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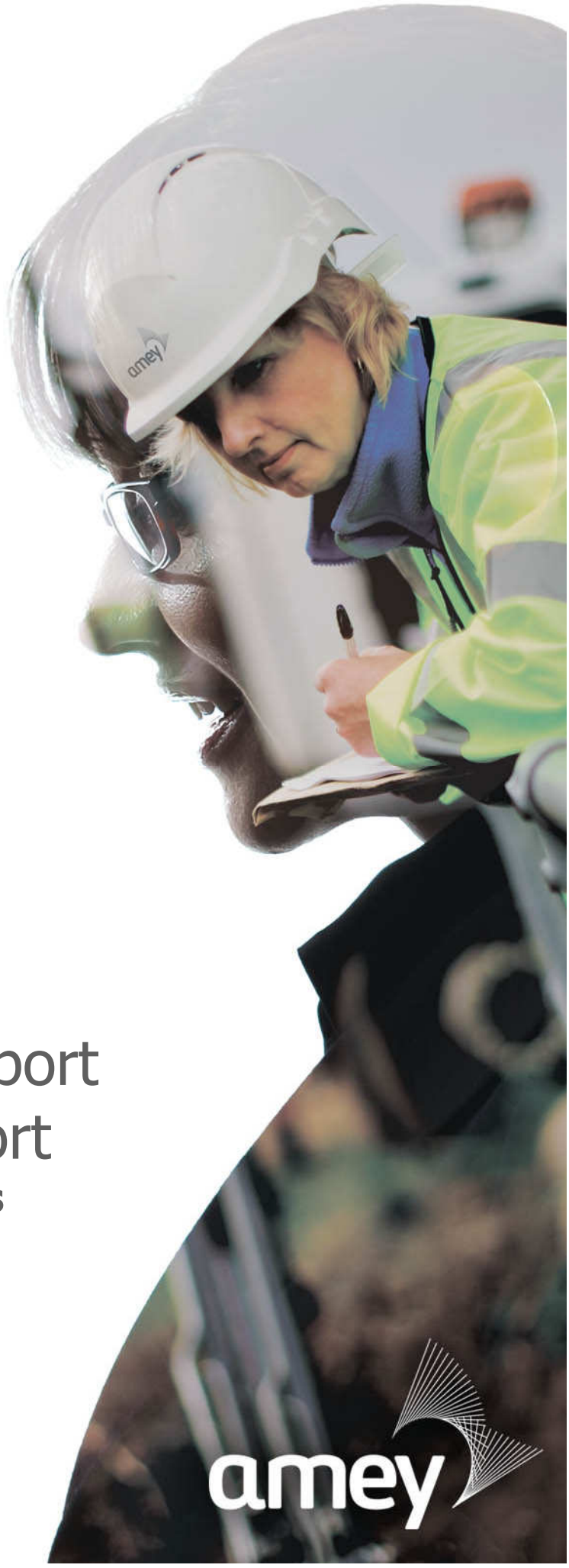

2016/17 LGF Transport Business Case Report

Sustainable Interventions Supporting Growth

CO04300369/015 Revision 00

January 2016

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Document Control Sheet

Project Name:	Sustainable Interventions Supporting Growth
Project Number:	CO04300369
Report Title:	2016/17 LGF Transport Business Case Report
Report Number:	015

Issue Status/Amendment	**Prepared**	**Reviewed**	**Approved**
00 (for SELEP ITE Gate 1 review)	Name: Neil Anderson *(2015/16 report)* Gareth Elphick Signature: Date: 23/12/15	Name: Margaret Nicholls Signature: Date: 07/01/16	Name: Steve Whittaker Signature: Date: 08/01/16
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1 Introduction

1.1 SELEP Schemes – Business Case Preparation

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

1.2 Purpose of Report

The overall purpose of this report is to provide a Business Case covering the scheme funding bid. This is the second year of a rolling programme and this report draws upon the work of the submission for the first year.

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

- The potential for the project to be called in for review by Department for Transport (DfT) or other bodies before it is delivered;
- The potential for challenge from stakeholders which may jeopardise or delay the project; and
- The potential that a subsequent review of the project after implementation may identify issues relating to the delivery of overall outcomes (e.g. job creation or transport modal shift).

1.3 Specific Scheme

This scheme, as in previous submissions to the SELEP, is entitled

Kent Sustainable Interventions (Supporting Growth Delivery)

In essence, the Kent Sustainable Interventions scheme would involve 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.

This document refers to the scheme as the Kent Sustainable Interventions Programme (KSIP) scheme.

2 Scheme Summary

2.1 Introduction to Project

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 projects and major development schemes can be enhanced significantly through the provision of complementary measures. For example, the Meadowhall Centre in Yorkshire is more successful through its integrated rail/bus/tram interchange, with additional facilities for users of active travel modes (walking and cycling). Not only does this enable people without cars to access the facilities, the number of car parking spaces required is reduced and traffic congestion on surrounding roads is lower than it would otherwise be.

The KCC complementary 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.

It has previously been decided to submit the schemes on a year-by-year basis. The first year of the 6 year programme has already been approved (Amey Report C004300262_026_03). This report considers the second year (2016/17). For completeness some of the background and narrative from the earlier report is retained.

Cycle schemes are being promoted, each adding benefits to two approved 2015-16 LEP schemes, Folkestone Seafront and Tonbridge Town Centre Regeneration. As in 2015/16, an allocation is also set aside for forward scheme identification.

The locations of these schemes are shown in Figure 1.

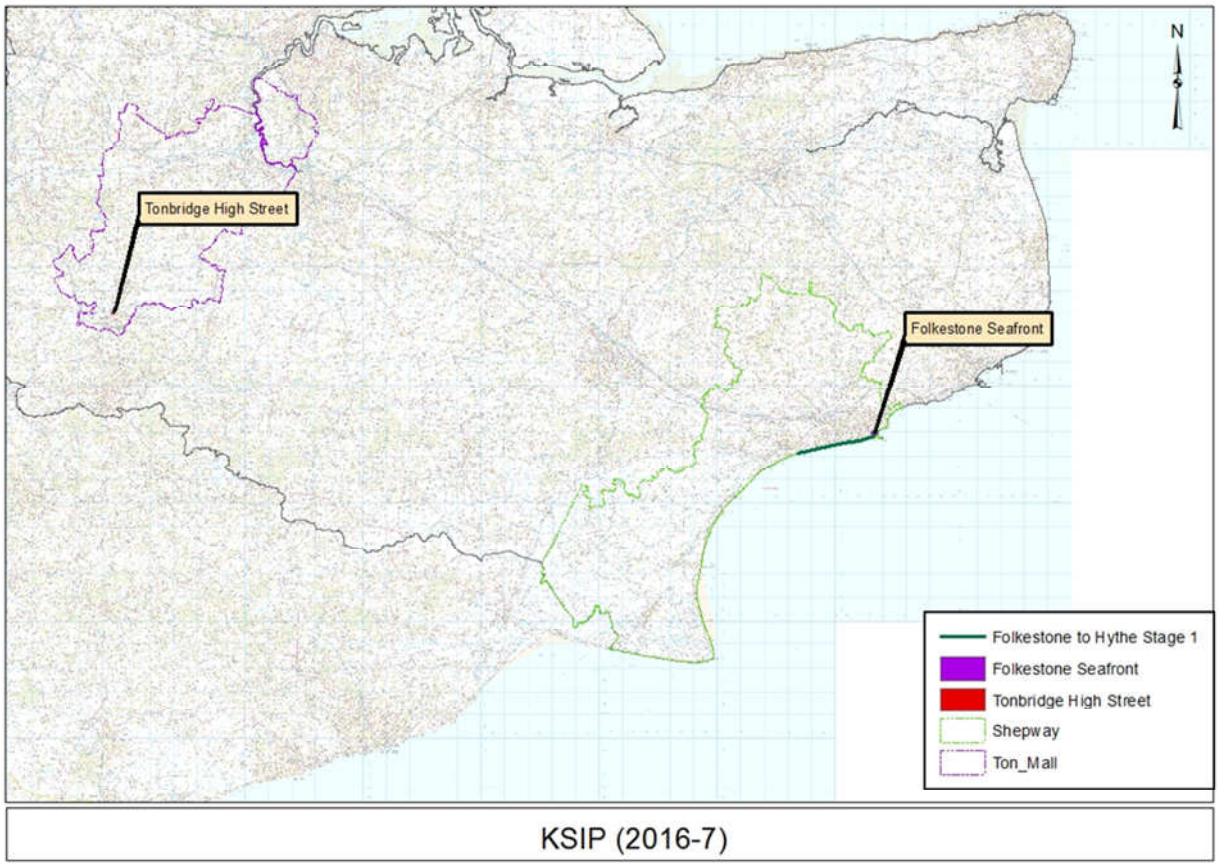


Figure 1: 2016/17 KSIP Scheme Locations

In this report the 2016/17 schemes are introduced. Then a larger 'sub-scheme' Deal South Street PT interchange from the 2015-16 tranche is explained in more detail, as an example scheme. It is accepted that the 2016-17 schemes have a dominant cycling focus ('active health' benefits) rather than the public transport ('inclusivity' and 'option values') of the example scheme. However the broad principles of the proposals are similar; and therefore the example sub-scheme remains relevant. Moreover, as with the 2015/16 submission, the 2016/17 sub-schemes are appraised, in a more objective, quantified manner, by aligning each with a comparable 'benchmark' scheme that has assessed elsewhere and recorded in the University of Leeds Institute for Transport Studies (ITS) database.

2.2 Category and Scope of Transport Business Case

With a projected 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 2 (2016/17) delivery is £0.5m, comprising five schemes and a further element to support forward scheme identification and design for future years.

The programme already has £3.0m earmarked from the LGF.

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 includes the housing, employment and commercial developments in the area.

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 wider public policy objectives – the 'strategic case';
- Demonstrate **value for money** – the 'economic case';
- Are **commercially viable** – the 'commercial case';
- Are **financially affordable** – the 'financial case'; and
- Are **achievable** – the 'management case'.

This document uses this 5-case model in an appropriate and proportionate way to demonstrate the merit of investing in the proposed Kent Sustainable Interventions.

2.3 Context of the Transport Business Case

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 for Transport (DfT).

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

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

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.

2.4 Detail of Scheme Components for KSIP (2016/17)

Tables 1 – 2 below, summarise the main features of the proposed schemes that constitute the second year 2016/17 funding bid for Kent Sustainable Interventions. It is noted this year's funding is cycle-route related.

