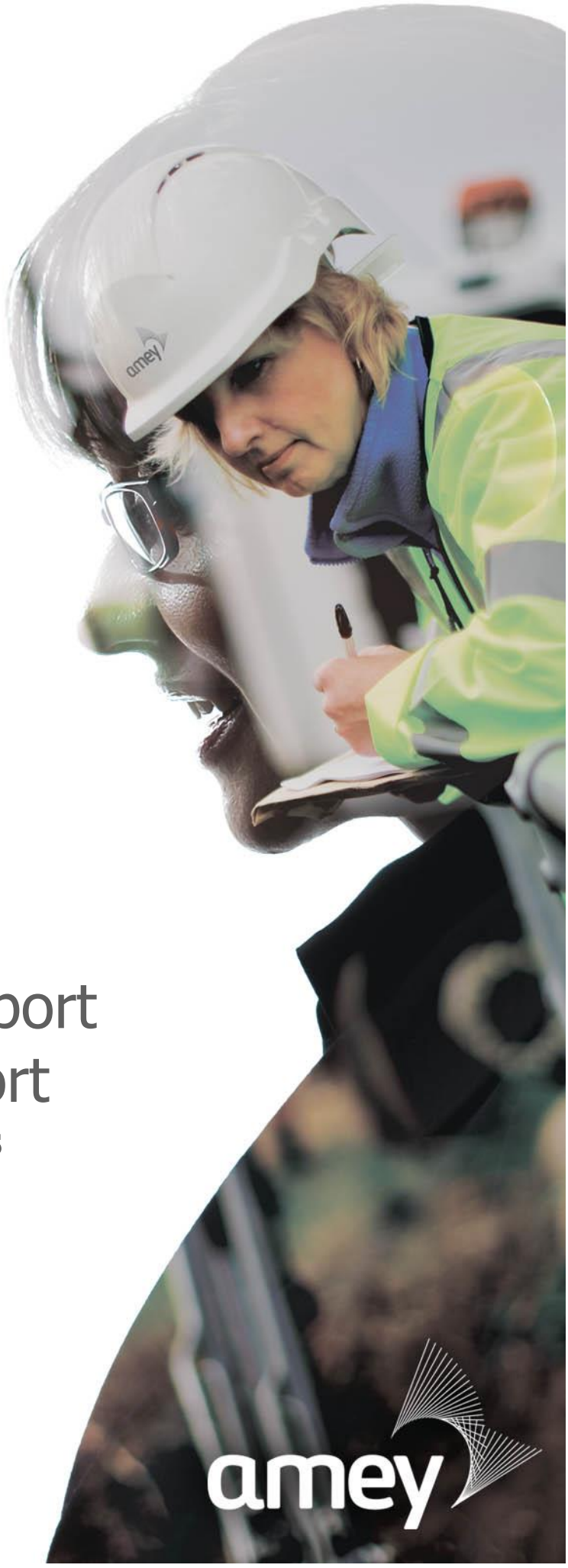

2017/18 LGF Transport Business Case Report

Sustainable Interventions Supporting Growth

CO04300496/003 Revision 01

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Contents

1 Introduction

1.1 SELEP Schemes – Business Case Preparation

1.1.1 Amey have been commissioned by Kent County Council (KCC) to prepare a Transport Business Case (TBC) for the Kent Sustainable Interventions Programme (KSIP), appropriate to the modest size and scope of this scheme, alongside similar bids for KCC projects which have been allocated Local Growth Fund (LGF) finance by the South East Local Enterprise Partnership (SELEP).

1.2 Specific Scheme

1.2.1 This scheme, as in previous submissions to the SELEP, is titled

Kent Sustainable Interventions Programme (Supporting Growth Delivery)

1.2.2 In essence, the Kent Sustainable Interventions Programme (KSIP) scheme involves the delivery of smaller schemes which bridge a gap to larger, particularly LEP, schemes. The sustainable transport schemes funded under this element of the LGF programme are designed to complement these larger interventions and are designed to maximise the benefits for example by:

- 'Locking in' the decongestion benefits of highway schemes such as junction improvements by encouraging users to switch to walking, cycling and public transport through the provision of complementary facilities such as crossings, footway improvements, bus priorities and cycle lanes;
- Increasing the usage of public transport schemes (including rail) by providing improved facilities to access the service. Cycle stands at a rail station or footpath improvements to a bus stop from a housing estate would be good examples;
- Improving sustainable access within and into developments (e.g. housing, employment, education, healthcare) to encourage the use of walking, cycling and public transport. This will in turn improve social cohesion, provide healthy exercise and community safety as well as reducing car journeys;
- Providing non-car access to facilities to enable those without cars to participate in the activities or facilities there; and
- Complementing the above with Smarter Choices initiatives such as publicity and travel plans which encourage the use of sustainable modes of travel.

1.2.3 The KSIP schemes are identified on an annual basis and will vary from year-to-year.

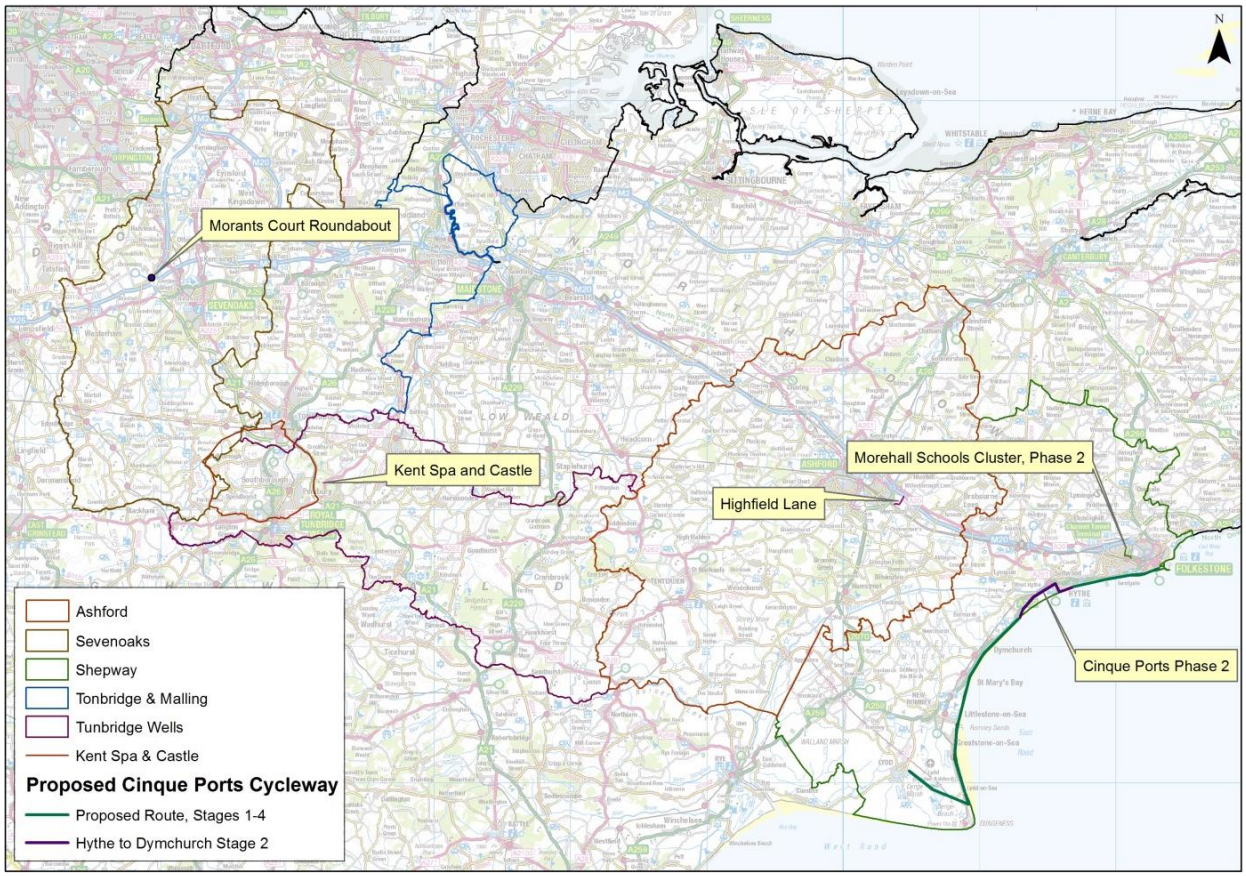
Many are 'sustainable transport' schemes, including walking, cycling and public transport initiatives. However, small scale public realm or minor highway schemes may also be brought forward under this programme. The annual programme is based on a £0.5m pa funding bid, adding up to a total of £3.0m over the six financial years to March 2021.

1.2.4 It has previously been decided to submit the schemes on a year-by-year basis. The first two years of the six year programme have already been approved (Amey Report CO04300262_026~03 and CO04300369_015~00). This report considers the third year (2017/18).

1.2.5 The 2017/18 scheme funding bid comprises:

- Cinque Ports Cycle Route Improvements, Phase 2 (Shepway District);
- Morehall Schools Cluster to Seafront Cycle Route, Phase 2 (Shepway District);
- Morants Court Roundabout (Sevenoaks District);
- Kent Spa & Castle Ride (Sevenoaks, Tonbridge & Malling and Tunbridge Wells); and
- Highfield Lane, Mersham (Ashford Borough).

The locations of these schemes are shown in



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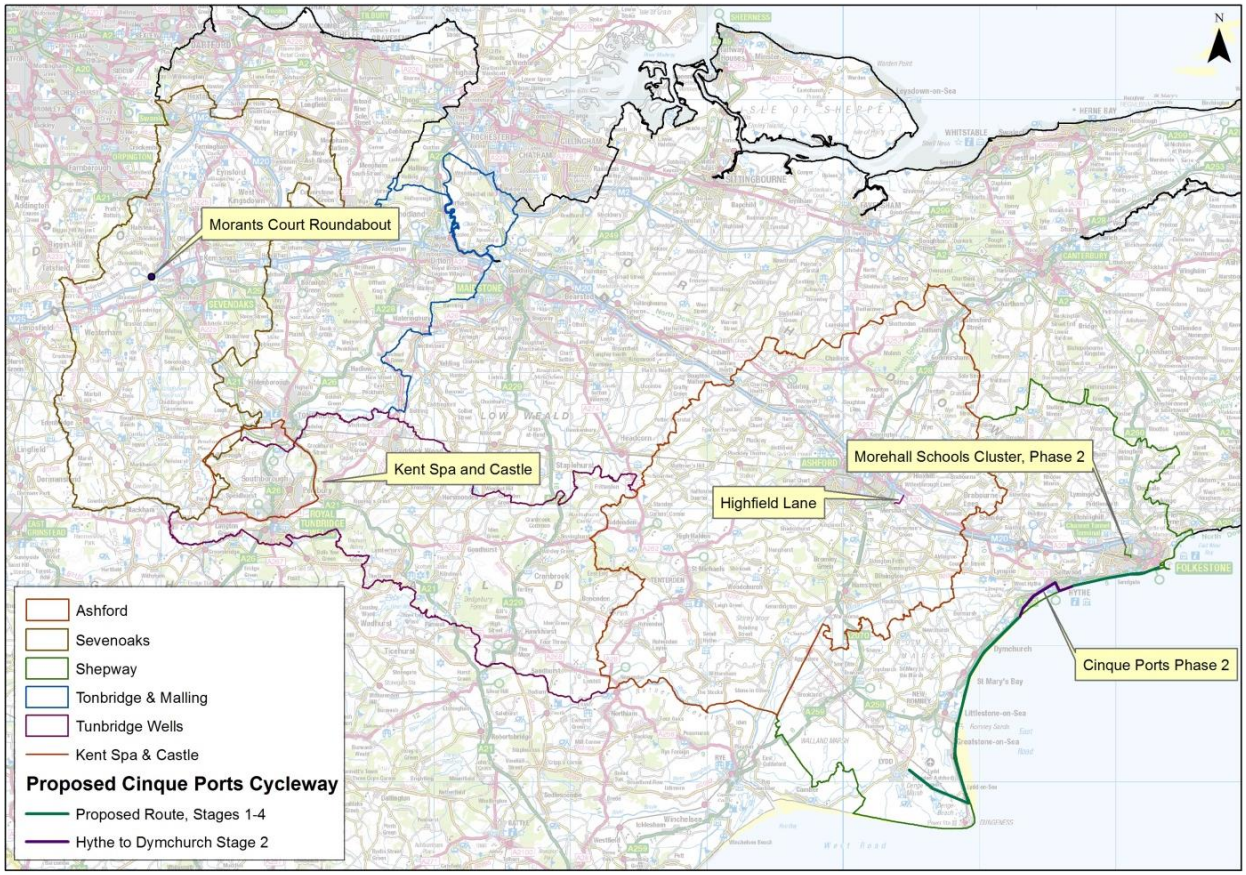

Figure 1-1: 2017/18 KSIP Scheme Locations

1.2.7 Where the proposed component schemes for 2017/18 have links to other LGF schemes, these are shown in Table 1-1 below:

2017/18 KSIP Component	Wider LGF Scheme
Cinque Ports Phase 2	Folkestone Seafront 2015/16 Highway Maintenance Scheme Folkestone Seafront 2017/18 Mixed Use Development
Morehall to Folkestone Central Station	
Morants Court Roundabout, Polhill	LGF3 bid, Fort Halstead
Kent Spa and Castle Ride	Tonbridge Town Centre Regeneration
Highfield Lane, Ashford	Junction 10a

Table 1-1: Links to Other LGF Schemes

1.3 Context of the Transport Business Case

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

1.3.2 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.

