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KCC Transport Scheme Business Case Report

Tonbridge Town Centre Regeneration

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Document Control Sheet

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1 Introduction

1.1 SELEP Schemes – Transport Business Case Preparation

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

1.2 Purpose of Report

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

The TBC report does, however, consider the five key strands of TBC content required by DfT and HM Treasury's The Green Book, namely strategic, economic, financial, commercial, and management. It draws from the results of the earlier Amey Gap Analysis of KCC programmed transport schemes and the resulting scheme development briefs.

This TBC report may need to stand as an interim submission, justifying SELEP allocation of 2015/16 LGF to the Tonbridge Town Centre Regeneration scheme, but which will need to be supplemented by a further TBC submission in later financial years, as the content and delivery aspects of the scheme are resolved in greater detail.

'Lighter Touch' Transport Business Case

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

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

1.3 Structure of the Document

This report is structured in accordance with the Department for Transport's guidance on Transport Business Case, which was updated in January 2013. Following this Introduction, the remainder of the document is structured as follows:

- Chapter 2 - Project Outline;
- Chapter 3 - the Strategic Case;
- Chapter 4 - the Economic Case (including Value for Money Statement)
- Chapter 5 - the Financial Case;
- Chapter 6 - the Commercial Case; and
- Chapter 7 - the Management Case;

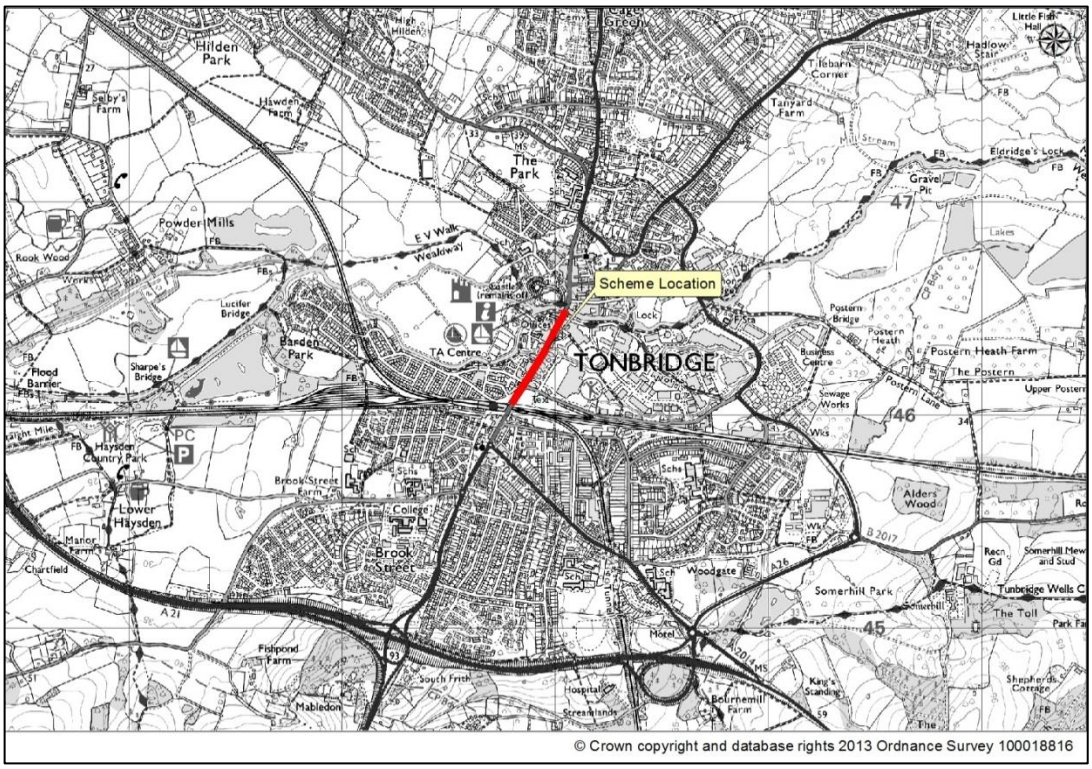
2 Project Outline

2.1 Location of the Scheme

The proposed scheme is located at the lower end of the High Street in Tonbridge town centre. The High Street runs north-south through the town which connects to the A227 to the north, and to the strategic highway network via the A26 and A21 to the south. The lower end of the High Street is in close proximity to Tonbridge rail station and is served by a number of bus services. Due to its town centre location, the proposed scheme accessible by pedestrians and cyclists from surrounding residential areas.

The general location of the scheme is shown in Figure 1 below:

Figure 1 – Scheme Location



2.2 Current Conditions

The proposal is a localised transport scheme which is located within an urban setting in Tonbridge town centre. The surrounding land use is predominantly retail in the form of the high street shops in addition to Sainsbury's superstore to the east of the High Street, however there are also residential, recreational and light industrial land uses in the surrounding vicinity.

Tonbridge is located in west Kent and is generally a prosperous area. The existing High Street suffers from a poor retail offer, however, in light of competing centres in Tunbridge Wells, Maidstone and Bluewater. There are a disproportionate number of discount/charity shops and it has proved difficult to attract and retain some high end retailers. The pedestrian environment is generally poor with constrained and cluttered footways and poor air quality.

The lower High Street is designated as an Air Quality Management Area (AQMA) caused by significant levels of vehicular traffic, the stop-start nature of traffic, and the 'canyon' effect caused by high buildings either side of the carriageway.