Table 1: KSIP Detail: Folkestone Cycle Links

Scheme	**Folkestone Cycle Links**
Associated LEP scheme	Folkestone Seafront 2015/16 Highway Maintenance Scheme Folkestone Seafront 2017/18 Mixed Use Development
District	Shepway
Type of scheme(s)	Cycling
Background	The Folkestone seafront LEP scheme has improved the condition of the highway network around Folkestone Harbour. (Figure 2)
Objectives	To lock-in the benefits of the improved highway network, improved cycle links to the Harbour area and town centre are being promoted. In addition there is a contribution to matching the cycling provision of the southern Kent Coast to that of the northern Kent Coast in Canterbury and Thanet Districts (e.g. 'Crab and Winkle' Way)
Stakeholders / Endorsement	Cycle Shepway Local MP Shepway Joint Transportation Board (JTB)
Benefits	Reduced congestion Better connectivity of the Harbour and Town Centre Physical Activity

Scheme	**Folkestone Cycle Links**
Description of works	1) Cycle links in the town centre known as 'Shepway Cycle Improvements' or 'Schools Cluster to Folkestone harbour'. This will link schools and address areas where cycle movements are deemed dangerous. (Appendix A). 2) A cycle link from Folkestone to Hythe; joining the Harbour, the coastal park, and Martello Lakes housing development. This is phase 1 of a longer-term aspiration of a coastal route from Folkestone to Lydd ('Cinque Ports Cycleway') (Figure 3). This will also improve routes to NCN2 and the Royal Military Canal.
Estimated Cost	£230,000 excluding risk (£150,000 for town centre, and £80,000 for Cinque Ports)
Current Status	Outline design

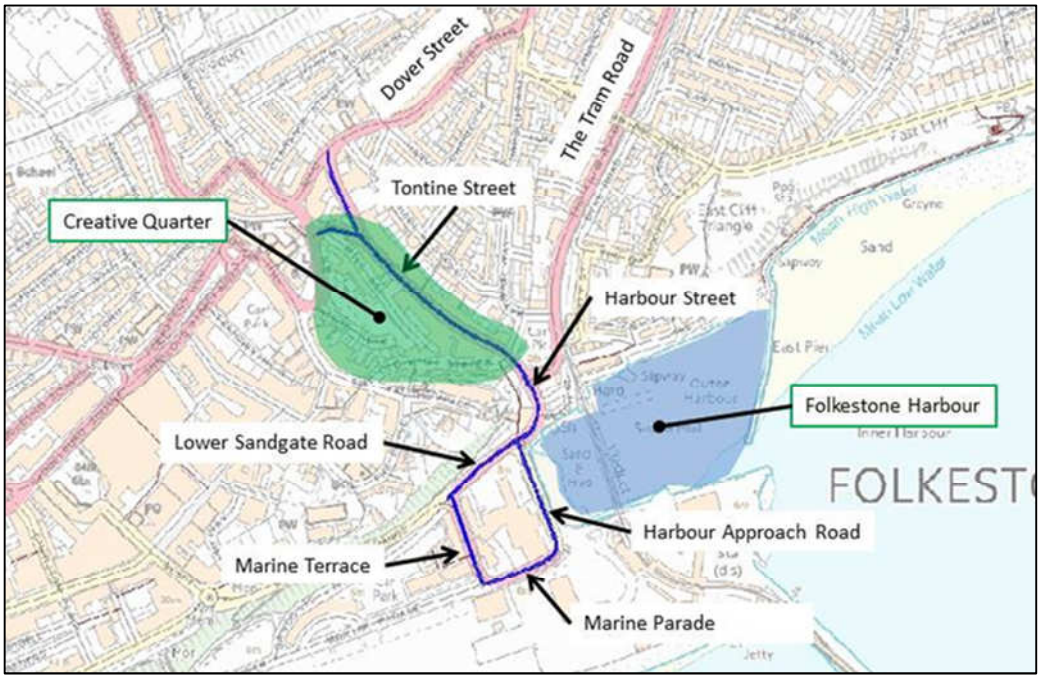


Figure 2: Folkestone LEP scheme area

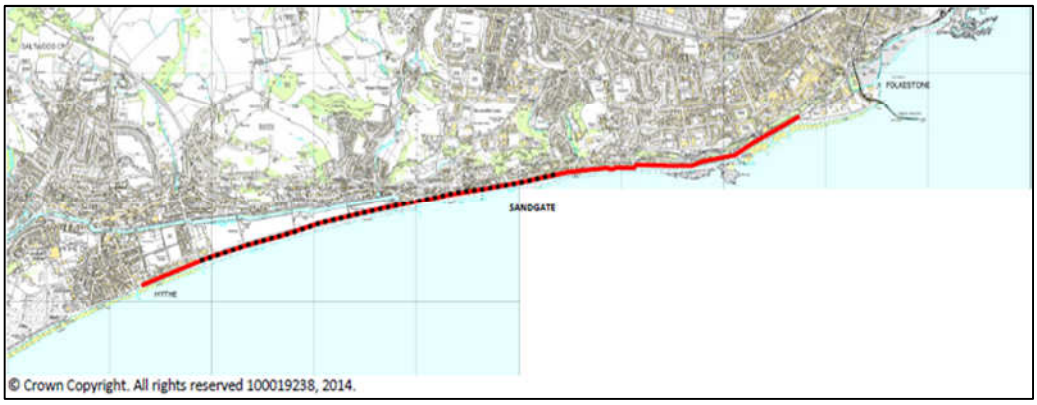


Figure 3: Phase 1 of Cinque Ports Cycleway

Table 2: Tonbridge Town Centre

Scheme	**Tonbridge Angels to Tonbridge Station Cycle Route (Phase 1)**
Associated LEP scheme	Tonbridge Town Centre Regeneration
District	Tonbridge and Malling
Type of scheme(s)	Cycling
Background	The Tonbridge Town Centre Regeneration (Phase 1) has improved the townscape for pedestrians, with a redesigned High St design (Figure 4). Phase 2 also promoted two cycle links connecting schools and the rail station (Figure 5).
Objectives	To lock-in the benefits of the improved townscape, further improved cycle links to the High St and Tonbridge station are being promoted. There is also some secondary benefit of linking to the local recreational route in Haysden Park and to Penshurst place.
Stakeholders	Tonbridge & Malling Borough Council (TMBC) Tonbridge School
Benefits	Reduced congestion Better access Tonbridge High St and the wider town centre Physical Activity

Scheme	**Tonbridge Angels to Tonbridge Station Cycle Route (Phase 1)**
Description of works	Phase 1 is a connection from Tonbridge Angels FC to London Rd (reaching town centre periphery and Tonbridge School). Phase 2 (not included in this bid) will continue the route through the town centre to the rail station. The route is attached as Appendix B
Estimated Cost	£180,000 (excluding risk)
Current Status	Outline design / land negotiations

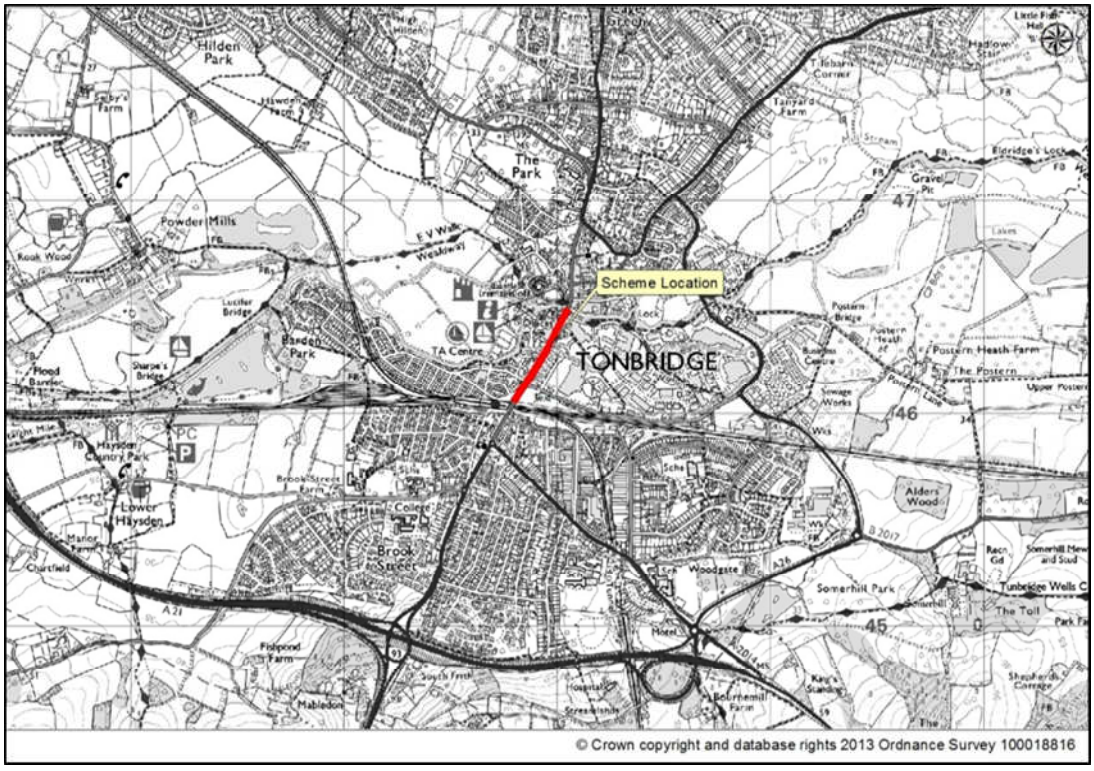


Figure 4: Tonbridge High St Improvements (Phase 1)

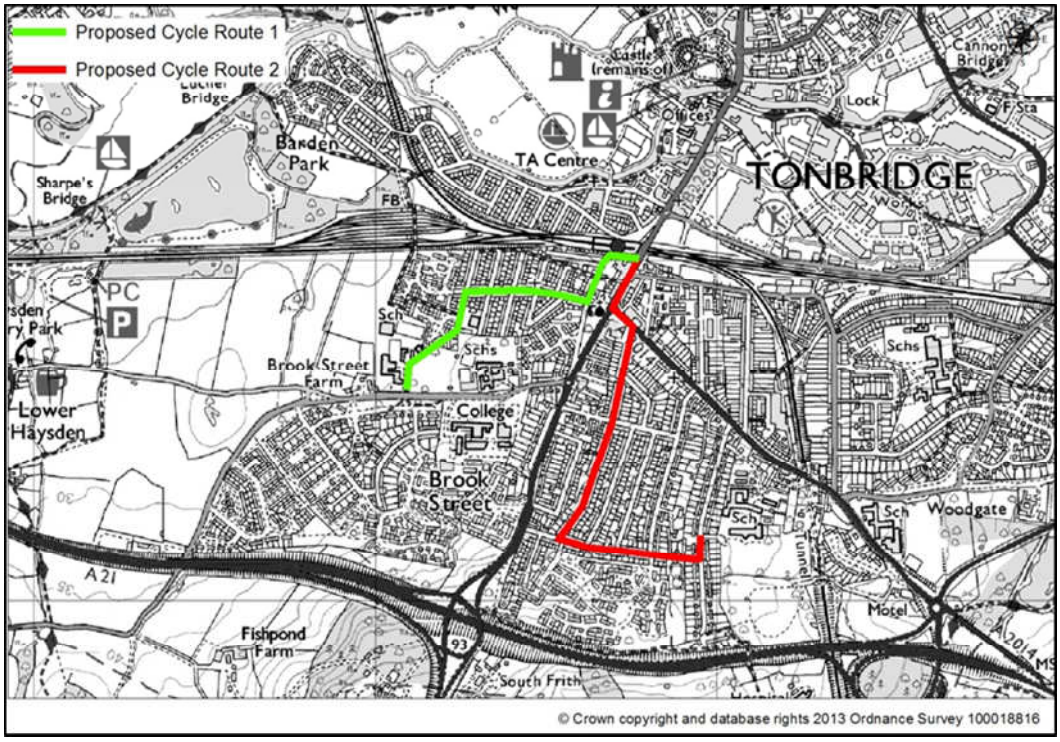


Figure 5: Tonbridge Town centre Regeneration Phase 2

2.5 Forward Scheme Identification and Design (2017/18)

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. In the Deal South Street PT Interchange example scheme, this initial work (done during 2014/15 and based on earlier work) enabled the scheme to be ready for delivery during 2015/16 since the initial design, stakeholder consultation, costing and preparatory works had already been undertaken.