1.3.3 The devolved funding arrangements were put in place in July 2014 through the Local Growth Deal announcements, including devolution of funds to the SELEP.

1.3.4 This Transport Business Case which will be submitted to the SELEP effectively forms a bid to request confirmation of the already allocated LGF funding for the scheme.

1.3.5 The methodology used to assess value for money and the degree of detail to which business cases are developed in support of particular projects or programmes should be proportionate to the funding allocated and in line with established Government guidance including the HM Treasury Green Book. Typically the Government expect business cases to address, in a proportionate manner, the 5 cases set out in supplementary guidance to the Green Book.

1.3.6 With a projected total expenditure totalling £3.0m the overall KSIP scheme is categorised as 'small', so the detail in this TBC has been framed in an appropriate, proportionate manner. The Year 3 (2017/18) delivery is £0.5m, comprising five schemes and a further element to support forward scheme identification and design for future years.

1.4 Purpose of Report

1.4.1 The overall purpose of this report is to provide robust evidence to SELEP of the merits of introducing the schemes in the 2017/18 Kent Sustainable Intervention Programme.

1.4.2 This 'small' scheme should only require a 'lighter touch' appraisal, which is generally recognised as focussing on:

- A narrative argument supported where possible with existing information;
- The strategic fit of the scheme; and

- The scheme's provision of complementary support for larger schemes, which in this case include the housing, employment and commercial developments in the area.

1.4.3 The core 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 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'.

1.4.4 This document uses this 5-Case Model in an appropriate and proportionate way to demonstrate the merit of investing in the proposed Kent Sustainable Interventions Programme.

2 Scheme Summary

2.1 Introduction to Project

2.1.1 This investment is designed to fund smaller transport interventions which complement larger major schemes, regeneration projects and the broader growth agenda. The success of large transport project and major development schemes can be enhanced significantly through the provision of complementary measures.

2.1.2 In 2017/18 predominantly cycle improvement schemes are being promoted, each adding benefits to approved 2015/16 or 2016/17 LEP schemes, or providing standalone benefits in terms of connectivity or safety. As in the previous submissions, an allocation is also set aside for forward scheme identification.

2.2 Detail of Scheme Components for KSIP (2017/18)

2.2.1 Table 2-1 - Table 2-6 below summarise the main features of the proposed schemes that constitute the third year 2017/18 funding bid for KSIP.

Scheme	**Cinque Ports Cycle Route Improvements Phase 2**
District	Shepway
Type of scheme	Cycling
Background	The aim of the Cinque Ports Cycle Route is to link Folkestone seafront to Lydd ('Cinque Ports Cycleway'), and also provide links to National Cycle Route (NCR) 2 as well as local routes along the Royal Military Canal and Romney Marsh.
Objectives	To improve cycle links from smaller coastal towns towards Folkestone.
Description of works	Phase 2 – Hythe to Dymchurch – A cycle link joining Hythe Sailing Club to Dymchurch Redoubt fort. Provision of new paths and upgrading existing paths to sufficient width where required. Discussions with land owners where required.

Scheme	**Cinque Ports Cycle Route Improvements Phase 2**
Benefits	Reduced congestion Better connectivity for Coastal developments Attract visitors Physical Activity Improving Quality of Life Safer routes to school
Stakeholders/ Endorsement	Cycle Shepway Shepway District Council Damian Collins MP for Folkestone and Hythe Admiral Lord Boyce, Lord Warden and Admiral of the Cinque Ports
Estimated Cost	£290,000
Current Status	Phase 1 is under construction, Phase 2 detailed design in progress.

Table 2-1: KSIP Detail: Cinque Ports Cycle Route Phase 2, Folkestone

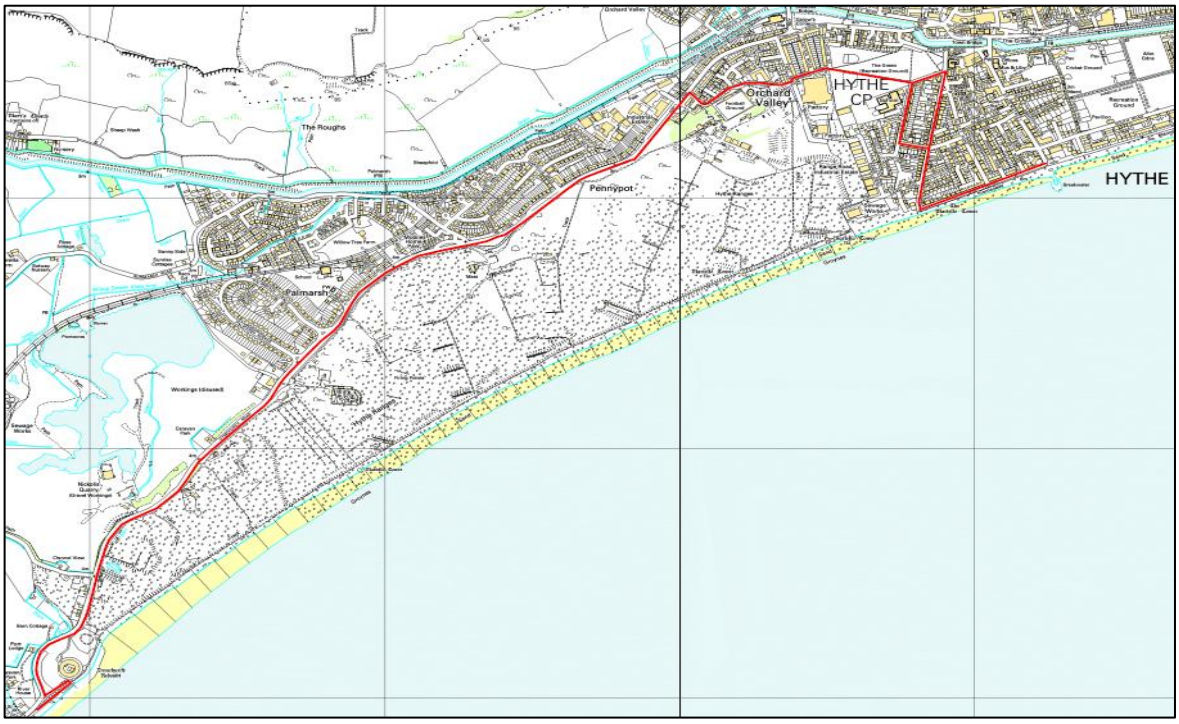

Table 2-2: Phase 2 of Cinque Ports Cycleway

Scheme	**Morehall Schools Cluster to Seafront Phase 2**
District	Shepway
Type of scheme	Cycling
Background	Improve cycling infrastructure between a cluster of primary and secondary schools and a large residential area, two main railway stations (including the high speed link), the civic area (including Shepway District Council offices), the court and main police station, the cliff top pedestrian route, the Leas leisure area and Lower Leas Coastal Park. Phase 1 consists of a new cycle route from Harvey Grammar School to the coast through the civic centre area. Phase 3 will extend the route to join with the Harbour development area.
Objectives	Improve north to south cycle links in Folkestone. Improve cycle safety at the A2034 Beachborough Road and B2064 Cheriton Road junction.
Description of works	Phase 2 will link Phase 1 to the Morehall School cluster with highway improvements through a busy junction which has a cycle crash cluster.

Scheme	**Morehall Schools Cluster to Seafront Phase 2**
Benefits	Reduced congestion Connecting schools to services in the town centre Safer routes to school Physical Activity Improving Quality of Life The scheme will link with: - Completed pedestrian waymarking scheme in Folkestone shopping and harbour area - Future pedestrian and cycling improvements within the new harbour development area - Network of cycle routes behind the sports ground - The Cinque Ports Cycleway - 2016 Southeastern improvements to cycle parking and access at both Folkestone Central and West rail stations.
Stakeholders/ Endorsement	Cycle Shepway Shepway District Council
Estimated Cost	£20,000
Current Status	Phase 1 detailed design complete and construction underway.

Table 2-3: KSIP Detail: Morehall Schools Cluster to Seafront Phase 2, Folkestone

Scheme	**Morants Court Roundabout, Polhill**
District	Sevenoaks
Type of scheme	Safety Improvement for vulnerable road users
Background	This junction is a pedal cycle and motorcycle accident cluster site. It is popular with leisure cyclists due to the proximity of Knockholt Station which is in the London Transport Zones and is used by long distance ride groups.
Objectives	To increase safety for vulnerable road users at this junction, particularly leisure cyclists.
Description of works	Improve the existing roundabout to 'ideal' TD16/93 design by reducing the width of the circulatory carriageway, increasing entry deflection, reduce entry speeds and provide signing to raise drivers' awareness.
Benefits	Improved safety for vulnerable road users Physical Activity Improve roundabout design
Stakeholders/ Endorsement	Sevenoaks District Council
Estimated Cost	£145,000
Current Status	Feasibility report completed

Table 2-4: KSIP Detail: Morants Court Roundabout, Polhill, Sevenoaks

Scheme	**Kent Spa and Castle Ride**
District	Sevenoaks, Tonbridge and Malling and Tunbridge Wells
Type of scheme	Cycling
Background	A 20 mile long circular leisure route is proposed. The route will encompass existing routes, routes identified in the Tunbridge Wells BC cycling strategy to be built and some routes that require upgrading. The route will incorporate Tonbridge and Tunbridge Wells rail stations, Penshurst Place and the A21.
Objectives	To provide a 20 mile circular route for leisure purposes as outlined in the Tunbridge Wells Cycling Strategy. Link to other cycle routes Link to another application for funding scheme – Penshurst to Hever Cycle Route
Description of works	This scheme will assess 3 options for a 2 mile section of the proposed route which potentially crosses Penshurst estates private land, involving PROW upgrades. If this is not possible, Option 2 involves traffic calming a highway or Option 3 involves building a new cycle bridge.
Benefits	Physical Activity Improving Quality of Life Increase tourism to benefit the local economy
Stakeholders/ Endorsement	Sevenoaks District Council Tonbridge and Malling Borough Council Tunbridge Wells Borough Council
Estimated Cost	£20,000
Current Status	Land negotiations

Table 2-5: KSIP Detail: Kent Spa and Castle Ride

Scheme	**Highfield Lane/ Kingsford St, Mersham, Ashford**
District	Ashford
Type of scheme	Cycling/ pedestrian/ equestrian
Background	Highways England are promoting a new junction on the M20 east of the existing Junction 10 in Ashford with the objective of increasing capacity to support the Ashford Growth Area and to improve safety. The local community fear that Highfield Lane will become a rat run during the construction phase of this project and following its completion.
Objectives	Prevent motorised traffic but allow access for pedestrians, cyclists and equestrian use.
Description of works	Provide a vehicle turning head and prohibition of vehicular traffic on Highfield Lane. Table 2-7 shows the extent of the scheme.
Benefits	Physical activity
Stakeholders/ Endorsement	Local residents
Estimated Cost	£100,000
Current Status	Outline design with costs

Table 2-6: KSIP Detail: Highfield Lane/ Kingsfield St, Mersham, Ashford

Table 2-7: Extent of Prohibition of driving on Highfield Lane, Ashford.

2.3 Forward Scheme Identification and Design (2018/19)

2.3.1 In addition, a further sum of £50,000 has been set aside for developing schemes for future years and undertaking initial design and feasibility work relating to these. For example, pre-design work has been undertaken in 2016/17 for Phase 2 of the Cinque Ports Cycle Route which will enable the scheme to be ready for construction in 2017/18 since the initial design, stakeholder consultation; costing and preparatory works has already been undertaken.

2.3.2 Since the primary schemes complemented by the small-scale initiatives set out in this programme will change, it is important that the process for selection and delivery is flexible. This involves an annual review cycle undertaken by KCC and its partners which involves:

- An ongoing review of transport schemes, their expected impacts and any opportunities to enhance these through small-scale additions;
- Collation, scoring and ranking of schemes, using SEP/LTP criteria in relation to the added value offered by the complementary schemes for the following year;
- Selection of a list of complementary schemes ranking most highly against their impacts;
- Presentation to members for sign-off, particularly Joint Transportation Boards (JTBs) of district and county members;
- Initial feasibility, design, costing and consultation work on the selected schemes to ensure each is ready for delivery in tandem with the associated principal scheme;

- Continuous review, re-prioritisation and reprogramming to take account of changes in the scope and timescale of the principal schemes; and
- Procurement, delivery and post-scheme monitoring of schemes as they are brought forward.

2.3.3 The Annual Review Cycle uses a process illustrated in Table 2-8 which shows how candidate schemes will be selected, programmed, designed, monitored and reported.

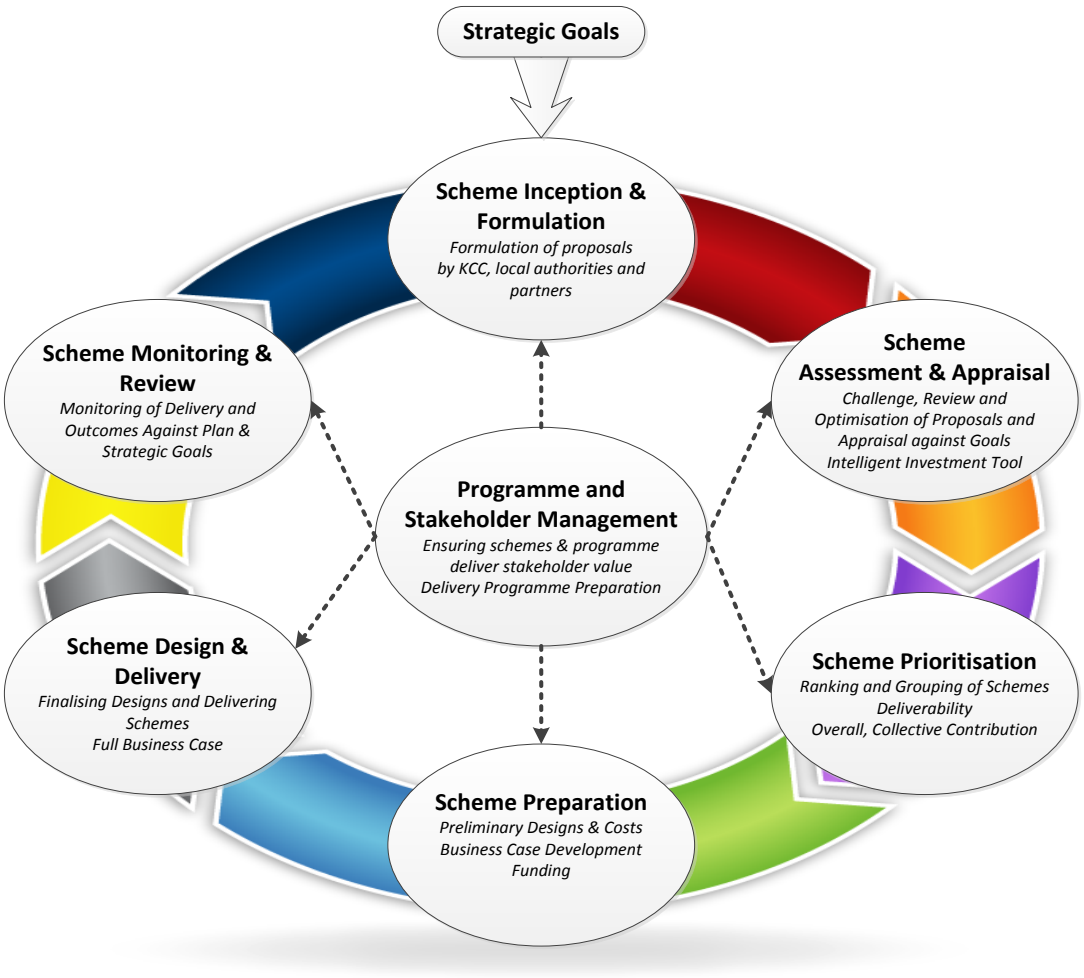

Table 2-8: Annual Management Cycle

3 Strategic Case

3.1 Overview

3.1.1 This section sets out the 'case for change', by explaining the rationale for making investment and presenting evidence on the strategic policy fit of the proposed scheme. Detailed strategic cases have not been assembled for the 2017/18 component schemes because of the small scale of funding required, however, appropriate commentary about how these support larger LGF schemes has been added where appropriate.

3.2 Purpose of the Proposed Investment

3.2.1 The overall purpose of the investment in the KSIP scheme is to encourage cycling and walking. The needs of other road users will be made through sound design and the schemes will be linked to the wider redevelopment of town(s).

3.2.2 These goals are to be achieved with reference to other important factors such as the local environment and the safety of road users.

3.3 Strategic Context

National Transport Priorities

3.3.2 The Government has long-term objectives aimed at improving the economy, environment and society. These are the three tenets against which major transport infrastructure projects are assessed, and will continue to be assessed in future.

3.3.3 In its National Infrastructure Delivery Plan 2016-2021, the Government presented Highways England's 8 objectives during Road Period 1:

- Making the network safer: with a target of 40% reduction in the number of people killed or seriously injured on the SRN against the 2005-09 period by the end of 2020;
- Improving user satisfaction: by 31 March 2017, 90% of people responding to the National Road Users' Satisfaction Survey need to be either fairly or very satisfied;
- Supporting the smooth flow of traffic: minimise delay and inconvenience to road users and ensuring at least 97% of the SRN is available to road users and ensuring at least 85% of incidents are cleared within 1 hour;
- Encouraging economic growth by working to minimise delay on the SRN;
- Delivering better environmental outcomes;

- Helping cyclists, pedestrians and other vulnerable road users of the SRN;
- Achieving real efficiency: delivering total capital savings of at least £1.2 billion by the end of Road Period 1; and
- Keeping the SRN in good condition: including an ambitious resurfacing programme.

3.3.4 Local sustainable transport schemes, such as those completed under the 2015/16 and 2016/17 submissions and those proposed in this TBC, complement larger schemes which provide or enable housing, jobs and services. Sustainable transport, by transferring trips from car, also reduces carbon emissions and helps improve local air quality, both of which are important national policies. Since sustainable transport schemes 'lock in' the benefits of highway schemes and complement railway schemes, they are entirely supportive of the wider national connectivity and economic agendas.

National Planning Policy Framework 2012

3.3.5 The National Planning Policy Framework (NPPF) was published in March 2012 and is designed to set out how planning authorities are expected to enable sustainable development. In order to achieve this it sets out an overarching presumption in favour of sustainable development, taking account of the three dimensions of:

- An economic role relating to building a strong responsive and competitive economy. In relation to the planning system this is fundamentally about ensuring that sufficient land is available to enable job creation, together with the infrastructure to support this;
- A social role in supporting strong, vibrant and healthy communities, with an emphasis on the provision of housing in the context of high-quality built environment and access to local services; and
- An environmental role in terms of protecting and enhancing the local environment and helping mitigate and adapt to climate change.

3.3.6 Transport and connectivity play a key role in all three of these dimensions and the NPPF contains a section which outlines this and sets out a number of key requirements in terms of planning and decision making by local planning authorities. Much of this is about limiting the impacts of developments and improving their long term sustainability. In relation to this project, this includes:

- The use of technology and the balancing of land use to reduce the need to travel and minimise journey lengths (e.g. walking to school and working from homes or local hubs);
- Balancing the transport system in favour of sustainable modes for the movement of goods and people, including priority to pedestrian and cycle movements and access to high quality public transport;
- Creating safe and secure layouts which minimise conflicts between traffic and cyclists or pedestrians, avoiding street clutter;
- Encouraging the reduction of congestion and of greenhouse gas emissions;
- The effective use of tools including Transport Statements (TS), Transport Assessments (TA) and Travel Plans (TP);
- Protection of sites and routes which could be critical in developing infrastructure to widen transport choice; and
- Inclusivity, including meeting the needs of disabled people.

3.3.7 This should be seen in the context of the imperatives for economic growth as set out in the South East LEP Growth Deal and Strategic Economic Plan.

3.3.8 The 2017/18 intervention schemes in the TBC and their focus on cycling improvements across the County are clearly consistent with this National policy.

Cycling Delivery Plan 2014

3.3.9 The Department for Transport published its' Cycling Delivery Plan in 2014. It recognises the steep increase in cycling in London but aims to encourage people across England to cycle. "The government is committed to giving people a realistic choice to cycle so that anyone, of any age, gender, fitness level and income can make the choice to get on a bike."

3.3.10 The proposed schemes as part of this business case support the government's vision of the future of cycling by aiming to provide cycle routes which will provide direct access to services and cater for all types of cyclist.

Active Travel Strategy 2010

3.3.11 The Department for Transport and the Department for Health jointly published the Active Travel Strategy in 2010. The aims are to:

- Promote better public health and well-being by increasing levels of physical activity, particularly among the most inactive people in our society;
- Increase accessibility and reduce congestion;

- Improve air quality and reduce carbon emissions.

3.3.12 "We will seek to do this by making key destinations more accessible by active modes of travel and encouraging a greater take up of active travel. We also aim to contribute to our wider road safety outcomes, by reducing the risk to cyclists and walkers of death and serious injury per km travelled in road traffic accidents."

3.3.13 The strategy highlights the importance and benefits of active travel, in terms of health, the environment and the economy.

Regional Transport Priorities

South East LEP: Growth Deal and Strategic Economic Plan 2014

3.3.14 Local Enterprise Partnerships (LEPs) are voluntary partnerships between businesses and local authorities which are intended to determine economic priorities for an area and to take a lead in fostering economic growth and creating jobs. There are 39 LEPs in England with the South East LEP (SELEP) one of the biggest. It encompasses Thurrock, Essex and Southend to the north of the Thames, along with East Sussex, Kent and Medway to the south.

3.3.15 Each of the LEPs was invited by Government to submit Strategic Economic Plans as the basis for negotiating a portion of the Local Growth Fund (LGF) to be allocated over the period 2015 and 2021.

3.3.16 This process is linked to the devolution of local major scheme funding decisions, previously decided by the DfT, to LEPs. Although the precise details are not yet clear, the application of the Transport Business Case process and the transport appraisal guidance (WebTAG) is expected to continue, though their use is intended to be 'proportionate'.

3.3.17 The SELEP Growth Deal and Strategic Economic Plan emphasises the importance of 'investment in our transport growth corridors/ areas'. This is alongside the four other themes of 'building on our economic strengths'; 'boosting productivity', 'improving skills' and 'building more houses and re-building confidence'. Clearly in each of these four themes, transport and connectivity have an additional role to play.