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 Kent County Council 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.

The Annual Review Cycle uses a process illustrated in Figure 6 which shows how candidate schemes will be selected, programmed, designed, delivered, monitored and reported.

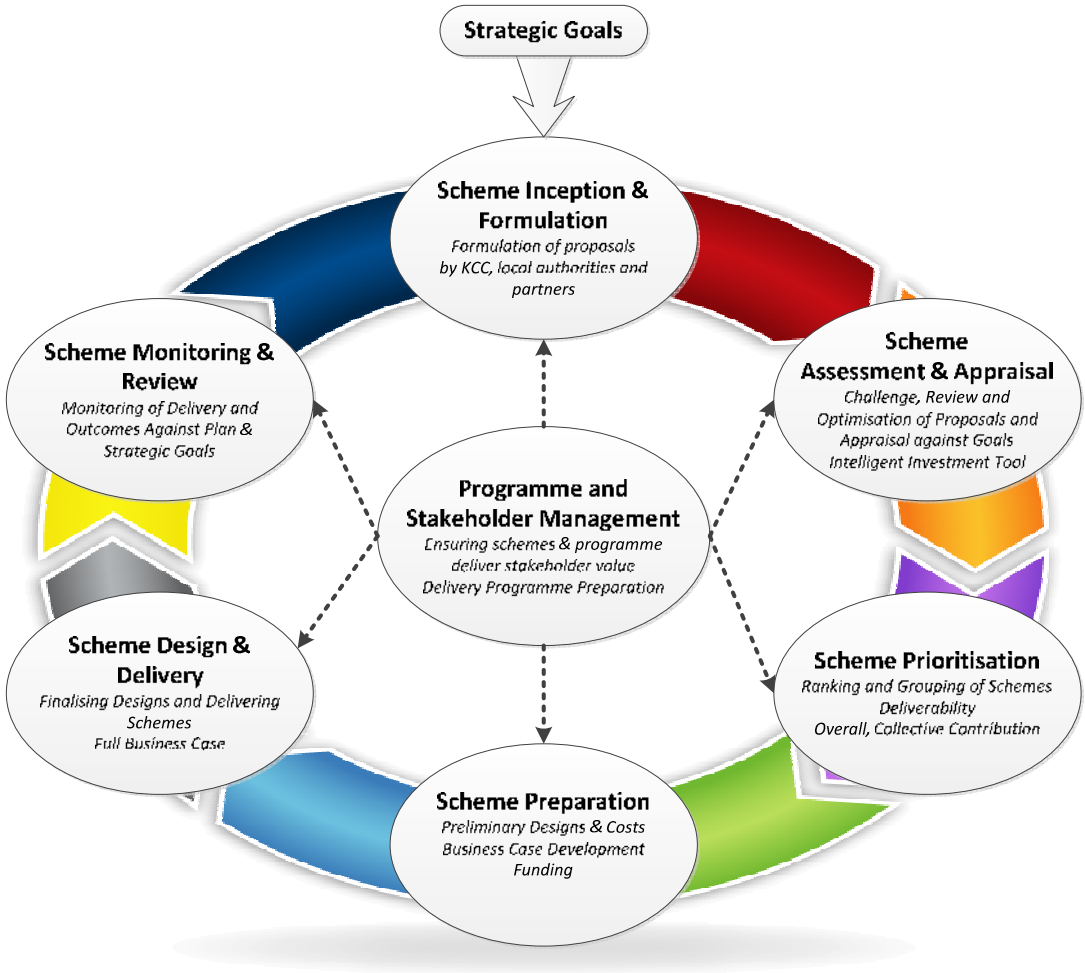


Figure 6: Annual Management Cycle

3 Strategic Case

3.1 Overview

The strategic case shows a more detailed, but proportionate, approach taken to assess the contribution of the example 2015-16 scheme, Deal South Street Public Transport Interchange to achieving wider transport, economic and community objectives, as an example of a component sub-scheme. Detailed strategic cases have not been assembled for the 2016/17 interventions, because the small scale of funding required (£0.5m pa, overall). However, appropriate commentary about Folkestone and Tonbridge has been added to the existing narrative. Moreover, the benchmarking exercise, agreed with the ITE (Independent Technical Evaluator) for the 2015/16 submission, has been revisited for the 2016/17 schemes.

3.2 Purpose of the Proposed Investment

The overall purpose of the example investment in the KSIP scheme is to encourage public transport use, cycling and walking. The needs of other road users will be met through sound design and the scheme will be linked to the wider redevelopment of the town(s).

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 Fit – National Transport Priorities

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.

In its National Infrastructure Plan 2014, the Government presented its vision for the UK transport system:

- Transport infrastructure can play a vital role in driving economic growth by improving the links that help to move goods and people around and by supporting the balanced, dynamic and low-carbon economy that is essential for future prosperity;

- Local transport systems must enable suburban areas to grow. The transport network must support good value and rapid movement of goods around the country. The transport system must be efficient but also resilient and responsive to infrequent an unexpected pressures; and
- Airports and ports are the gateways to international trade and the Government will work to improve the road and rail connectivity to major ports and airports.

Local sustainable transport schemes such as the Deal interchange, and those proposed in 2016-17 for Tonbridge and Folkestone, 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 rail schemes, they are entirely supportive of the wider national connectivity and economic agendas.

3.4 Strategic Fit - National Planning Policy Framework

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.

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 models 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.

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.

The 2016-17 schemes and their focus on cycling access to Folkestone and Tonbridge are clearly consistent with this National policy.

3.5 Strategic Fit – Kent Local Transport Plan

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.

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.

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. 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 the 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.

The provision of good quality public transport facilities in Deal clearly fit with these policies, as will other similar schemes brought forward under this programme.

3.6 Strategic Fit – Growth without Gridlock

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.

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 Kent Sustainable Interventions.

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.

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.

3.7 Strategic Fit - South Eastern Local Enterprise Partnership

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.

The South East LEP (SELEP) is one of the biggest, encompassing Thurrock, Essex and Southend to the north of the Thames, along with East Sussex, Kent and Medway to the south.

Each of the LEPs was invited by Government to submit Strategic Economic Plans (see Section 3.8) as the basis for negotiating a portion of the Local Growth Fund (LGF) to be allocated over the period between 2015 and 2021.

This process is linked to the devolution of local major scheme funding decisions, previously decided by 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'.

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.

3.8 Strategic Fit – Strategic Economic Plan

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.

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 our 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.

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.

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.

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.

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.

The selection process for schemes set out in Section 2.5 shows how future schemes are selected to contribute to SEP strategies.

Appraisal and Business Case Preparation

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.

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

3.9 Strategic Fit – Local Plans (Housing and Employment Growth)

Growth plans in the 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.

Along with the National Planning Framework (see Section 3.4), 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.

As previously highlighted in the earlier submission, the Local Plan for Dover District (which includes Deal) is based on growth, and the area is a designated Growth Point.

In relation to 2016/17 component 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 Richborough Barracks (Shornecliffe Garrison) for 1,200 houses.

Tonbridge and Malling District, like other towns in Kent, has realistic growth aspirations. There are notable key sites in the north-west urban quadrant of 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.

3.10 Case for Change - Rationale for the Scheme

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 takes 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 in 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 is key to this, as can be other sustainable transport interventions in the Sustainable Interventions to Support Growth programme;
- 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 car-competitive journey times. The safe routes to school will also improve the safety and independence of children in the area;
- The Folkestone and Tonbridge schemes 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 a comprehensive, inclusive access to jobs, services and facilities;
- The 2016-17 schemes, as with the example in Deal, highlight that by disadvantaging sustainable modes congestion and road safety problems are exacerbated.

Although clearly the wider development schemes can go ahead even without the additional schemes being promoted, the benefits of the scheme will be reduced, especially in terms of the efficiency of operation and the inclusiveness of the scheme.

3.11 Causal Chain

In order to present the scheme and its objectives in its overall context, a Causal Chain has been prepared (Figure 7).

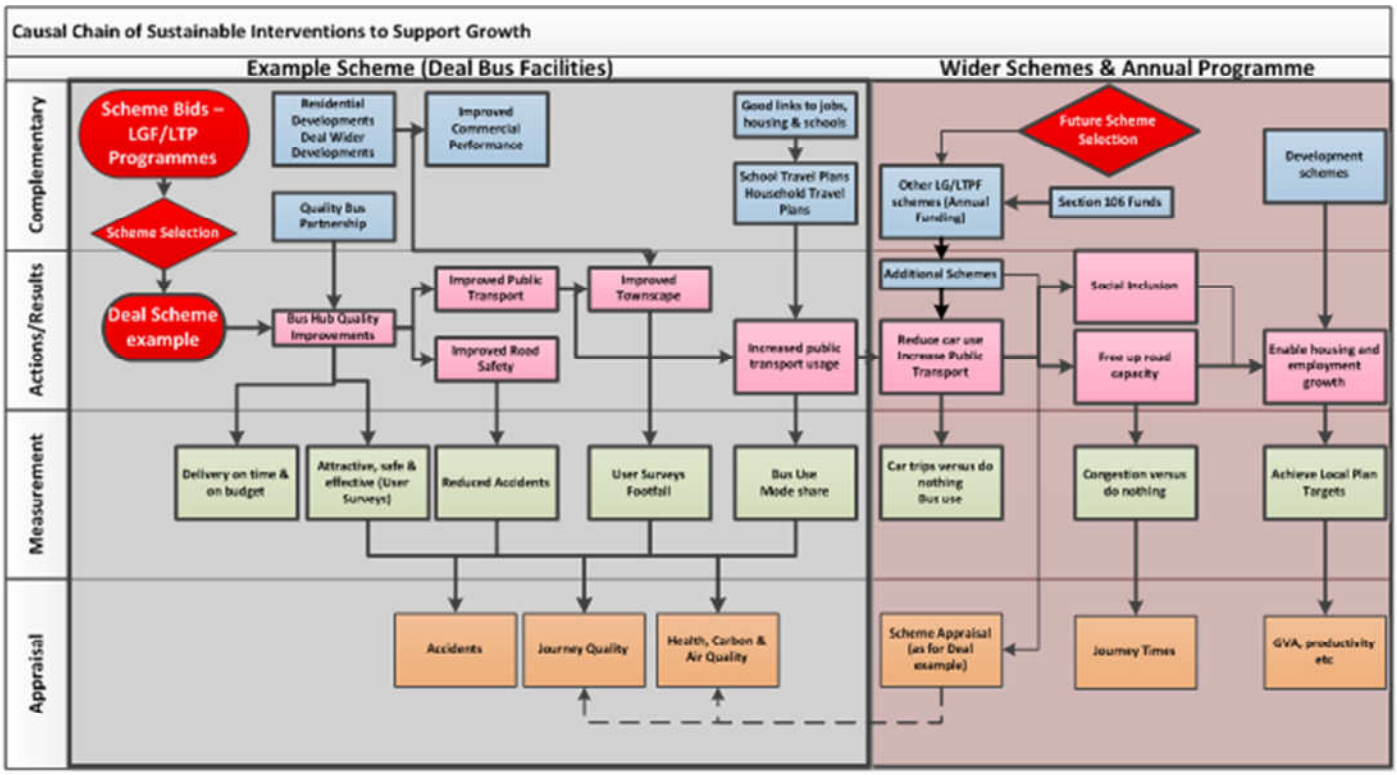


Figure 7: Scheme Causal Chain (example from Deal previous 2015-16 tranche)

Table 3: Summary of Appraisal Criteria (Example Scheme and Wider)

	Impacts	Inclusion in Example Business Case
Economy	Business users & transport providers	Journey time based. Identified as a benefit but not quantified.
	Reliability impact on Business users	Journey time reliability identified as a benefit but not quantified.
	Regeneration	Housing and employment growth taken into account in the scheme justification
	Wider Impacts	
Environmental	Noise	Qualitative appraisal alongside other schemes
	Air Quality	
	Greenhouse gases	GHG calculated using DfT Carbon Toolkit (larger sub-schemes only)
	Landscape	Landscape issues central to design of the route
	Townscape	Linkage to town centres will be key part of design process
	Historic Environment	Not generally assessed but may be relevant to design
	Biodiversity	Biodiversity and water/riparian issues part of design process
	Water Environment	
Social	Commuting and Other users	Journey time based. Identified as a benefit but not quantified.
	Reliability impact on Commuting and Other users	Journey time reliability identified as a benefit but not quantified.
	Physical activity	Key element of scheme, appraised using WHO HEAT tool, plus adjustment for other benefits (larger sub-schemes only)
	Journey quality	Calculated based on WebTAG guidance (larger sub-schemes only)
	Accidents	May be important, though not generally quantifiable
	Security	Incorporated as qualitative factor and important part of design
	Access to services	Improved journey times and reliability will enhance access. Schemes often will improve non-car access to services, including rail stations.
	Affordability	Indication that scheme can be funded from Local Growth Fund & S106
	Severance	May be a factor, generally positive but qualitative only
	Option and non-use values	Often will have positive benefit, calculated as qualitative factor
Public Accounts	Cost to Broad Transport Budget	Encompassed within this Business Case
	Indirect Tax Revenues	Not generally relevant

3.12 Summary of Scheme Objectives

The overarching objective of the investment is to complement the objectives of the major schemes. The example scheme is geared towards improving facilities for public transport users alongside the wider scheme for Deal Town Centre. This is typical of the kinds of scheme to be delivered within this programme. However, the precise objectives may include improving accessibility (e.g. through a road crossing), road safety improvements, improved traffic management (e.g. minor junction improvements), walk/cycle links and improved signage.

This makes an objectives framework especially difficult to define. Whilst the example scheme assists, it is important to recognise that this cannot be considered representative of all schemes. The key parameters which are used to define individual scheme objectives are:

- Linkage to the principal scheme objectives, either in relation to maximising these or in terms of providing additional benefits which are themselves linked to SEP or LTP objectives;

  E.g. if a principal scheme is designed to improve a town centre (improving retail performance), a complementary scheme to improve walk links from the bus station or car park may be brought forward. Such as scheme would itself increase retail footfall.

- Demonstration of contribution towards strategic or local objectives, generally those set out in the SEP and LTP but may be linked to other priorities such as inclusion or health issues; and

  E.g. a scheme might be designed to complement a rail station improvement with improved cycle links, involving objectives linked to both sustainable travel/ GHG emissions/decongestion and to improved community health.

- Deliverability both within the financial year and in conjunction with the timescale of the principal scheme with which it is linked.

  E.g. schemes should only be brought forward if the principal scheme is itself deliverable and that the complementary scheme itself can be delivered.

The broad objectives for the KSIP scheme are generalised in Table 4; with the list amended from the original example Deal scheme. For the 2016/17 schemes the priority changes with 'active health' becoming a higher priority.

Table 4: Scheme Objectives – Kent Sustainable Interventions

Objectives (primary and secondary combined to generalise across programme)
1 - Improve public transport facilities (primary objective for Deal scheme) • Improve the waiting environment • Improve interchange facility • Improve information provision • Improve connectivity with shops.
2 - Improve road safety • Reduce conflicts and potential for accidents.
3 - Improve traffic flow • Optimise flows • Reduce delays caused by improper parking.
4 - To improve general conditions and accessibility for pedestrians and cyclist • Encourage active transport (walking and cycling) – becomes primary objective for 2016/17 schemes.
5 - Enhance the local environment • 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 deliver and promote increased levels of physical activity and the health benefits that can be expected from schemes
8 – To improve the general transport infrastructure, including arrangements for parking and loading

3.13 Critical Success Factors (CSFs)

The key CSFs for the Deal South Street PT Interchange project, using the 5-Case Model headings are as follows:

- **CSF1: Strategic Fit (Strategic Case)**
  - Improve public transport facilities;
  - Improve road safety;
  - Improves traffic flow;
- **CSF 2: Value for Money (Economic Case)**
  - Maximises return on investment, striking a balance between the cost of delivery and the cost to the economy of non-delivery.

- **CSF 3: Achievability (Commercial Case)**
  - Deliverable utilising current engineering solutions
  - Limits long-term maintenance liabilities
- **CSF 4: Affordability (Financial Case)**
  - Deliverable within the likely capital funding available;
  - Revenue liabilities for the option are affordable within current budgets.
- **CRF 5: Timescale for Implementation (Management Case)**
  - Deliverable within the timescale during which funding is likely to be available.

3.14 Stakeholders

Stakeholders have been defined and analysed in relation to the wider schemes (though with relevance to the Deal South Street PT Interchange example scheme):

- 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.

Table 5: Stakeholder Categorisation

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 6: Stakeholder Engagement Categories

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 7: Stakeholder Matrix

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	Beneficiary Affected	Consultation Information	
Bus & rail operators	Beneficiary Affected	Consultation	
Other road users	Beneficiary Affected	Information	
Access and rights of way groups (including cycling)	Beneficiary Affected	Consultation	

Stakeholder	Categories	Engagement and Consultation	Comments
Disabled access groups and individuals	Interest Affected	Consultation	
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	

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

Table 8: Stakeholder Benefits in relation to Scheme Objectives

Investment Objectives	Main benefits Criteria by Stakeholder
Investment Objective 1 Improve public transport facilities in Deal (and in 2016-17 cycling facilities in Folkestone and Tonbridge).	**Users** Improved public transport Financial benefits through less need to own or use a car Improved access to employment education etc. for those without cars **Local Authorities, NHS and Local Enterprise Partnership** Locking in the decongestion benefits, including health-related, of transport investment in Deal 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 transport investment in Deal **Transport Operators** Improved quality, linked to Quality Bus Partnership Increased patronage **Developers and Employers** Ability to develop schemes without excessive planning conditions Ability to create employment and attract employees
Investment Objective 2 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

Investment Objectives	Main benefits Criteria by Stakeholder
Investment Objective 3 Improve traffic flow	**Other Road Users** Reduced congestion due to better layout **Local authority & Local Enterprise Partnership** Maintaining the attractiveness of the area for jobs and housing
Investment Objective 4 Enhance the local environment around the scheme	**Local residents and businesses** Maintaining the attractiveness of the area Preserving and improving the built environment **Local authority** Meeting statutory duties **Local Enterprise Partnership** Maintaining the attractiveness of the area for investment, jobs and housing

4 Economic Case

4.1 General KCC Approach to Scheme Economic Case

4.1.1 General Overview of Approach to Economic Case

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

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

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

4.1.2 Quantitative and Qualitative Economic Appraisal

In line with the proportionate approach, KCC has prepared partly quantitative and partly qualitative evidence to support the scheme economic case. Generally, for a scheme with relatively large cost (>£5m), the economic appraisal has been substantiated with quantified outcomes. Conversely for a scheme with relatively small cost (<£5m), mainly qualitative evidence has been assembled. This is the basis for the Kent Sustainable Interventions. However, there is also benchmarking against published quantitative assessments.

4.1.3 Components of Economic Case

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

- Economic prosperity and efficiency –
- Environment –
- Social well-being –
- Public accounts –

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

4.1.4 Qualitative Evidence for Economic Case

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

- Undertaking a qualitative assessment (for rarely monetised impacts), against a 7-point scale (slight/moderate/large beneficial, neutral, slight/moderate/large adverse);
- Combining items above, to give initial an VfM, against a 4-point scale (low/medium/high/very high);
- Making a risk assessment, to derive a further adjustment to the initial VfM, using the 7-point scale; and
- Finalising the overall VfM, by adjusting the initial VfM for risk, using the 4-point scale.

Qualitative evidence used to support the economic case is based around applying an order of magnitude to a likely scheme outcome, rather than by calculating a precise, quantified, impact value.