3.3.18 Published in March 2014, the SELEP Strategic Economic Plan (SEP) sets out the investment strategy for the area. This document includes the SELEP bid for Local Growth Fund, the primary source of funding for this project.

3.3.19 A component element of this is the Kent and Medway Growth Deal which sets out

plans for the public and private sectors intent to invest over £80 million each year for the next six years to unlock potential through:

- Substantially increasing the delivery of housing and commercial developments;
- Delivering transport and broadband infrastructure to unlock growth;
- Backing business expansion through better access to finance and support; and
- Delivering the skills that the local economy needs.

3.3.20 The SEP involves delivering the biggest local transport programme in the country to realise the potential of the growth corridors and sites, transforming connectivity for our businesses and residents, unlocking jobs and homes, and bringing substantial benefits to the UK economy.

3.3.21 As part of the overall growth programme for 200,000 new private sector jobs and 100,000 new homes, there are specific plans for 7,000 jobs and 8,500 homes on the London-Maidstone-Ashford corridor over a six-year period.

3.3.22 These plans are supported through a programme of transport investment. This in turn includes:

- A request for Government commitment to deliver specific national rail network, motorway, and national trunk road investments by agreed dates; and
- A corresponding commitment from local authorities and private developers to meet a significant proportion of the costs.

3.3.23 These are complemented by proposals for local sustainable transport funding to ensure that growth occurs in a sustainable manner, including the 'locking in' of benefits from highway and other investments.

3.3.24 The selection process for schemes set out in Section 2.3 shows how future schemes are selected to contribute to SEP strategies.

Appraisal and Business Case Preparation

3.3.25 The SEP sets out the process through which schemes will be identified, appraised and prioritised for delivery. This process is based on the HM Treasury 5-Case Model. For transport schemes, the SELEP has adopted the Assurance Framework agreed between the former Local Transport Board and the Department for Transport (DfT). For smaller schemes, this sets out a 'light touch' approach geared towards the following:

- Value for Money – based on BCR and wider Economic Benefits;
- Environmental and Community Impact – Potential benefits and adverse impacts;

- Contribution to Objectives – LTP, SE LEP and SELTB Objectives; and
- Deliverability – affordability, practicality, key risks, stakeholder and public support.

3.3.26 This Transport Business Case is designed to conform to this process, though such a small scheme does not lend itself to quantitative and monetised appraisal.

Local Transport Priorities

3.3.27 Kent is South East England's fastest recovering region and has great potential for successful economic growth. In the last 20 years, Kent has seen 100,000 more people living in the county, housing stock increase by over 60,000 homes and 130,000 more cars on roads. This pace of change is set to accelerate further over the next 20 years with a projected 8 per cent population increase, accompanied by the presence of two of the UK's four Growth Areas in Thames Gateway and Ashford.

3.3.28 Local growth alone is predicted to result in 250,000 extra journeys on Kent's roads by 2026. Coupled with a forecast increase in international traffic this leads to tackling congestion being regarded as one of the main priorities for Kent. KCC's framework for regeneration "Unlocking Kent's Potential" defines what Kent should look like in 20 years' time and includes as 1 of its 5 priorities "delivering growth without transport gridlock" – by designing communities that will encourage walking, cycling, and healthy leisure activities.

<u>Local Transport Plan for Kent 2011-2016</u>

3.3.29 Kent's third "Local Transport Plan (LTP3), 2011-16" sets out KCC's Strategy and Implementation Plans for local transport investment in the short term. It proposes a new approach to prioritising investment in transport infrastructure in order to support housing and employment in Kent's Growth Areas and Growth Points, make Kent a safer and healthier county, improve access to jobs and services, especially in disadvantaged areas, and cut carbon emissions.

3.3.30 Its planned measures are prioritised under five themes: Growth without Gridlock, A Safer and Healthier County, Supporting Independence, Tackling a Changing Climate and Enjoying Life in Kent. Under each theme the Plan prioritises a range of sustainable transport initiatives, by area and by mode. Whilst some of these initiatives have already been put in place or are in progress, a number of them provide a basis for the proposals prioritised by the SE LEP for capital investment support, including all those for sustainable transport. These initiatives have also subsequently been aligned with the local area development and regeneration plan produced or in the process of being

produced by the 12 District or Borough Councils in the County.

3.3.31 The provision of good quality cycle infrastructure across the County clearly fit with these policies, as will other similar schemes brought forward under this programme.

Growth without Gridlock

3.3.32 Growth without Gridlock is the delivery plan for transport investment in Kent. It was published in 2010. It sets out the priorities for transport investment and how these will be delivered in order to meet the current and future demands of the County in the context of its crucial role in the UK and European economy.

3.3.33 The overarching goal of Growth without Gridlock is to enable growth and prosperity for Kent and the UK as a whole. Although predating the South-East LEP Strategic Economic Plan, the key elements of both are entirely in accord. This has enabled the development of an effective package of transport schemes to be brought forward as part of the Local Growth Fund investment, including the KSIP.

3.3.34 Growth without Gridlock recognises that road transport is responsible for around 30% of Kent's greenhouse gas emissions and that the way forward is to provide low carbon transport options allied with better planning to reduce the need to travel, which in turn will support economic growth, housing growth and tackle climate change.

3.3.35 The Plan states that: "the private car will continue to remain the most popular and dominant form of transport for our residents and these expectations and demands increase pressure on our transport network, on our environment and on us as individuals. This reliance is also the reason why our road network is congested and in response our vision is to create a high quality integrated transport network which will create opportunities for real transport choice as well as enabling economic growth and regeneration". Some of the key transport challenges identified by the Plan are:

- Transferring existing and new car trips onto public transport, walking and cycling, especially for short journeys;
- Tackling congestion hotspots;
- Integrating rail services and improving connectivity between stations; and
- Providing sufficient transport infrastructure to mitigate the impact of the planned development including walking and cycling routes.

Local Plans (Housing and Employment Growth)

3.3.36 Growth plans in Kent are ambitious and contribute to the targets set out in the SEP. It

is important that these developments take place in a sustainable manner.

3.3.37 Along with the NPPF (see Section 3.3.5), the Town and Country Planning Act 2012 set out requirements for Local Planning Authorities to develop and adopt Local Plans which set out the strategic priorities for the development of the area. This process replaced the previous arrangements put in place in 2004 for Local Development Frameworks.

3.3.38 In relation to 2017/18 intervention schemes, Shepway District has a notable strategic site for over 1,000 houses at Martello Lakes. The importance of this site was noted in the DfT press release about the original South East Growth Deal. In addition, a mixed use development in Folkestone was highlighted in the expanded growth deal, providing 500 jobs and 300 homes. Finally there is the local plan site at Risborough Barracks (Shornecliffe Garrison) for 1,200 houses.

3.3.39 Tonbridge and Malling District, like others in Kent, has realistic growth aspirations. There are notable key sites in the north-west urban quadrant on Tonbridge, and near the town centre on the riverside. However, the drive to regenerate the town centre to compete against other urban centres and Bluewater shopping centre is equally important.

Ashford Cycling Strategy 2011-2016

Scheme	Highfield Lane/ Kingsford St, Mersham

Table 3-1: Ashford Intervention Scheme

3.3.40 Whilst there has been a continuous upward trend of cycling in Ashford, the Cycling Strategy aims "to increase the amount of people cycling to work to 5% by 2015". This is to be done by promotion of Ashford's Cycling and Walking Networks, ensuring new routes constructed are accessible, promoted via the Ashford Cycle Map and marketing the routes generally via the Ashford Cycling and Walking Forum and engaging with the local community and businesses.

The Highfield Lane scheme will provide a dedicated vehicle free route linking the eastern side of Ashford to existing and proposed new routes further west, closer to the town centre.

Sevenoaks District Cycling Strategy

Scheme	Morants Court roundabout, Polhill
	Kent Spa and Castle Ride

Table 3-2: Sevenoaks Intervention Schemes

3.3.41 The Strategy lists a number of priority areas for action:

1. **Creating New Routes and Linkages** – seeking opportunities to develop new routes and linkages which 1) connect population centres to key services such as local schools, employment areas and transport interchanges in the main urban areas of Sevenoaks, Swanley and Edenbridge; and 2) promote leisure cycling through the identification of attractive longer leisure routes which connect to the main urban centres
2. **Safer Cycling** – ensuring infrastructure is well designed, prioritising routes on quiet residential streets away from busy main roads and junctions and providing road safety education
3. **Improvements to Cycle Parking** – identifying locations for additional cycle parking facilities and positioning them to maximise security
4. **Promotion and Encouragement** – raising awareness of cycling and its benefits amongst the community
5. **Maintenance** – ensuring existing and any future facilities are well maintained.

3.3.42 The Sevenoaks schemes detailed in this TBC align with these priority areas of the Strategy, the schemes have been identified in areas attractive with leisure cyclists and will improve safety on the routes.

3.3.43 The Strategy identifies the importance of linking residential areas to train stations, schools and other key destinations. Whilst the Morants Court roundabout scheme does not provide a cycle route, it is a roundabout upgrade to improve cyclist safety and visibility whilst negotiating the junction and will benefit and encourage the local community. The Kent Spa and Castle route aims to provide good quality and continuous cycle links to the rail stations of Tonbridge and Tunbridge Wells.

Shepway Cycling Plan, April 2011

Scheme	Cinque Ports Cycle Route Improvements Phase 2
	Morehall Schools Cluster to Seafront Phase 2

Table 3-3: Shepway Intervention Schemes

3.3.44 Whilst the Shepway Cycling Plan is six years old, the proposals demonstrate the initial development of the two intervention schemes as part of this TBC. Medium priority is given to a coastal route between Hythe, Dymchurch and St Mary's Bay and 'missing

gaps' in Folkestone's cycle network is given high priority with reference to a north south link across the town.

3.3.45 The Plan identifies the consultations with Shepway Cycling Forum and how KCC 'will actively encourage the continuation of the Shepway Cycling Forum and involve its members in planning for cycling'. The Shepway Cycling Forum is actively campaigning for the Cinque Ports Cycle Route.

Tonbridge and Malling Cycling Strategy 2014-2019

Scheme	Kent Spa and Castle Ride

Table 3-4: Tonbridge & Malling Intervention Scheme

3.3.46 The Tonbridge and Malling Cycling Strategy identifies the importance of walking and cycling in helping to create healthy towns and cities and its role in social inclusion, in addition to the improvements in air quality through reducing congestion. The Strategy also recognises the benefits to the local economy and draws on the example of the Viking Coastal Trail in Thanet, Kent. It is a 28-mile multi-purpose route and the Viking Coastal Trail Study found many cyclists stopped at local shops and cafes as well as other local attractions such as museums, historic houses and accommodation providers. The objectives of the Kent Spa and Castle Ride are therefore supported by this Strategy as it will provide a continuous cycle route between rail stations and local services therefore contributing to reducing congestion and improving air quality, and also providing improved access by bike to local visitor attractions benefiting the economy.

3.3.47 A missing section of the Kent Spa and Castle Ride in Tonbridge Borough is proposed as part of this Strategy, between the A21 and the High Street and Tonbridge rail station. This will link the A21, where a non-motorised user route will run parallel to the A21 Tonbridge to Pembury dualling scheme, to the start of the Tudor Trail, which begins to the north of the train station and runs from Tonbridge Castle to Penshurst Place (Regional Route 12). The Tonbridge to Penshurst cycle route is an almost entirely traffic free ride through the countryside alongside the River Medway.

Tunbridge Wells Cycling Strategy 2015-2020 (Consultation Draft – July 2015)

Scheme	Kent Spa and Castle Ride

Table 3-5: Tunbridge Wells Intervention Scheme

3.3.48 Objectives 3 to 6 of the Borough's Transport Strategy have been highlighted in the Cycling Strategy as it will assist in the delivery of these objectives:

- Objective 3 – Reduce congestion on the highway network, particularly on key radial routes into Royal Tunbridge Wells.
- Objective 4 – Improve travel safety across the Borough especially for vulnerable road users, including cyclists, pedestrians and equestrians.
- Objective 5 – Improve air quality, particularly within the designated Air Quality Management Area.
- Objective 6 – Increase the use of sustainable transport modes including cycling, walking and public transport.