4.2 Outline of Economic Case for KSIP

The economic case for the first-year funding bid for the KSIP scheme has been framed in two parts. The first part shows a more detailed, but proportionate, approach taken to assess Deal South Street Public Transport Interchange, as an example of a component sub-scheme. This is augmented with consideration of the 2016/17 schemes. The second part looks at deriving likely economic outcomes for the component 2016/17 interventions, by extracting 'benchmark' evidence from broadly comparable small schemes, which have been documented in the University of Leeds Institute for Transport Studies (ITS) 'Assessment of Small Schemes' website:

http://www.its.leeds.ac.uk/aoss/index.html

Detailed, quantified, economic cases have not been assembled for the 2016/17 interventions, because the small scale of funding required (£0.5m pa, overall), does not justify resources required to prepare the appropriate appraisal evidence.

4.3 Background

The objectives set out in the Strategic Case, along with their expression as stakeholder benefits, provide a framework for what the scheme must achieve. These Critical Success Factors (CSFs) in turn provide the basis for the appraisal of the scheme. In line with HM Treasure guidance these CSFs are categorised according to Strategic Fit, Value for Money, Achievability, Affordability and Timescale.

An Appraisal Summary Table, setting out the key issues relevant to this scheme is provided. Although some aspects of this (including the economic appraisal) have been explored at this stage, other aspects will not be explored in detail until the design and delivery process moves forward.

Whilst the Deal South Street PT Interchange example scheme is expected to contribute to the wider economic development of the area, it is focused on improving public transport facilities linked to the wider redevelopment of Deal Town Centre. This principle applies to all schemes funded within this programme. Whilst they undoubtedly make a wider economic contribution, they are fundamentally enablers and cannot be directly linked to the creation of specific jobs, houses or other economic imperatives. This relationship is set out in Figure 7: Scheme Causal Chain.

4.4 Appraisal Assumptions

With devolution of major scheme approval to Local Enterprise Partnerships, it is important that an approach to appraisal is used which gives regard to local priorities (especially in enabling investment, job creation and housing construction). This must be done with due regard to standard practice, which in transport terms means the use of WebTAG guidance. Discussions with the Department for Transport have indicated that a 'proportionate' approach to WebTAG should be used. Kent County Council has held discussions with the South East Local Enterprise Partnership, in the light of Government Guidance[1], on how the appraisal of devolved small major schemes should be handled. As a result of this the following approach has been used for this Business Case:

- All anticipated scheme design and delivery have been calculated as accurately as possible, given the relatively early stage of the design;
- In line with WebTAG principles, an 'optimism bias' has been added to the costs (for Kent Sustainable Interventions it will be considered in the benchmarking exercise);
- As the design process progresses, this 'optimism bias' will be reduced as quantified project risk estimates are developed.

4.5 Options Considered

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 1.1: Do Nothing

Description

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

Advantages

There will be no expenditure on the facilities;

[1] Growth Deals; Initial Guidance for Local Enterprise Partnerships. HM Government July 2013

Disadvantages

There will be no improvement to facilities, either in terms of public transport or street scene;

As a result there will be no improvement in public transport access, road safety or traffic flow;

This will jeopardise the long-term feasibility of the wider Deal scheme.

Conclusion

The 'Do Nothing' option is rejected.

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

Option 1.2: Upgrade to the existing facilities, reversal of the one way system and changes to the road layout

Description

This option will upgrade the public transport facilities in Deal and will also improve traffic flow and road safety by reversing the one-way system, introducing islands and parking restrictions.

Advantages

The required improvements to public transport facilities will be achieved;

As part of the Quality Bus Partnership and the wider Deal scheme, public transport will be more attractive and will be used to access jobs and services;

Road safety and traffic flow will be improved;

The local environment will be improved.

Disadvantages

Expenditure would be approximately £120,000 (as part of a Sustainable Interventions programme of £3.0m).

Conclusion

Option 1.2 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

Table 9: Summary of Scoping Options

	Option 1.1	Option 1.2
Description of Option:	**Do Nothing**	**Deal South Street PT Interchange**
Investment Objectives		
1 Improved public transport facilities	×	✓
2 Improved road safety	×	✓
3 Improved traffic flow	×	✓
4 Enhanced local environment	×	✓
Critical Success Factors		
Strategic Fit	×	✓
Value for Money	**N/A**	✓
Potential Achievability	✓	✓
Potential Affordability	✓	✓
Timescale for Implementation	✓	✓
Summary	**Discounted**	**Preferred**

4.6 Economic Overview

As set out in the Strategic Case, the example scheme (Deal South Street PT Interchange) represents an important complementary measure in supporting the development of jobs and housing in the Dover area. It provides a means for commuters, shoppers and visitors to access the improved Deal town centre by public transport and helps people from disadvantaged areas to access jobs in Deal.

The sub-schemes in Kent Sustainable Interventions, at approximately £50,000-£150,000 are too small to justify a fully WebTAG compliant economic appraisal. Even the overall Sustainable Interventions programme (£3.0m) is very small and since it is made up of multiple smaller schemes, it would be impossible to undertake a meaningful quantitative appraisal. To put the Kent Sustainable Interventions in context, a comparison was made during earlier discussions with the ITE as to the programme being a portfolio of schemes similar to the Integrated Transport Block.

In view of this, the economic appraisal focuses on:

- The direct benefits of the Deal South Street PT Interchange in terms of improved journey quality and the advantages this brings in terms of the attractiveness of public transport and its contribution towards wider social and economic goals;
- Qualitative appraisal of the wider benefits in the context of the planned developments in the area.
- Direct scheme construction costs, not taking into account any additional measures such as travel planning or improved connectivity from new developments.

For the purposes of this small scheme, the direct employment benefits (i.e. people employed in constructing the scheme) have not been calculated, though these could be aggregated into the direct employment generated by the LGF programme as a whole.

As detailed in the Causal Chain, the benefits of the scheme and the overall approach to the appraisal of these are as follows:

Table 10: Key Appraisal Elements

Appraisal Item	Direct/ Indirect	Approach to Appraisal
Environmental - Carbon emission savings from transfer from car	Direct	Qualitative contribution, with reference to GHG reductions through increased public transport use
Social - Journey Quality	Direct	Qualitative contribution using principles recommended in WebTAG
Economy - Journey time reduction on highway network (decongestion)	Indirect	Qualitative estimates based on impact on traffic flow
Economy - Wider economic benefits (GVA, productivity etc.)	Indirect	Not calculated separately – incorporated in above transport economic benefits.

In addition to these, a number of other key benefits have been taken into account and included in the Appraisal Summary Table alongside less detailed commentary on all relevant aspects:

Table 11: Additional Appraisal Elements

Appraisal Item	Direct/ Indirect	Approach to Appraisal
Economy - Regeneration	Indirect	Narrative approach based on enabling development of the area, linked to other initiatives. Includes tourism.
Environmental – Landscape/Townscape	Direct	Narrative approach based on improvement to the local area through design, planning and consultation processes.
Social - Inclusion	Direct	Narrative approach based on provision of improved access to employment, training and education without the need for a car.
Social – Road Safety	Direct	Narrative approach based on the scheme.
Social – Security of users	Direct	Narrative approach based on sound design, backed by consultation with users, residents and businesses on route.
Social - Accessibility	Direct	Narrative approach based on improved access to employment, education and other services for residents.

Appraisal Flowchart

The approach to economic appraisal, using WebTAG principles is shown in Figure 8 below.

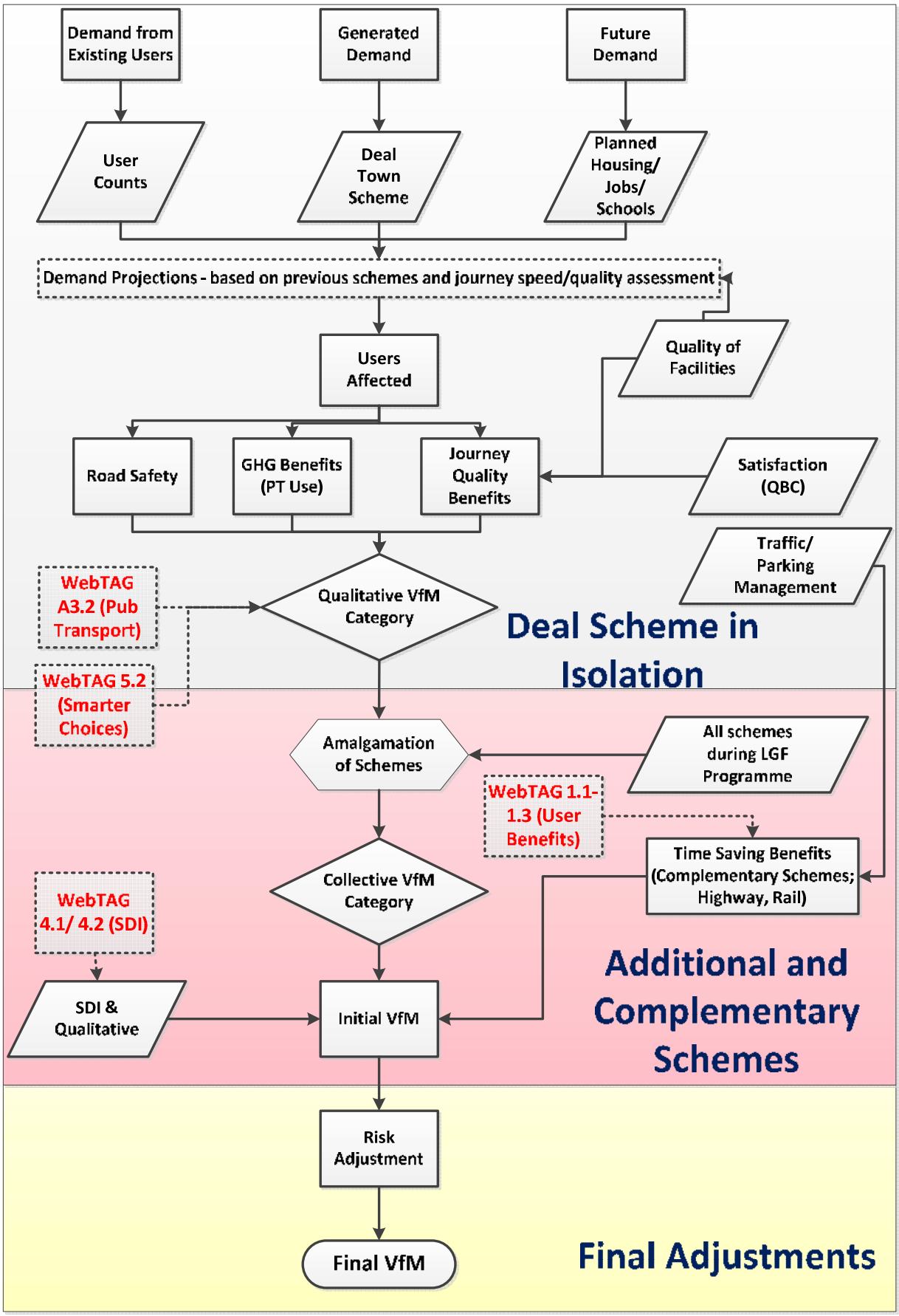


Figure 8: Appraisal Flowchart

Appraisal Scenarios

In view of the small scale of the example scheme (Deal South Street PT Interchange) the only options which have been appraised are:

- Do Nothing, with the scheme not delivered; and
- Do Something, with delivery of Option 1.2 (Deal South Street PT Interchange).

Given that the process set out in Section 2.5 will be used to select future LGF-funded KSIP component schemes, the benefits attributed to example schemes will be expanded pro-rata to the £3.0m programme.

4.7 Projected Scheme Usage – Demand Projections

Both the example scheme and the 2016/17 schemes provide a very significant improvement in the quality and attractiveness of the sustainable transport routes. As set out in Figure 8, these improvements will:

- Retain existing users;
- Attract new users travelling to the wider improved facilities;
- Attract further new users as new housing and employment locations are developed; and
- Attract additional leisure users and tourists.

Existing and Future Demand

For the example Deal PT scheme additional patronage was initially based on the general performance within the UK, of Quality Bus Corridor/Partnership (QBC/QBP) of between 5% and 15%.

For cycling schemes there has been an overall analysis of schemes that has established that increasing the length of dedicated cycle infrastructure gives rise to a mode shift towards cycling.[2] This would also need to be set in the context of the background cycling promotion at both local and national level. This is considered further in the benchmarking with reference to the Cycling Demonstration towns.

[2] Factors influencing the cycling level in cities – international comparison and literature overview; Hana Brůhová-Foltýnová, Jan Brůha; Kolin Institute of Technology. 2013

4.8 Economic Benefit Calculations

The approach set out in Table 10 and Figure 8 detail the key components of the appraisal of the scheme in isolation. Benefits include:

- Economic benefits, in terms of increased footfall and increased property values and retail investment stemming from the improved street-scene, better accessibility and improved environment
- Journey quality benefits stemming from the improved quality, including for public transport users, pedestrians and cyclists. Whilst in the context of the wider scheme these cannot be easily separated out from wider initiatives, they are positive;
- Road safety benefits – For the Deal South Street PT Interchange and Kent Sustainable Interventions (2015-2021) schemes, there will be positive safety benefits but these are likely to be too small to quantify in such as small area;
- Greenhouse gas emission benefits arising from transfer of trips from car to walk/cycle. Positive but too small to quantify;
- Journey time and journey time reliability benefits stemming from the increased use of sustainable modes and the improved traffic flow achieved through the scheme. Positive but too small to quantify.

None of these benefits can be easily quantified or monetised, though clearly the example scheme (Deal South Street PT Interchange) has a significant positive benefit in conjunction with the wider scheme which it supports. Whilst it would be possible to reappraise the benefits of the wider scheme with and without the Bus Hub, this exercise is beyond the scope of the required Business Case for this scheme in isolation.

Many of these benefits can reasonably be extrapolated to the 2016-17 schemes in Tonbridge and Folkestone; albeit with some change in magnitude and priority. As previously mentioned a greater weighting would apply to 'active health' and less to some of the 'inclusion issues'.

The benefits are analysed further in the Appraisal Summary Table.

4.9 Appraisal Summary Table

The Appraisal Summary Table shown below in Table 12 has been completed to take account of the qualitative benefits of the scheme.

Table 12: Appraisal Summary Table (Assuming Option 1.2, Extrapolated to Full Sustainable Interventions)

Impacts		Summary of key impacts	Assessment		
			Quantitative	Qualitative	Monetary £m(NPV)
Economy	Business users & transport providers (Combined with Commuting and Other users)	Journey time improvements due to increased traffic flow and switch from car to public transport	Not quantified	Slight beneficial	No
	Reliability impact on Business users	Improved journey time reliability due to increased traffic flow and switch from car to public transport	Not quantified	Slight beneficial	No
	Regeneration	Support for sustainable housing growth, job creation and inward investment in the area (part if main scheme)	Not quantified	Moderate beneficial	No
Environmental	Noise	Not calculated at this stage	Some improvement due to transfer from car to public transport	Slight beneficial	No
	Air Quality				No
	Greenhouse gases	Reduction in carbon emissions (calculated using DfT Carbon Toolkit)	Not quantified	Slight beneficial	No
	Landscape	Work to date (Including Valley of Visions) indicates that these elements will be positive or neutral. Ongoing design process and consultation will enhance further	Not quantified	Moderate beneficial	No
	Townscape				
	Historic Environment				
	Biodiversity				
	Water Environment				
Social	Commuting and Other users (Combined with Business Users and transport Providers)	As for business users – Journey time improvements due to improved traffic flow and switch from car to public transport	Not quantified	Slight beneficial	No
	Reliability impact on Commuting and Other users	Improved journey time reliability	Not quantified	Slight beneficial	No
	Physical activity	Not relevant	Not relevant	N/A	No
	Journey quality	Journey quality improved for public transport users	Not quantified	Significantly beneficial	No

Impacts		Summary of key impacts	Assessment		
			Quantitative	Qualitative	Monetary £m(NPV)
	Accidents	Slight reduction in accidents due to placing stops on same side of shops and reducing unauthorised parking	Not quantified as effects will be too small to be significant	Assumed slight beneficial	No
	Security	Personal security will be a design factor in the scheme.	Not quantified as effects will be small	Assumed slight beneficial	No
	Access to services	The availability of improved public transport will encourage access to jobs and services, especially for those without cars and/or from deprived communities. Higher positive impact on young and low-income will increase overall benefit	Not quantified	Significantly beneficial	No
	Affordability	Provision of LGF funds and local contribution	Local funding committed	Neutral	
	Severance	Severance will be reduced by placing the bus stops on the same side as the shops	Not quantified, though clearly a positive impact	Moderate overall benefit – significant in some cases	No
	Option and non-use values	The presence of the pathway will be valued by household members near the route, irrespective of whether they use it	Not quantified but anticipated that there will be a moderate benefit	Moderate beneficial	
Public Accounts	Cost to Broad Transport Budget	Capital funds from LGF and Section 106	£0.12m (Bus Hub) £3.0m (Whole Programme)	Net cost	Yes
	Indirect Tax Revenues	Not relevant	Not relevant	N/A	N/A

4.10 Value for Money (VfM) Statement

This Value for Money Statement has been prepared on the assumption that future schemes will deliver similar benefits as those calculated for the example scheme (Deal South Street PT Interchange). Since the same process and criteria (set out in Section 2.5) will be used to select future schemes to be funded as were used to select the Deal South Street PT Interchange, this assumption is considered reasonable.

The future programme identification is a sunk-cost to ensure high benefit/low-risk options are taken forward.

Constraints

An important part of the scheme selection for KSIP is that, as mentioned, low-risk options are being taken forward. If there is a notable environmental, stakeholder or design constraint; the scheme is unlikely to have been identified, or at least would then be rejected at an early stage.

For the 2016/17 schemes there are no known planning or land acquisition constraints involved which require appropriate consent or permissions that may jeopardise the schemes.

Initial VfM Category

Although the benefits have not been quantified, the very positive public transport user benefits, inclusion benefits and lesser road safety and journey time benefits indicate that this is a high-value scheme. In view of this, the VfM Category is 'high'. This is augmented in the next chapter where the 2016/17 sub-schemes are benchmarked as far as practicable.

Summary of Benefits

- Economic benefits in terms of improved retail performance through more attractive environment and better access;
- Journey quality benefits stemming from the improved quality;
- Road safety benefits – positive but too small to quantify;
- Greenhouse gas emission benefits arising from transfer of trips from car to walk/cycle. Positive but too small to quantify;
- Journey time and journey time reliability benefits stemming from the increased use of public transport and the improved traffic flow achieved through the scheme. Positive but too small to quantify; and

- Inclusion benefits, especially in terms of encouraging people without cars to access jobs and retail facilities in Deal. Positive and strategically important.

Risk Adjustment and Final VfM Category

The risks inherent in this project are extremely low. In view of this, the Final VfM Category remains 'high'.

Summary of Benefits and Costs

The immediate benefit from the example scheme (as a complement to the main Deal scheme) will be the provision of improved public transport facilities which will both attract visitors and encourage people to travel for jobs at the site. Similar benefits will accrue to users of other schemes in the programme, though the benefits may accrue to other users such as walkers and cyclists as well as public transport users. This will vary from scheme to scheme.

This in turn will encourage inward investment and enable commercial and employment growth in the area.

The primary financial benefits which have been used to determine the value of the scheme are:

- Economic benefits in terms of improved retail performance through more attractive environment and better access;
- Journey quality benefits stemming from the improved quality – positive but impossible to separate out from the wider QBP improvements;
- Road safety benefits – positive but too small to quantify;
- Greenhouse gas emission benefits arising from transfer of trips from car to walk/cycle. Positive but too small to quantify;
- Journey time and journey time reliability benefits stemming from the increased use of public transport and the improved traffic flow achieved through the scheme. Positive but too small to quantify;
- Inclusion benefits, especially in terms of encouraging people without cars to access jobs and retail facilities in Deal. Positive and strategically important.

In addition, there are a number of additional benefits which have not been monetised, the most important of which are:

- Economy – Regeneration

- The scheme will support the sustainable development of employment, retail and housing, including on brownfield and contaminated lands in the area
- Environmental – Landscape/Townscape
- The waterside environment and access to the historic assets on the route will be enhanced and their enjoyment will be improved through the better access
- Social – Security of users
- The route will be designed with personal security in mind and the increased usage will enhance this further
- Social – Accessibility
- The availability of a safe, direct and attractive route for public transport users will provide significantly improved access for people of low income, the young and the elderly

The main costs of the 2016/17 programme are:

- Scheme construction costs totalling £0.5m (2015 prices), with £450,000 allocated to 2016/17 schemes and £50,000 allocated to selection of future schemes, feasibility, design and costing.

4.10.1 Key Risks, Sensitivities and Uncertainties

The following key risks have been identified and mitigation approaches have been defined to address these:

- Scheme becomes unnecessary due to failure of main LEP scheme;
- Stakeholders reject scheme as unsuitable or inappropriate;
- Highway design issues prove costly;
- Key stakeholders (e.g. LEP or DfT) insist on additional quantitative appraisal. This is partially addressed by the benchmarking exercise;
- Related highway scheme designs affect scheme or scheme affects these schemes;
- Benefits achieved do not match those predicted in the example used in the Business Case.