3.3.49 And the vision of the Cycling Strategy is:

To make cycling a normal part of everyday life in the Borough, by creating a safe and welcoming environment for cyclists of all ages and abilities.

3.3.50 The Kent Spa and Castle Ride requires cycle routes from the A21 in Tunbridge Wells Borough west across the urban area to Langton Green. These routes are recognised in the Strategy in three sections:

- Route 2 – Pembury to Tunbridge Wells via the A264
- Route 4 – Routes across the Commons including NCN18
- Route 9 – Langton Green to Tunbridge Wells including Rusthall link

3.3.51 The route proposals above have been identified as requiring improvements in order to create a network that appeals to all cyclists.

3.4 Case for Change – Rationale for the Scheme

3.4.1 The key rationale for the overall *Sustainable Interventions to Support Growth* programme is its role in supporting the planned growth in housing and employment, helping ensure that this take place in a sustainable manner. This is within the following context:

- Housing and employment growth (and resultant activities such as education and shopping) will generate additional trips to the area;
- Investment in the highway network is designed to cater for these additional trips, enabling the developments to take place;

- The benefits of these investments can be 'locked in' if a proportion of the trips can be undertaken by sustainable modes, including public transport, walking and cycling;
- This 'locking in' will ensure that growth can continue as planned and not become unsustainable through rising congestion;
- It is crucial that growth occurs in an inclusive way, enabling those without cars to access jobs and services. Good quality public transport and cycle/ walking links are key to this, as can other sustainable transport interventions in the KSIP;
- In order to achieve this, good public transport and safe, attractive and direct routes for walkers and cyclists are required. This will attract users who would normally travel by car, especially if traffic-free routes can be designed to provide competitive journey times. The safe routes to school will also improve the safety and independence of children in the area;
- The component schemes in this year's Programme demonstrate how the Sustainable Interventions to Support Growth programme supplements wider schemes funded by private developers, Section 106 developer funding and LGF funds to provide comprehensive, inclusive access to jobs, services and facilities;
- The 2017/18 component schemes highlight that by disadvantaging sustainable modes, congestion and road safety problems are exacerbated.

3.4.2 Although clearly the wider development schemes have been justified in their own right and can go ahead even without the additional schemes being promoted, additional benefits can be delivered; especially in terms of the efficiency of operation and the inclusiveness of the scheme.

Existing Situation

3.4.3 Two of the proposed schemes aim to reduce crashes involving cyclists. Crash records have been summarised below for Morehall Schools Cluster to Seafront, Phase 2 scheme and Morants Court roundabout improvement scheme.

Morehall Schools Cluster to Seafront, Phase 2 – Crash Analysis

3.4.4 Crash data has been collected between 1st January 2010 and 30th April 2015 for pedal cycles in the area surrounding A2034 Cheriton Road and Cherry Garden Avenue, Folkestone where highway improvements are proposed as part of this scheme to improve the visibility of cyclists.

Severity	Total
Serious	2
Slight	6

Table 3-6: Crash record surrounding the junction of Cheriton Rd and Cherry Garden Ave, Folkestone

3.4.5 There were eight crashes near to/ within the junction of A2034 Cheriton Road and Cherry Garden Avenue which involved pedal cycles during the five year study period. Of these, two were serious. One of the serious crashes occurred at the junction with Limes Road where a cyclist crossing the road was struck by a vehicle. The second crash happened on Cherry Garden Avenue and did not involve other vehicles and was due to the rider crossing the kerb.

3.4.6 Of the remaining six crashes, four occurred when cyclists were negotiating the traffic signal controlled junction. One occurred due to a cyclist passing through an amber/ red signal and collided with an oncoming turning vehicle and another happened when a cyclist was waiting at a red signal and got struck by the wing mirror of an oncoming car which had gone through a red signal. Another occurred on the pavement on the corner of the junction and the cyclist collided with a pedestrian. The remaining crash involved a HGV passing through a red signal and clipped the bike of a crossing cyclist.

3.4.7 The remaining two crashes involved buses. One rider fell off their bike due to a passing bus not leaving enough room for the cyclist and another occurred when a vehicle was passing a stationary bus and a cyclist began to cross the road from in front of the bus where they could not be properly seen.

Morants Court Roundabout - Crash Analysis

3.4.8 As part of the feasibility study conducted by Amey in 2016, the crash report was collected and analysed. Data was collected between 1st October 2008 and 30th September 2015.

Severity	Cyclists	MCCs	Vehicles only	Total
Serious	0	2	0	2
Slight	3	1	1	5

Table 3-7: Crash record at Morants Court Roundabout

3.4.9 Table 3-7 above shows there were seven crashes across the seven year crash record, five being slight and two serious. No fatal crashes occurred during this period.

3.4.10 The two serious crashes involved motorcyclists: one caused by a motorcyclist colliding with the rear of another vehicle that was already on the roundabout and the other crash did not involve another vehicle and was caused by a motorcyclist skidding on the wet road. The slight crash involving the motorcycle did not involve any other vehicles and was caused by the front wheel locking causing the rider to fall into the road.

3.4.11 Three of the five slight crashes involved cyclists and all were collisions on the roundabout. Two occurred when vehicles entered the roundabout and struck cyclists already on the roundabout, one of these crashes noted the low sun hindered the drivers view. The third occurred when the vehicle pulling away from one of the arms struck the rear of the cyclist in front.

3.4.12 The remaining crash to have occurred at this junction involved two cars and was caused by one vehicle losing control whilst braking near to the entrance of the roundabout and collided with an oncoming vehicle.

3.5 Objectives

3.5.1 The overarching objective of the investment is to complement the objectives of the major schemes. The broad objectives for the 2017/18 KSIP scheme are generalised in Table 3-8. This year's intervention schemes are aimed at improving cycle facilities and have been dealt with collectively to summarise the objectives however, the precise objectives of the schemes may differ slightly but may include improving accessibility, road safety improvements, improved signage and improved walk/ cycle links.

3.5.2 For the 2017/18 schemes the priority changes with 'active health' becoming a higher priority.

Objectives (primary and secondary combined to generalise across programme)
1 - Improve cycling infrastructure/ facilities • Reduce congestion • Improve connectivity to services, including train stations, town centres and tourist attractions • Provide signing and improve quality of paths where required.
2 – Improve the health and wellbeing of residents • Promote active transport (walking and cycling) • Provide opportunities to link with long distance cycle routes for leisure users.
3 – Improve road safety • Reduce conflicts and potential for accidents.
4 – Improve access to education and other facilities • Provide direct and desirable links between facilities.
5 – Enhance the local environment • Improve air quality by encouraging residents out of their cars • Complement and enhance the wider scheme.
6 – To deliver wider social and economic benefits (e.g. accessibility and social inclusion) for the community
7 – To improve the general transport infrastructure, including arrangements for parking and signing for other road users to be aware

Table 3-8: Scheme Objectives

3.5.3 It can be seen that the objectives accord well with the strategic aims of both the local authority and national policy.

3.6 Measures of Success

3.6.1 Successful delivery against the scheme objectives will be monitored as part of the post construction monitoring and evaluation.

3.6.2 It is envisaged that monitoring will include before and after conditions in relation to:

- Number of school pupils cycling to/ from school;
- Accident rates around cluster sites; and
- Cycle counts on key routes.

3.7 Constraints

3.7.1 The key constraint most likely to affect the delivery of the intervention schemes is land

ownership.

3.7.2 In order to overcome this, the funding allocation proposed for the forward scheme identification as part of this KSIP, will seek early negotiations with land owners in order to assess the viability of such schemes.

3.8 Inter-dependencies

3.8.1 The schemes proposed as part of the 2017/18 KSIP will provide sustainable travel infrastructure to support larger schemes and the growth aspirations of the County. However, each scheme in itself is not dependent on any other schemes proceeding before it can go ahead and the schemes do not need to go ahead before another scheme can proceed.

3.9 Stakeholders

3.9.1 Stakeholders have been defined and analysed in relation to the wider schemes;

- 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; and
- Further analysis of stakeholders benefitting from the scheme. These scheme beneficiaries have been mapped against the scheme objectives, enabling consultation to be targeted effectively and assisting in framing the Benefits Realisation Plan for the scheme.

Category	Detail
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 with some interest in the scheme though not affected directly by its construction or operation.
Statutory	Stakeholders with a statutory interest in the scheme, its construction, operation or wider impacts.
Funding	Stakeholders involved in the funding of the construction or operation of the scheme.

Table 3-9: Stakeholder Categorisation

Category	Detail
Intensive consultation	Stakeholders who are directly affected by the scheme and whose agreement is required in order for the scheme to progress. Consultation throughout the design and implementation.
Consultation	Stakeholders who are affected by the scheme and can contribute to the 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 3-10: Stakeholder Engagement Categories

Stakeholder	Categories	Engagement and Consultation	Comments
Scheme users	Beneficiary	Consultation Information	Through established mechanisms. Focus on scheme design, construction and operation
Retailers and other businesses affected	Beneficiary Affected	Consultation Information	
Public transport users	Affected	Consultation Information	
Bus & rail operators	Affected	Consultation	
Other road users	Beneficiary Affected	Information	
Access and rights of way groups (including cycling)	Beneficiary Affected	Consultation	
Disabled access groups and individuals	Interest Affected	Consultation	

Stakeholder	Categories	Engagement and Consultation	Comments
Landowners	Affected	Intensive consultation	Specific consultation dependent on interest in relation to scheme design
Elected Members	Interest	Intensive consultation	
Local authorities	Beneficiary Statutory	Intensive consultation	County, District & Parish
NHS (& local authorities in relation to Public Health)	Beneficiary Statutory	Intensive consultation	All levels. May involve funding
Police and other emergency services	Affected	Consultation	Through established mechanisms
Environment Agency	Statutory	Intensive consultation	Specific consultation
Local Enterprise Partnership	Beneficiary Funding	Information	Through LGF Business Cases & progress reports
Developers	Beneficiary Affected	Consultation	Only as relevant to scheme
Residents adjoining scheme	Beneficiary Affected	Information	
Wider business community	Beneficiary	Information	As part of wider LGF consultation
Wider community	Beneficiary	Information	
Local taxpayers	Beneficiary	Information	

Stakeholder	Categories	Engagement and Consultation	Comments
Tourists and visitors	Beneficiary	Information	Through established channels

Table 3-11: Stakeholder Matrix

Objectives	Main Benefits Criteria by Stakeholder
Objective 1 Improve cycling infrastructure/ facilities in Folkestone, Sevenoaks, Tonbridge and Malling and Tunbridge Wells, and equestrian, walking and cycling facilities in Ashford.	**Users** Financial benefits through less need to own or use a car Increase confidence to use facilities due to more formal facilities **Local Authorities, NHS and Local Enterprise Partnership** Locking in the decongestion benefits, including health-related, of sustainable transport users in these districts Improved attractiveness of the area for inward investment and job creation Improved attractiveness of the area for retail and housing **Retailers and other businesses** Locking in the decongestion benefits of sustainable transport investment **Developers and Employers** Ability to develop schemes without excessive planning conditions Ability to create employment and attract employees
Objective 2 Improve the health and wellbeing of residents	**Users** Health benefits due to improved fitness Increased leisure facilities creating social opportunities **Local Authorities, NHS and Local Enterprise Partnership** Increased wellbeing of residents in the County Increased health of residents in the County puts less pressure on NHS services **Employers** Access to a healthier and fitter workforce increases productivity
Objective 3 Improve road safety	**Users and their families** Personal safety and security for users of the route and their families **Local authority & Local Enterprise Partnership** Maintaining the attractiveness of the area for jobs and housing

Objectives	Main Benefits Criteria by Stakeholder
Objective 4 Improve access to education and other facilities	**Users** Improve access to employment education etc. for those without cars Improve social inclusion for residents **Local Authority** More skilled residents **Employers** Access to a skilled local work force
Objective 5 Enhance the local environment around the schemes	**Local residents and businesses** Maintain the attractiveness of the area Preserving and improving the built environment **Local authority** Meeting statutory duties **Local Enterprise Partnership** Maintain the attractiveness of the area for investment, jobs and housing
Objective 6 Deliver wider social and economic benefits for the community	**Local community** Improve attendance at groups and social activities enhancing community relationships
Objective 7 Improve the general transport infrastructure	**Users** Improved journey times and health benefits **Motorised road users** Clearer signage and more formal routes will alert drivers earlier that cyclists may be present

Table 3-12: Stakeholder Benefits in relation to Scheme Objectives

3.10 Options Considered

3.10.1 The nature, scope and scale of this scheme do not justify the development of multiple options, though tactical design decisions will be made in response to local stakeholder feedback. Consequently, only two options have been considered.