4.11 'Benchmark' Evidence for Economic Case of KSIP Component Schemes

As has been discussed, it is not easy or proportionate to quantify the wide range of economic benefits for the small component schemes, which constitute the Kent Sustainable Interventions. However, in order to provide more certainty to the overall scheme 'value for money' a benchmarking exercise has been undertaken using evidence from the Leeds ITS / Atkins Small Schemes Assessment database.

There is a cautionary note in the database, which states: 'Information in this database can be potentially used to inform investment decisions, but promoters should be mindful of the caveats and carefully consider transferability of results to different contexts.'

It is also noted that any derived Benefit/Cost Ratio (BCR) could be relatively sensitive to changes in scheme costs. However, it is considered that the Kent Sustainable interventions are low-risk, in terms of both design and potential objections, because if their BCR falls, then an alternative intervention would be substituted for any poorly-performing schemes.

4.12 Comparable 'Benchmark' Scheme Outcomes

In this section there is a summary of the scheme characteristics, outcomes and economic value for money from a number of benchmark example schemes. A rationale is suggested, as to how these benchmark outcomes can reasonably be applied to the individual elements of the Kent Sustainable Interventions package.

DfT has published 'Value for Money Assessment for the Local Sustainable Transport Fund' (August 2014), which itemises the adjusted BCR derived for each of 12 local authority LSTF packages. These benchmark schemes, on average, achieved an adjusted BCR of 5.1, equivalent to a 'Very High' VfM. Although some of these benchmark LSTF schemes would be comparable with the KSIP package, there is no published detail upon which to make a sound comparison.

Instead however, benchmark evidence documented in the Leeds ITS Assessment of Small Schemes (ASS) database, which is considered to be broadly comparable with the various strands of Kent Sustainable Interventions Programme (KSIP), has been used to estimate a likely achievable VfM for the proposed KSI schemes. The comparisons are described below.

The case studies have been chosen to be as comparable as possible. However, for low-cost schemes, there is somewhat of a scarcity of case studies; which does not cover the wide range of possible initiatives.

For 2016/17 the schemes are all cycling-based.

4.12.1 Shepway Cycle Improvements (Folkestone -1) and Tonbridge cycle route

This scheme has been compared as follows:

Assessment of Small Schemes (ASS) Case Study Example

ASS – Scheme Type: Cycling Investment (across six cycling demonstration towns)

Aylesbury; Brighton; Darlington; Derby; Exeter; Lancaster.

ASS – Scheme Content: Combined package of cycling improvements in respect of: infrastructure (cycle routes on quieter / traffic-free roads, segregated cycle tracks, on-road cycle lanes, crossing and junction facilities, signing); smarter choices education; stakeholder engagement.

ASS – Scope of VfM Appraisal: Conventional economic cost/benefit appraisal, 10-year assessment.

ASS – Beneficial Outcomes: Traffic de-congestion benefits, reduced absenteeism, reduced cyclist accidents, health / mortality improvements.

ASS – Scheme Value for Money:

Present Value Cost: £3.126m (averaged across six schemes)

Benefit to Cost Ratio: 2.6 (lower-end outcome)

Kent Sustainable Intervention Package Component

KSIP scheme comparability with benchmark scheme (weak / moderate / strong):

Moderate; as smaller investment, and not specifically including revenue costs for cycling promotion.

Benchmarked KSIP scheme likely VfM outcome (5-point scale):

High VfM – KSIP scheme investment will be only about 5% of benchmarked scheme cost; therefore the KSIP BCR is likely to be >2.0.

4.12.2 Folkestone cycle links (2) – 'Cinque Ports Cycleway' Phase 1

A similar initial benchmarking as for the 'Town centre links' could be used. However, in acknowledging the 'cycling towns' assessment is urban-centric, it is worth comparing this scheme against another LEP scheme; River Medway Towpath cycle route (Maidstone sustainable access to employment areas).

These two schemes have similar scopes in providing a commuter catchment to a district town and employment area, combined with a leisure cycling facility. There are some differences such as the Maidstone scheme is on both sides of the town, and notably longer in comparison to the Stage 1 of 'Cinque Ports' in isolation. However, as the Maidstone scheme is much higher in costs, a pro-rata approach to demand projections and scheme costs would suggest a similarly high value for money. The Maidstone scheme had a cost of £2.5m and a BCR of 2.1, based on predicted demand of 100,000 annual trips.

'Cinque Ports' is likely to have a lower relative commuter demand but a higher leisure/tourist usage; as it is likely Maidstone has more economic growth and Folkestone has the coastal tourism.

4.13 Value for Money Statement (Applied to Full £3.0m Sustainable Interventions Scheme)

Based on the findings from the benchmarked economic case, above and using a proportionate approach to the transport business case, it is judged that the Value for Money outcomes for the component schemes for the KSIP scheme will be as follows:

- Tonbridge Cycle route - Medium
- Folkestone Cycle Links (1) – Medium
- Folkestone Cycle Links (2) - High

5 Commercial Case

5.1 Scheme Procurement Strategy

Procurement Options

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

Full OJEU tender

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

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

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

Delivery through existing Amey Highways Term Maintenance Contract (HTMC)

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

Preferred Procurement Option

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

This option has been selected as the value of the scheme is less than the OJEU scheme value threshold.

6 Financial Case

6.1 Introduction

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.

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. The forward programme identification has been noted separately to other sunk costs.

6.2 Cost Components at 2015 Prices

Table 13 shows the various items of scheme capital cost for 2016/17 as estimated in 2015 prices.

Table 13: Components of Investment Cost (2016/17 schemes)

Scheme	**£**
Folkestone (1) – Shepway cycle Improvements	
- Design and build	150,000
Folkestone (2) – Cinque Ports	
- Design	30,000
- Construction	50,000
- Total	80,000
Tonbridge Angels to Tonbridge Station cycle route	
- Design and build	180,000
Forward scheme identification	
	50,000

6.3 Inflation

Due to both the short horizon of delivery and the ongoing low inflation in the economy, inflation has been subsumed into the risk and contingency.

It is noted that a real cost increase (as part of economic case) would be about 3% assuming general inflation is forecast to be 1%, while construction costs are forecast to increase by approximately 4% for the same period (Sweett Tender price Update).

6.4 Risk Budget

A 10% risk contingency has been applied in line with best practice for work of this nature. The projects likely risk profile will be considered further as part of the Quantified Risk Assessment (QRA) as the design elements progress further.

6.5 Optimism Bias

To reflect the current status of scheme designs and costs, an Optimism Bias uplift of 10% has been applied to scheme costs as part of the Economic Case, therefore ensuring that the economic appraisal is robust. This assumes that the benchmarked schemes have a similar level of optimism bias.

6.6 Final Scheme Costs

The cost components for 2016/17, subsumed inflation, and risk total £0.5m.

6.7 Spend Profile

An estimated outturn spending profile for the Sustainable Interventions scheme is shown in Table 14, split by financial year.

Table 14: Outturn Spend Profile

Funding Source	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
SE LEP		500	500	500	500	500	500
Local Contribution Total (leverage)		**These schemes complement larger schemes, effectively providing significant overall funds which are supplemented by these small schemes**					
Other Funding							
TOTAL FUNDING		**500**	**500**	**500**	**500**	**500**	**500**

6.8 Whole Life Costs

The programme has a relatively small scale, scope and cost (<£5m). Therefore, it is not anticipated that there will be on-going revenue implications.

6.9 Section 151 officer Sign Off

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

6.10 Funding Assumptions

The total project cost is estimated at £3.0 million which will be fully LEP funded and has been provisionally granted dependent on the business case.

6.11 Overall Affordability

With the allocation of £3.0m (£0.5m annually) the programme can go ahead. The precise schemes delivered will be tailored to the funding available using the process set out in Section 2.5.

7 Management Case

7.1 Overview

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

7.2 Project Plan

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 September as set out below.

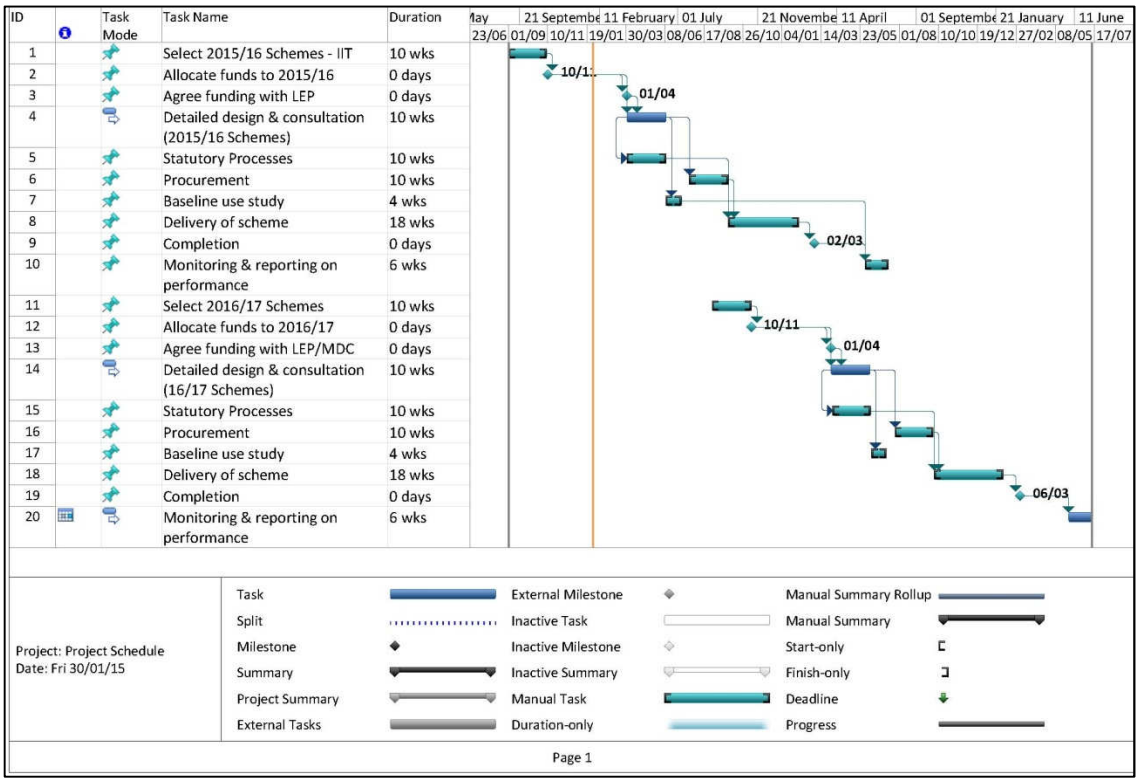


Figure 9: Project Plan

7.3 Project Governance, Roles and Responsibilities

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

Figure 10 overleaf provides an outline of the overall governance structure implemented to manage the delivery of each scheme.