Option 1: Do Nothing

Description

3.10.2 This option will leave the existing poor quality facilities in place.

Advantages

- There will be no expenditure on the facilities.

Disadvantages

- There will be no improvement to facilities;
- As a result there will be no improvement non-motorised transport access in all locations, road safety or encouragement for the local communities to take up more walking and cycling.

Conclusion

3.10.3 The 'Do Nothing' option is rejected.

Option: Not carried forward but used as 'baseline' for appraisal

Option 2: Upgrade of existing facilities/ provision of new cycle infrastructure

Description

3.10.4 This option will upgrade/ provide the cycle infrastructure as outlined in the Chapter 2 of this document.

Advantages

- The proposed improvements to cycle facilities will be achieved;
- Mode choice will be improved by providing high quality cycle links and infrastructure between residential areas and services;
- Road safety will be improved;
- The local environment will be improved.

Disadvantages

- Expenditure would be approximately £827k (as part of a Sustainable Interventions Programme of £3.0m).

Conclusion

3.10.5 Option 2 is the preferred option in terms of delivery of overall goals, management of risks and the long-term maintainability of the scheme.

Option: Preferred Option

4 Economic Case

4.1 General KCC Approach to Scheme Economic Case

General Overview of Approach to Economic Case

4.1.2 The economic case is one of five strands of evidence required to support the scheme transport business case. KCC'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).

4.1.3 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.

Qualitative Economic Appraisal

4.1.4 Generally, for a scheme with relatively large cost (>£5m), the economic appraisal has been substantiated with quantified outcomes. Conversely for schemes with relatively small cost (<£5m), mainly qualitative evidence has been assembled.

4.1.5 In line with the proportionate approach, KCC has prepared qualitative evidence to support the scheme economic case. The component schemes all have a very low cost (<£300k) and as such it was considered that it would be disproportionate to undertake a detailed quantitative appraisal for each.

4.1.6 Instead the component schemes will be considered collectively, due to their similar nature, in terms of 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 and water;
- Social well-being –
  - Accidents, physical activity, journey quality, value for non-users, affordable travel, security, access to opportunities/door-to-door options and severance;
- Public accounts –
  - Cost to transport budget, indirect tax receipts and value for money (VfM).

Qualitative Evidence for Economic Case

4.1.7 The economic outcomes from the scheme 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.

4.1.8 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 7-point scale (slightly/moderately/largely beneficial, neutral, slightly/moderately/ largely adverse);
- Combine items above, to give an initial 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.

4.1.9 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 Proportionality Assessment

4.2.1 HM Treasury's Green Book states that all new proposals should be subject to comprehensive but proportionate assessment, wherever it is practicable, so as best to promote public interest.

4.2.2 Table 4-1 discusses TAG Appraisal Summary Table (AST) impacts and outlines the key proportionality assumptions made through the development of the KSIP package of measures and the appraisal process. The assumption table provides supplementary and supporting information to the proportionality assessment.

Impact	**2017/18 KSIP Component Schemes**
Economy: Business users and transport providers	Minor journey time benefits are anticipated by encouraging more cycling trips and therefore modal shift away from the car. Due to the relatively low cost of the component schemes the journey time benefits have been assumed. A qualitative score has been applied using professional judgement.
Economy: Reliability impact on business users	Minor journey time benefits are anticipated by encouraging more cycling trips and therefore modal shift away from the car. Due to the relatively low cost of the component schemes the journey time benefits have been assumed. A qualitative score has been applied using professional judgement.
Economy: Regeneration	Negligible regeneration impacts are anticipated across Kent as a result of KSIP; however, it is not judged appropriate to complete the assessment (TAG Unit A2.2 January 2014) for such a low cost scheme which is likely to have very diffused regeneration benefits. A qualitative score has been applied using professional judgement.
Economy: Wider impacts	Positive wider impacts would be expected to accrue across Kent, but the impacts are expected to be dispersed rather than in measurable concentrations in a few locations. A qualitative score has been applied using professional judgement.
Environmental: Noise	The proposed scheme is expected to result in minimal impact in terms of noise and vibration, therefore a quantitative assessment has not been carried out (TAG Unit A3 November 2014). A qualitative score has been applied using professional judgement.

Impact	2017/18 KSIP Component Schemes
Environmental: Air quality and Greenhouse gases	The proposed scheme would be expected to contribute to reduced congestion in urban areas resulting in fewer vehicles idling at congestion and pollution 'hotspots'. However given the scope of the scheme it is inappropriate to perform detailed air quality testing (TAG Unit A3 November 2014). A qualitative score has been applied using professional judgement.
Environmental: Landscape	Any change to landscape value is expected to be small and limited to the corridors and junctions covered in the scheme. A qualitative score has been applied using professional judgement.
Environmental: Townscape	Any change to townscape is expected to be small and limited to the corridors and junctions covered in the scheme. A qualitative score has been applied using professional judgement.
Environmental: Historic environment	No change in historic environment is expected as a result of the schemes. A qualitative score has been applied using professional judgement
Environmental: Biodiversity	Ecological impacts are unlikely with the introduction of any of the component parts of the programme. Works could potentially impact on protected species and habitats where vegetation clearance is required or where works are within or close to a sensitive site. A qualitative score has been applied using professional judgement.
Environmental: Water environment	Any impact on the water environment is anticipated to be minimal. A qualitative score has been applied using professional judgement.
Social: Commuting and other users	Due to the relatively low cost of the component schemes the journey time benefits have been assumed. A qualitative score has been applied using professional judgement.
Social: Reliability impact on Commuting and Other users	The proposed scheme would be expected to contribute to reduced congestion in urban areas resulting in improved reliability for commuters and other users. A qualitative score has been applied using professional judgement.
Social: Physical activity	The proposed schemes are expected to result in significantly positive impact in terms of physical activity; however, a quantitative assessment (TAG Unit A4.1 November 2014) has not been carried out, given the low cost of the scheme. A qualitative score has been applied using professional judgement.
Social: Journey quality	Due to the low cost of the scheme and the diffused locations of the improvements, it is not deemed appropriate to undertake a full assessment (i.e. completing TAG worksheets). A qualitative score has been applied using professional judgement.

Impact	2017/18 KSIP Component Schemes
Social: Accidents	Two of the proposed schemes are aimed specifically at improving safety and reducing accident rates. A qualitative score has been applied using professional judgement.
Social: Security	Due to the low cost of the scheme and the sparing distribution of impacts, it is not deemed appropriate to undertake a full assessment (i.e. completing TAG worksheets). A qualitative score has been applied using professional judgement.
Social: Access to services	Minor improvements in access to a number of services are expected. The schemes will deliver increased accessibility to retail, education and leisure. A qualitative score has been applied using professional judgement.
Social: Affordability	There is not expected to be any impact on personal affordability with the scheme. Due to the low cost and small impact of the scheme it is not deemed appropriate to undertake a full assessment (i.e. completing TAG worksheets). A qualitative score has been applied using professional judgement.
Social: Severance	Some improvement in terms of severance is expected from the schemes. Due to the low cost it is not deemed appropriate to undertake a full assessment (i.e. completing TAG worksheets). A qualitative score has been applied using professional judgement.
Social: Option and non-use values	The scheme being appraised does not include any measures that will substantially change the availability of transport services within the study area. A qualitative score has been applied in line with TAG Unit A4.1 (November 2014).

Table 4-1: Proportionality Assumptions

4.3 BCR

4.3.1 Due to the low cost of the component schemes a quantified appraisal has not been undertaken and therefore no BCR has been calculated for the KSIP scheme for this financial year.

4.4 Qualitative Assessment

4.4.1 The assessments of impacts made above have been input into the Appraisal Summary Table (AST) shown as **Table 4-2** provided overleaf.

4.4.2 The qualitative assessment indicates that the proposed schemes making up the KSIP programme for 2017/18 would have an overall beneficial impact. In particular the social impacts of the scheme are where most benefits are considered to be gained by the proposed schemes.

Impacts		Summary of key impacts	Qualitative Assessment
Economy	Business users & transport providers	Minor journey time benefits are anticipated by encouraging more cycling trips and therefore modal shift away from the car.	Slightly beneficial
	Reliability impact on Business users	Minor journey time benefits are anticipated by encouraging more cycling trips and therefore modal shift away from the car.	Slightly beneficial
	Regeneration	Negligible regeneration impacts are anticipated across Kent as a result of KSIP	Neutral
Environmental	Noise	The proposed schemes are expected to result in minimal impact in terms of noise and vibration.	Neutral
	Air Quality	The proposed schemes are expected to result in a positive impact in terms of air quality by encouraging increased cycling trips and modal shift away from private car.	Slightly beneficial
	Greenhouse gases	The proposed schemes are expected to result in a positive impact in terms of a reduction in hydrocarbon, carbon monoxide and nitrous oxides by encouraging increased cycling trips and modal shift away from private car.	Slightly beneficial
	Landscape	Any change to landscape value is expected to be negligible.	Neutral
	Townscape	No change in townscape is expected as a result of the schemes.	Neutral
	Historic Environment	No change in historic environment is expected as a result of schemes.	Neutral
	Biodiversity	Ecological impacts are unlikely with the introduction of any of the component parts of the programme. Works could potentially impact on protected species and habitats where vegetation clearance is required or where works are within or close to a sensitive site.	Neutral
	Water Environment	Minimal impact on water environment anticipated.	Neutral
Social	Commuting and Other users	The proposed scheme would be expected to contribute to reduced congestion in urban areas resulting in improved conditions for commuters and other users.	Slightly beneficial
	Reliability impact on Commuting and Other users	The proposed scheme would be expected to contribute to reduced congestion in urban areas resulting in improved reliability for commuters and other users.	Slightly beneficial
	Physical activity	The proposed schemes are expected to result in a significantly positive impact in terms of physical activity by encouraging increased cycling trips.	Largely beneficial
	Journey quality	The proposed schemes are expected to result in a significantly positive impact in terms of journey quality by providing direct, traffic-free cycle routes through countryside or coastal environments.	Largely beneficial
	Accidents	The Morants Court roundabout and Morehall Schools Cluster schemes are aimed at improving safety.	Largely beneficial
	Security	There is not expected to be any impact on security.	Neutral
	Access to services	Minor improvements in access to a number of services are expected as the cycle schemes will deliver increased accessibility to retail, education and leisure.	Slightly beneficial
	Affordability	There is not expected to be any impact on personal affordability with the scheme.	Neutral
	Severance	The Morehall to Folkestone Central scheme in particular is anticipated to reduce severance issues.	Slightly beneficial

Impacts		Summary of key impacts	Qualitative Assessment
	Option and non-use values	The scheme being appraised does not include any measures that will substantially change the availability of transport services within the study area.	Neutral
Public Accounts	Cost to Broad Transport Budget	Capital funds from LGF have been assigned to each scheme within the project, and then adjusted for inflation (from 2010 prices) and for risk.	Slightly beneficial
	Indirect Tax Revenues	Slight reduction in fuel tax due to reduction in car trips (TAG Unit A5.4)	Slightly adverse

Table 4-2: Appraisal Summary Table

4.5 Benchmarking

4.5.1 In order to provide an indication of the value for money of the KSIP for 2017/18 it has been considered appropriate to benchmark the proposed cycle improvements against a similar LGF scheme in Kent. The Kent Sustainable Access to Education and Employment scheme (also known as 'ROWIP') proposed to deliver a number of cycle route improvements around the County.

4.5.2 The approved business case for the ROWIP scheme calculated an overall scheme BCR of 9.04 representing very high value for money (VfM). The appraisal of these schemes was based upon Mortality Benefits calculated using the World Health Organisation's HEAT tool, based on projected usage of the cycle routes (TAG Unit A4.1.).

4.5.3 Although the proposed KSIP schemes may not deliver the same increase in users as the component schemes within ROWIP, the component scheme costs are relatively similar and very high BCR for ROWIP indicates that the KSIP schemes are likely to represent high value for money.

4.6 Value for Money Statement

4.6.1 Due to the disproportionate work in undertaking a quantified appraisal of the proposed component schemes in the 2017/18 KSIP, no BCR has been calculated.

4.6.2 A qualitative assessment of the schemes indicates that the proposals would have a beneficial impact, particularly in terms of social impacts. In addition a benchmarking exercise of the proposed cycle routes against a similar LGF scheme indicates that this component would represent high value for money.

4.6.3 On the basis of the above and the relatively low cost of the scheme programme for 2017/18 it is considered that the combined proposals are likely to represent high value for money.

5 Financial Case

5.1 Introduction

5.1.1 This chapter presents the Financial Case for the KSIP scheme. It concentrates on the affordability of the proposal, its funding arrangements and technical accounting issues. The total outturn costs and expenditure profile are presented, along with an assessment of the impact of the proposed deal on the Department's budgets and accounts.

5.1.2 Only the costs which will be incurred subsequent to a successful funding bid have been considered. 'Sunk' costs, which represent expenditure incurred prior to funding approval and which cannot be retrieved, have not been included.

5.2 Capital Cost Components at 2016 Prices

5.2.1 The capital required to fund the project is £3.0m for the period 2015 to 2021. With £0.143m spent in 2015/16 and an estimated £0.528m spent in 2016/17, giving a total spend of £0.671m for the first two financial years. The anticipated spend for 2017/18 will be £0.827m. Table 5-1 shows the scheme capital costs as estimated in 2016 prices.

Cost Category	**£**
Cinque Ports Phase 2	290,000
Morehall to Folkestone Central Station	135,000
Morants Court Roundabout	145,000
Kent Spa & Castle Ride	20,000
Highfield Lane, Mersham	100,000
Forward Design	50,000
Total	**740,000**

Table 5-1: Components of Investment Cost at 2016 Prices

5.3 Inflation to 2017 Prices

5.3.1

Cost Category	**£**
Cinque Ports Phase 2	294,531
Morehall to Folkestone Central Station	137,109
Morants Court Roundabout	147,266
Kent Spa & Castle Ride	20,313
Highfield Lane, Mersham	101,563
Forward Design	50,781
Total	**751,563**

5.3.2 Table 5-2 provides a base cost estimate of the investment which incorporates real cost increases. The average Consumer Price Index forecasts for 2017 is 2.4%[1], while construction costs are forecast to increase by 4.0%[2] in the south east for the same period. Therefore the base investment costs, including real cost increases have been calculated as follows:

$$\text{cost} = \ £740{,}000 \ \times \frac{1.04}{1.024} = £751{,}563$$

Cost Category	**£**
Cinque Ports Phase 2	294,531
Morehall to Folkestone Central Station	137,109
Morants Court Roundabout	147,266
Kent Spa & Castle Ride	20,313
Highfield Lane, Mersham	101,563
Forward Design	50,781
Total	**751,563**

Table 5-2: Base Scheme Costs (2017 prices)

5.4 Quantitative Risk Assessment

5.4.1 A 10% risk contingency has been applied in line with best practice for work of this

[1] Forecasts for the UK economy: a comparison of independent forecasts; No. 354, October 2016.
[2] Sweett Tender price Update United Kingdom Q3 2016

nature.

5.5 Final Scheme Costs

5.5.1 Table 5-3 below shows the final scheme costs for the 2017/18 funding bid, including risk and inflation but excluding optimism bias and indirect taxation.

Cost Type	Cost (£)
Scheme Cost	740,000
Inflation	11,563
Risk Allowance	75,156
Total	**826,719**

Table 5-3: Summary of Final Scheme Costs (2017 prices)

5.6 Spend Profile

5.6.1 An estimated outturn spend profile for the KSIP is shown in Table 5-4, split by financial year.

Estimated Spend	Total	15/16	16/17	17/18	18/19	19/20	20/21
Total Costs (£m)	3.0000	0.1434	0.5279	0.8267	0.5020	0.5000	0.5000

Table 5-4: Outturn Spend Profile

5.7 Whole Life Costs

5.7.1 It is not anticipated that the component schemes will generate any additional whole-life costs. The nature and use of cycle routes result in minimal maintenance requirements going forward. Therefore, no additional whole-life costs should be ascribed.

5.8 Section 151 Officer Sign Off

5.8.1 A signed letter by KCC's Section 151 officer providing appropriate assurances is contained in Error! Reference source not found..

5.9 Funding Assumptions

5.9.1 The total remaining project cost is estimated at approx. £1.502 million which will be fully LEP funded which will be granted dependent on the business case.

6 Commercial Case

6.1 Scheme Procurement Strategy

Procurement Options

6.1.1 KCC have identified two procurements options for the delivery of their LEP funded schemes. The alternative options are:

Full OJEU Tender

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

6.1.3 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 public contract notice on the OJEU website.

6.1.4 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 contactor.

Delivery through existing Amey Highways Term Maintenance Contract (HTMC)

6.1.5 This option is strictly not procurement as the HTMC contract 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.

Preferred Procurement Option

6.1.6 The preferred procurement route for schemes within the KSIP is through the existing Amey Highways Term Maintenance Contract (HTMC).

6.1.7 This option has been selected as the value of the scheme is less than the OJEU scheme value threshold. The Amey HTMC has already delivered the KSIP intervention schemes in the 2015/16 and 2016/17 financial years and provides similar interventions in the

form of construction and maintenance on the Kent highways network.

6.2 Potential for Risk Transfer

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

7 Management Case

7.1 Introduction

7.1.1 The management case assesses the deliverability of the project, testing project planning, governance structure, risk management, communications and stakeholder management, benefits realisation and assurance.

7.1.2 It sets out a plan to ensure that the benefits set out in the economic case are realised and includes measures to assess and evaluate this.

7.2 Project Plan

7.2.1 The project timetable will run on an annual cycle, with selection of schemes for the following year being undertaken using an established scoring system mechanism to consider deliverability and outcomes in January 2017 as set out below.

Task Name	Duration	2017/18												2018/19			
KSIP Projects 17/18		Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	onwards
Select 2017/18 schemes - IIT	4 wks																
Allocate funds to 2017/18	0 days																
Agree Funding with LEP	o days																
Detailed design & consultation (2017/18 Schemes)	20 wks																
Statutory Processes	20 wks																
Procurement	4 wks																
Baseline Study	4 wks																
Delivery of schemes	28 wks																
Completion	0 days																
Monitoring & reporting on performance	52 wks																

Table 7-1: Project Plan

7.3 Governance, Organisation Structure, Roles and Assurance

7.3.1 KCC have set up a clear and robust structure to provide accountability and an effectual decision making process for the management of the LEP funded schemes. The KSIP scheme has a designated Project Sponsor (Jamie Watson) who is an appropriately trained and experienced member of KCC staff.

7.3.2 Table 7-2 overleaf provides an outline of the overall governance structure implemented to manage the delivery of each scheme.

Bid / Design / Construction	High level Agenda	Frequency	Attendees	Format	Scope	Agenda Items	Key Deliverables/Feedback	Templates
Sponsoring Group	Bid Design Construction	Monthly - Can be called in emergency if required	**Chair: TR** BC/RW/MG Supported by IPM attendees as required	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**
Sponsoring Group Progress Report	Decisions Needed	Monthly	MG/JW	Report	To record outstanding actions/issues that require a decision made by the board		Action list ready for the Steering Group	**Action List**
Programme Board Meeting	Bid Design Construction	Monthly	**Chair: MG** MG/KCC Promoters/KCC PMs/ AQ or RC/SW/PC/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**
Steering 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
RW	Roger Wilkin
TR	Tim Read
MG	Mary Gillett
AQ	Andrew Quilter
RC	Richard Cowling
SW	Steve Whittaker
PC	Paul Couchman
JW	Joanne Whittaker

Table 7-2:KCC Project Governance Structure

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

Project Steering Group (PSG) Meetings

7.3.4 PSG meetings are held fortnightly to discuss progress on the scheme and will be chaired by Jamie Watson. Attendees include representatives from each stage of the LEP scheme (i.e. KCC bid team, 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

7.3.5 The Progress Reports sent by Jamie Watson 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

7.3.6 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 the meeting.

Escalation Report

7.3.7 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

7.3.8 The SG meeting is held monthly and chaired by Tim Read (KCC Head of Transportation). Attendees are Barbara Cooper (Corporate Director), Roger Wilkin (Director of Highways, Transportation and Waste) 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).

Project Roles and Responsibilities

Role	**Name**
KCC SELEP Schemes Delivery Manager	Lee Burchill
Project Sponsor	Jamie Watson
Amey HTMC Contact	Martin Addison

7.4 Suitability and Availability of Resources

7.4.1 The proposed component schemes are intended to be delivered using a collaborative approach between KCC staff and their appointed support organisation Amey. KCC have identified appropriately trained and experienced staff that will be responsible for the delivery of the scheme. The identified staff fulfilling the Project Sponsor and Project Manager roles for the scheme has been ring-fenced to support the scheme throughout its duration and will have more junior staff available to support them.

7.4.2 Furthermore, the Project Sponsor and Project Manager will utilise appropriate staff from two existing contracts with Amey. Design and technical services support will be provided through the Technical and Environmental Services Contract (TESC) which is active until at least 2018. Amey have a dedicated multi-discipline team located in Maidstone to support the LGF funded schemes. KCC will also utilise dedicated Amey resource through the existing HTMC contract to undertake the construction of the scheme and also to provide early contractor involvement (ECI), where appropriate, to the design process to ensure best value.

7.5 Evidence of Previously Successful Scheme Delivery

7.5.1 KCC have a successful track record of delivering both major and minor transport schemes within the county.

Minor KCC Transport Schemes

7.5.2 The most recent minor transport scheme to be completed in Kent is the Maidstone

Bridges Gyratory. It was completed in December 2016 and was designed to remove the need for the northbound traffic to cross the two town bridges and therefore reducing localised congestion in the area. This in turn will support the growth aspirations in the emerging Maidstone Local Plan. The scheme was successfully delivered within budget and ahead of schedule. The scheme was delivered through Amey HTMC. The intended scheme outcomes will soon be monitored but the intended benefits of the scheme are anticipated to be realised.

7.5.3 The Tonbridge Town Centre regeneration scheme, completed in May 2016, aimed to provide a more attractive environment for pedestrians through the lower High Street of Tonbridge. The scheme was delivered under budget and to programme. The scheme was delivered through Amey HTMC and the intended scheme outcomes will soon be monitored.

Major KCC Transport Schemes

7.5.4 Two recent major transport schemes delivered by KCC are the East Kent Access Phase 2 (EKA2) and Sittingbourne Northern Relief Road schemes (SNRR).

7.5.5 The EKA2 scheme, completed in May 2012, was designed to support economic development, job creation and social regeneration, improving access with high quality connections between the urban centres, transport hubs and development sites in East Kent. The overall objectives of the scheme were to unlock the development potential of the area, attract inward investment and maximise job opportunities for local people. The extent of the scheme is shown in Table 7-3 overleaf.

The scheme was successfully delivered within budget and ahead of programme through the adoption of a robust management approach similar to that set out above to deliver the Sustainable Interventions scheme. The total value of the scheme was £87.0m of which £81.25m was funded by Central Government. The scheme was procured through a full OJEU tender process.

The intended scheme outcomes are currently being monitored but the intended benefits of the scheme are anticipated to be realised.