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

Project Steering Group (PSG) Meetings

PSG meetings are held fortnightly to discuss individual progress on each scheme and are chaired by KCC Project Managers (PMs). Attendees include representatives from each stage of the LEP scheme (i.e. KCC Bid Team, KCC sponsor, KCC PMs, Amey design team and construction manager). Progress is discussed in technical detail raising any issues or concerns for all to action. A progress report, minutes of meeting and an update on programme dates are provided ahead of the Programme Board (PB) meeting for collation and production of the Highlight Report.

Highlight Report

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

Programme Board (PB) Meeting

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

Escalation Report

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

Sponsoring Group (SG) Meeting

The SG is held monthly and will be chaired by Tim Read (KCC Head of Transportation). Attendees are Barbara Cooper (Corporate Director), Roger Wilkin (Director of Highways, Transportation and Waste), Tim Read and Mary Gillett (KCC Major Projects Planning Manager). This meeting discusses high-level programme progress to date, financial progress, next steps and closes out any actions from the escalation report. Output is sent to Mary Gillett for distribution. Technical advisors are invited if necessary to expand upon an issue. All actions from the start of this meeting cycle are to be closed out by the SG when they meet (i.e. no actions roll over to subsequent meetings).

The project roles and responsibilities are summarised in Table 15 below.

Table 15: Roles and Responsibilities

Role	Name
KCC SELEP Schemes Delivery Manager	Mary Gillett
Project Sponsor	Andy Corcoron

Figure 10: KCC Project Governance Structure

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

7.4 Suitability and Availability of Resources

The scheme is 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 the responsible for the delivery of the scheme. The identified staff fulfilling the Project Sponsor role for the scheme has been ring-fenced to support the scheme throughout its duration and will have more junior staff available to support them.

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 Management Strategy

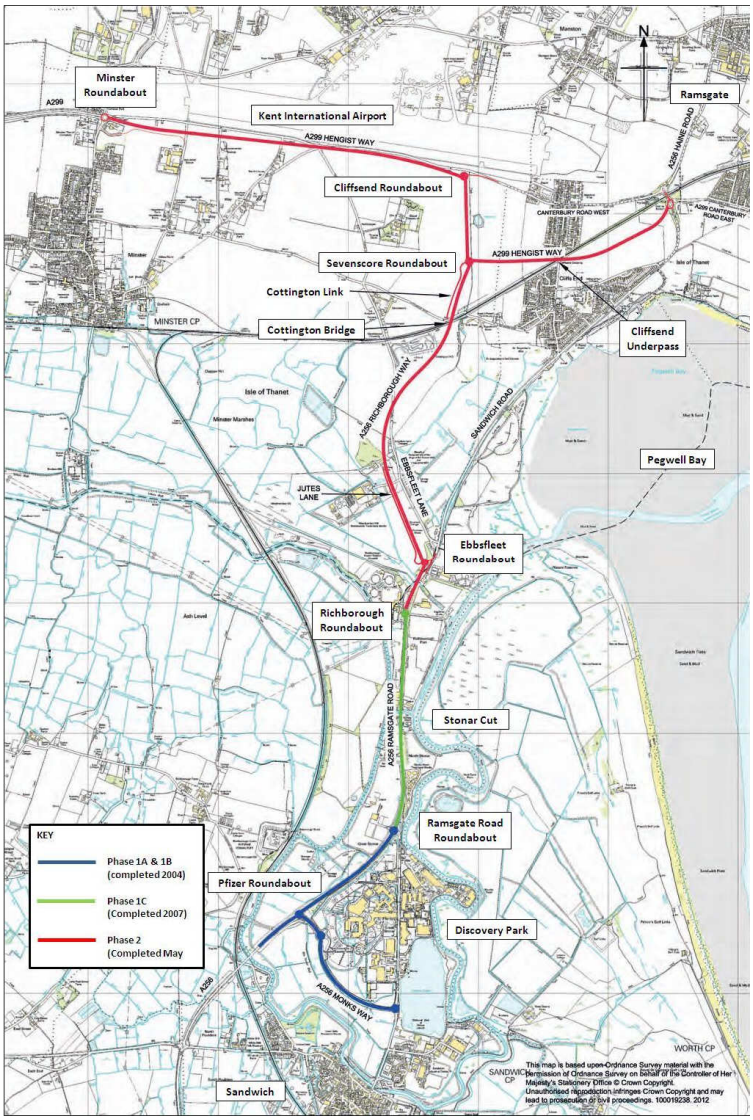
KCC have a successful track record of delivering major transport schemes within the county. The most recent of which were the East Kent Access Phase 2 (EKA2) and Sittingbourne Northern Relief Road schemes (SNRR).

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 Figure 11 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.

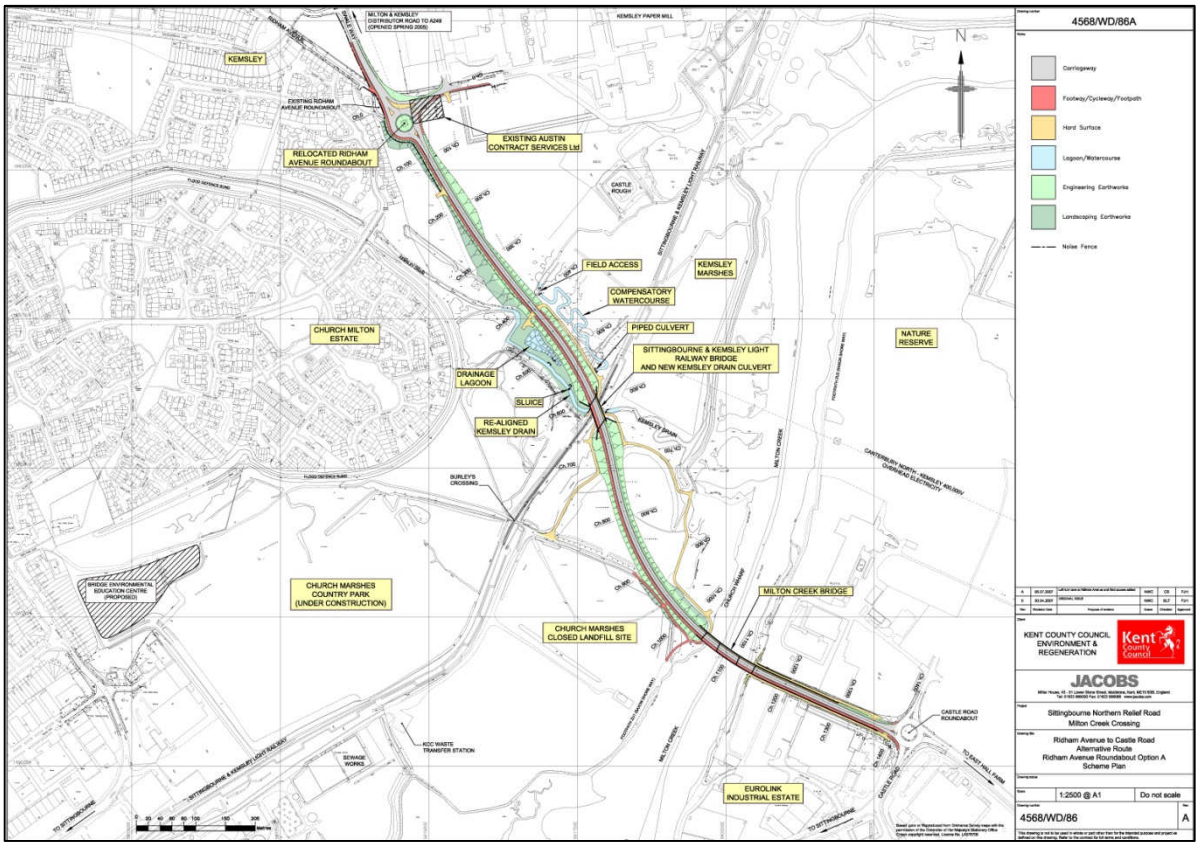
Figure 11: EKA2 Scheme Layout



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.

The delivered scheme is shown in Figure 12 below:

Figure 12: 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 Project Risk Management

7.6.1 Risk Management Strategy

Project risk is managed as an on-going process as part of the scheme governance structure, as set out in section 7.3 of this report. A scheme risk register is maintained and updated at each of the two-weekly Project Steering Group meetings. Responsibility for the risk register being maintained is held by the KCC PM and is reported as part of the monthly Progress Reports.

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

An example scheme risk register is shown in Figure 13 below:

Figure 13: Project Delivery Programme

7.7 Benefit realisation plan and monitoring

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.

The Scheme Causal Chain in Figure 7 details how the scheme benefits are derived either directly through the scheme itself or collectively with other schemes.

The scheme objectives set out in Section 3.12 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.

Table 16: Benefits Realisation Plan

Measures	Monitoring	Benefits Realisation	Comments
Delivery on time	Through contract management	Through contract management	
Delivery on budget	Through contract management	Through contract management	

Measures	Monitoring	Benefits Realisation	Comments
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
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

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 Key Project Risks

Although this business case has been developed on the basis of the most relevant and accurate information available, there will be changes to the design as the scheme progresses towards delivery. This introduces a number of risks which cannot be taken into account at this stage (Table 17).

Table 17: Key Project Risks

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

Gateway Review Arrangements

Since this scheme is being funded through a completely new arrangement of devolved major scheme funding, the Gateway Review arrangements are as yet undefined. As the Transport Business Case progresses, these will be fully defined and reported, in consultation with the LEP and other stakeholders.

8 Conclusions and Recommendation

8.1 Conclusions

The proposal to provide complementary sustainable transport interventions to support larger schemes will enhance the benefits, help deliver the jobs and growth plans for Kent and ensure more inclusive access. The precise nature of these benefits will vary from scheme to scheme, with the ongoing selection of a programme being undertaken to select the best schemes.

8.2 Recommended Next Steps

Recommend that development and delivery of the 2016/17 sub-schemes in Folkestone and Tonbridge should be approved and should proceed. This includes gaining continued appropriate sign-off by members and JTBs (Tonbridge & Malling Borough Council/ Shepway District Council / Kent County Council).

8.3 Value for Money Statement

The value for money assessment of the example sub-scheme from 2015-16 has produced an overall qualitative outcome of High, on a 4-point scale.

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

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

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

This method has been assumed to be transferable to the 2016/17 schemes; with notable differences highlighted and discussed. This has been augmented by a benchmarking exercise to add a quantified BCR perspective.

8.4 Funding Recommendation

The £0.5million for the 2016/17 schemes in Folkestone and Tonbridge should be released from SELEP to KCC.

Appendix A Shepway Cycle Improvements

Appendix B Tonbridge Cycle Route

Appendix C Section 151 Officer Letter