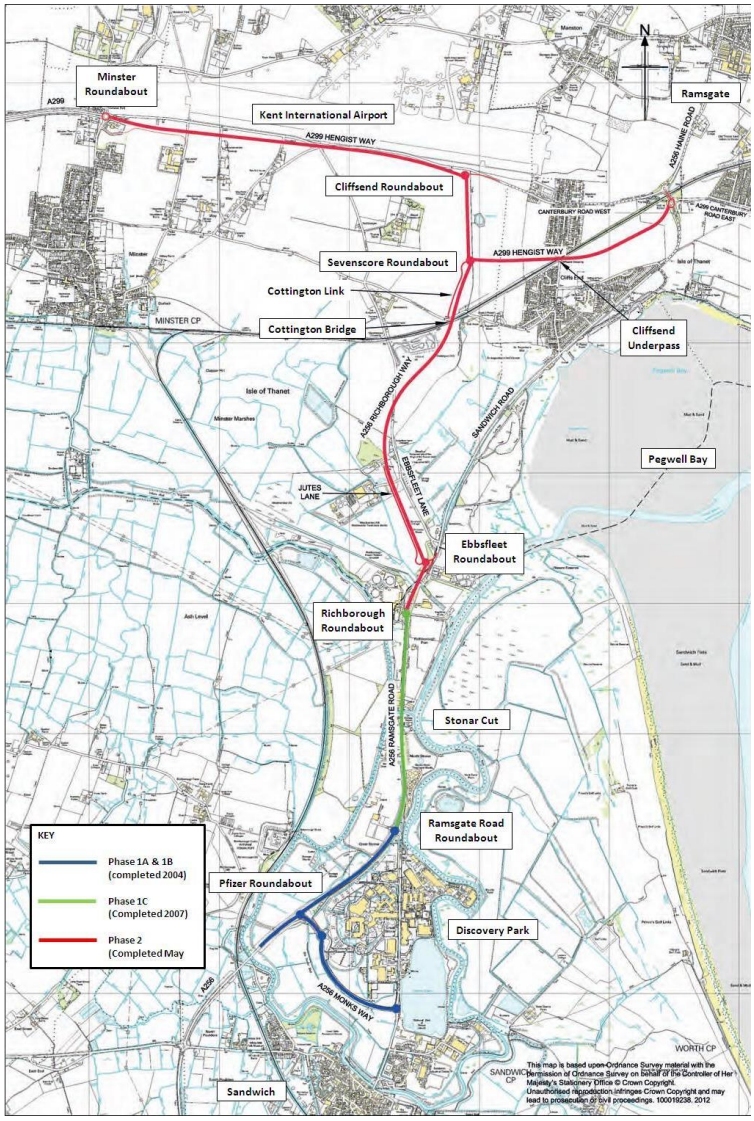

Table 7-3: EKA2 Scheme Layout

7.5.6 The SNRR scheme, completed in December 2011, was designed to remove the severance caused by Milton Creek and give direct access to the A249 trunk road for existing and new development areas, thereby relieving Sittingbourne town centre.

7.5.7 The delivered scheme is shown in Table 7-4 below:

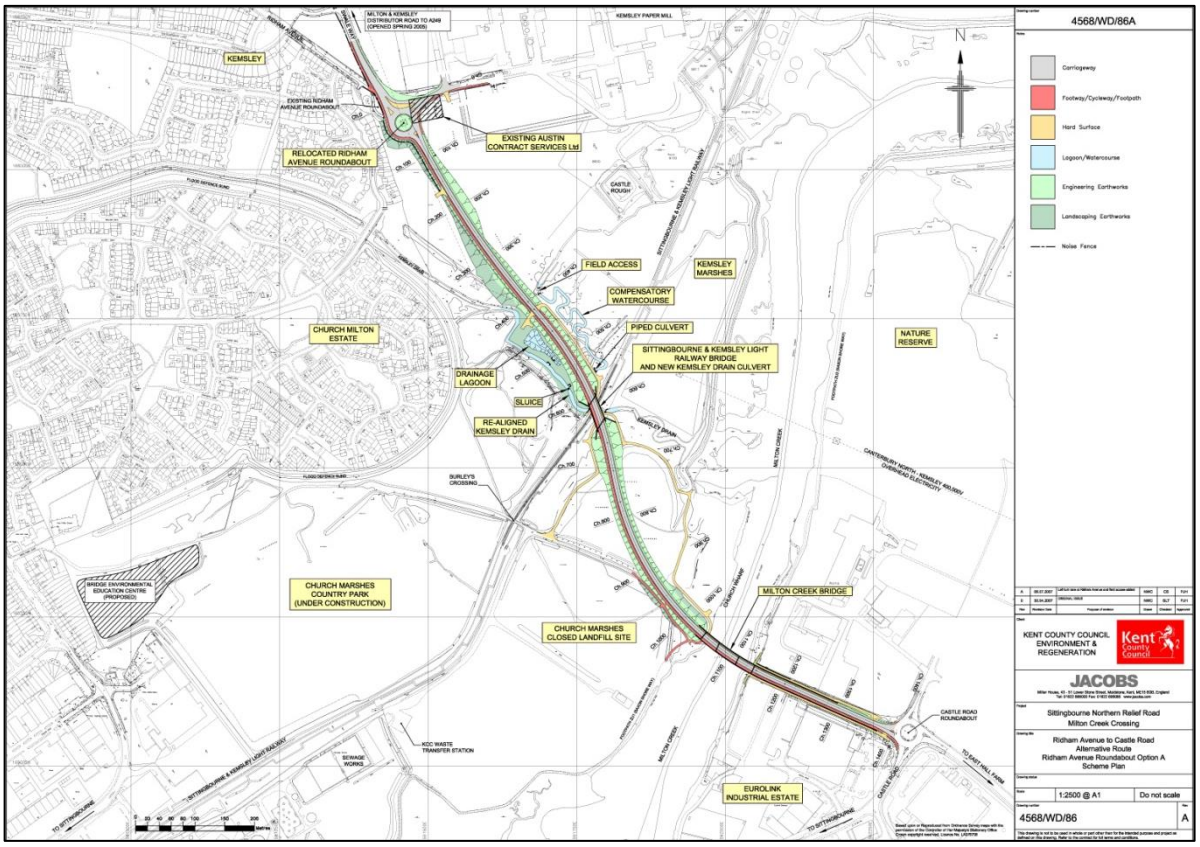

Table 7-4: SNRR Scheme Layout

The project is an excellent example of multi agencies working towards a common aim. The scheme was funded by the Homes & Communities Agency in its Kent Thameside regeneration role, by the Department of Transport in its support of local major schemes and by private sector S106 contributions. The scheme was delivered under budget and to programme. The scheme was procured through a full OJEU tender process.

Both the EKA2 and SNRR schemes have since been awarded regional Institute of Civil Engineers (ICE) Excellence Awards.

7.6 Risk Management

7.6.1 Project risk is managed as an on-going process as part of the scheme governance structure, as set out in sections 7.3 of this report.

7.6.2 The KSIP 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. An example scheme risk register is shown in Table 7-5 below.

Table 7-5: Example Risk Register

7.6.3 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. Required mitigation measures are discussed at the PB meeting and actioned by the KCC PM as appropriate.

7.6.4 The risk management process for the C-ITS programme will be based on the PRINCE2 project management methodology to ensure that risks are identified, assessed in terms of their likely impact and probability, and can therefore be appropriately prioritised. In this way the risks with the greatest impact and the greatest probability of occurring can be addressed first, and risks with lower probability of occurrence and lower loss can be handled in descending order. Identifying ways of tackling these risks is an integral part of this process, which also considers the opportunity cost of the proposed mitigating actions, to ensure that the chosen action taken is both appropriate and cost effective.

7.6.5 This process follows widely recognized good principles for effective Risk Management, ensuring that risk will be an integral part of the organisational processes and part of the decision making process. It will explicitly address uncertainty and assumptions in a systematic and structured way based on the best available information at the time. It will be able to be tailored to suit the situation and need, be transparent, inclusive dynamic, iterative and responsive to change. The risk management strategy will be capable of continual improvement and enhancement, and can be continually or periodically re-assessed.

7.6.6 In line with these principles, initial risks have been identified during the inception and development stages of the programme as listed in Table 7-7. These risks will be continually reviewed and re-assessed going forward as part of the defined management processes for the programme. New risks will be raised and discussed as they are identified, assessed, tracked and acted upon as agreed by the programme coordinator and Steering Group as appropriate.

7.7 Benefit Realisation Plan and Monitoring

7.7.1 Tracking of the scheme benefits will be a key element in understanding the success of a specific intervention. The realisation of benefits is intrinsically linked to the Monitoring and Evaluation plan.

7.7.2 The scheme objectives set out in Section 3.5 have been used to develop the desired outputs and outcomes for the scheme. The desired outputs are the actual benefits that are expected to be derived from the scheme and are directly linked to the original set of objectives. The definition of outputs and outcomes are:

- **Outputs** – tangible effects that are funded and produced directly as a result of the scheme; and
- **Outcomes** – final impacts brought about by the scheme in the short and medium/long term.

Measures	Monitoring	Benefits Realisation	Comments
Delivery on time	Through contract management	Through contract management	
Delivery on budget	Through contract management	Through contract management	
Delivery of safe, attractive facilities	User satisfaction surveys		Delivery will be enhanced through use of existing partnership working
Usage	Public transport usage counts Cycle counts		Delivery will be enhanced through use of existing partnership working
Mode share	Not measured directly – part of general traffic monitoring	Realisation involves other schemes	Delivery will be enhanced through use of existing partnership working

Measures	Monitoring	Benefits Realisation	Comments
Decongestion, air quality, noise, CO_2 emissions	Not measured directly – derived from usage	Realisation involves other schemes	
Growth (housing, jobs)	Not measured directly – derived from usage	Realisation involves other schemes, including non-transport (e.g. development)	
Wider economic benefits	Not measured directly – part of wider LGF package	Realisation involves other schemes, including non-transport (e.g. development)	Part of SELEP SEP Performance Management and Local Plan management

Table 7-6: Benefits Realisation Plan

7.7.3 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 of the scheme in meeting the objectives of the Sustainable Interventions scheme. Unexpected effects of the scheme will be reported upon and, where appropriate, remedial measures identified.

7.8 Scheme Risks

7.8.1 As with any transport scheme there are a number of risks and issues that must be managed. Through the management arrangements established to progress the KSIP scheme, there are risk management arrangements in place. For the purposes of this Business Case, the main risks associated with proposed investment to progress the KSIP are summarised in **Error! Reference source not found.** below.

Risk	Likelihood	Impacts	Owner	Mitigation
Scheme becomes unnecessary due to failure of wider main schemes	Low	High	KCC	Constant programme review and reallocation of funds
Stakeholders reject scheme as unsuitable or inappropriate	Low	Moderate	KCC	Active consultation, building on existing relationships
Highway design issues prove costly	Low	Moderate	Amey	Early engagement of highway design specialists
Key stakeholders (e.g. LEP or DfT) insist on additional quantitative appraisal	Low	Moderate	Amey	Prepare Transport Business Case with as much quantitative information as possible
Related highway scheme designs affect scheme or scheme affects these schemes	Low	Moderate	Amey	Co-ordination of design and explicit requirement in design brief
Benefits achieved do not match those predicted in the example used in the Business Case	Moderate	Moderate	KCC	Use scheme selection process to ensure best schemes are selected

Table 7-7: Key Project Risks

7.8.2 In considering the need to manage the risks associated with this important scheme, there are considerable and possibly greater risks of not proceeding with the KSIP. These risks have previously been outlined and are as follows:

- The constraints of the existing transport conditions will act as an inhibitor to growth with private sector investment attracted to other areas with better accessibility;
- The significant pockets of disadvantage of Kent will worsen;
- Kent's reputation as the UK's front door may be damaged without effective highway management; and
- The ongoing Air Quality issues in Kent will be exacerbated without the mitigation afforded by the scheme.

Appendix A S151 Officer Letter