The dominant mode of travel in the location of the scheme is vehicular traffic as the High Street forms part of one of the main north-south routes through the town. As described in Section 2.1 the area is also accessible by all modes. The main rail station is located a few hundred meters to the south of the scheme and the High Street is well served by bus.

Figure 2 – Photograph of Current Conditions

2.3 Scheme Layout and Function

The proposed scheme predominately consists of the widening of existing footways and narrowing of the existing carriageway through the lower High Street of Tonbridge, between the Big Bridge to the north and the rail station to the south. The proposed scheme aims to provide a more attractive environment for pedestrians by creating more space for pedestrian movement, providing street furniture and opportunities for public events.

The proposals in the lower High Street incorporate a 20 mph speed limit zone with associated gateway roadmarkings along the high Street and throughout the wider town centre. A plan showing the extent of the proposed 20 mph zone is contained within **Appendix A**.

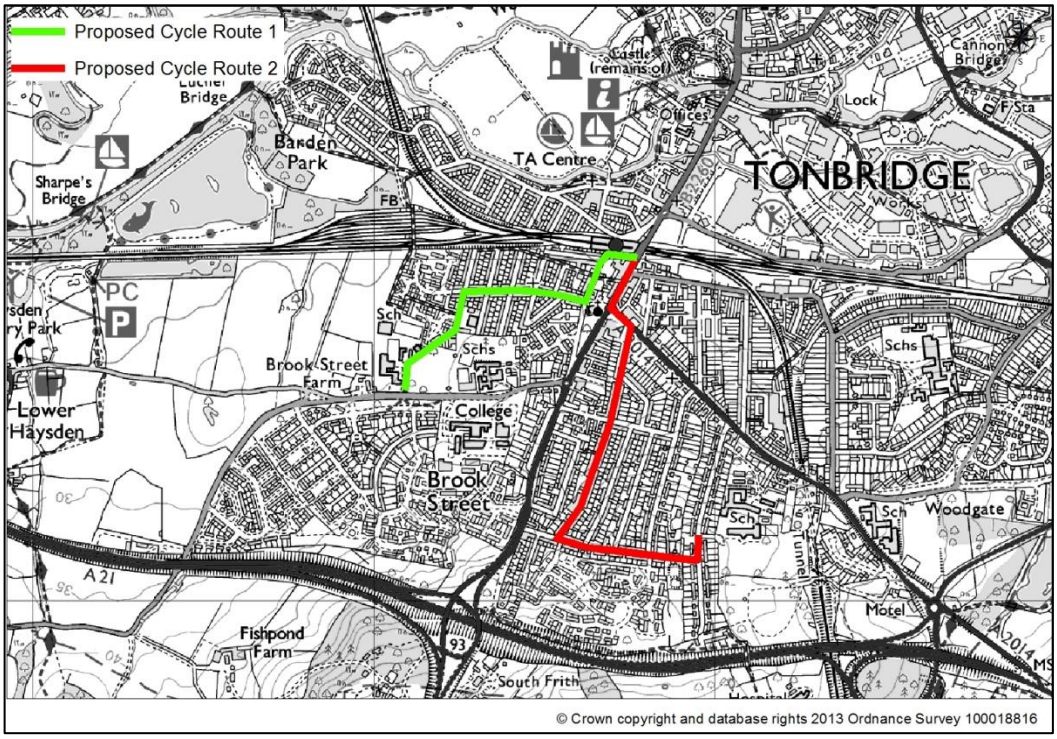
The proposed scheme within the lower High Street also includes the removal of an existing formal pedestrian crossing facility. There are currently three pelican crossing facilities which act as a barrier to vehicular flow through the High Street. The proposed scheme removes the middle pedestrian crossing of three as it represents the least used facility. In its place the scheme proposes a raised table feature which is intended to both maintain the proposed 20 mph speed limit and also provide an informal crossing facility for pedestrians. The crossing facility proposed to be removed is located 80 metres (approx.) north of the southern-most crossing.

The proposed scheme also provides a number of designated loading bays with the aim of rationalising deliveries within the High Street, thereby minimising the impact on the general flow of traffic.

A plan showing the proposed lower High Street element of the overall scheme is contained within **Appendix A**.

In addition it is proposed to provide two formal cycle routes which will provide a link between the rail station in the town centre and two schools within the town: Judd and Tonbridge Grammar School for Girls. The route to the Judd School is proposed via Waterloo Road, Douglas Road, Sussex Road and the public footpath skirting the school to Brook Street. The route to the Tonbridge Grammar School for Girls is proposed via Quarry Hill Road, Pembury Road, St. Mary's Road and Baltic Road. The proposed routes are shown in Figure 3 below:

Figure 3 – Proposed Cycle Routes



Furthermore it is proposed to provide new and upgraded pedestrian way-finding signs in the High Street. Existing fingerpost signs are proposed to be upgraded so that all of the signs in town centre are consistent and show walking and cycle times to key destinations. It is also proposed to provide a new monolith type sign in the town centre to provide more detailed information for pedestrians, similar to the way-finding signs implemented in Winchester city centre. Examples of both sign types to be implemented in Tonbridge are shown in Figure 4 below.

Figure 4 – Proposed Pedestrian Signage Example

3 Strategic Case

3.1 Overview

This section sets out the 'case for change', by explaining the rationale for making investment and presenting evidence on the strategic policy fit of the proposed scheme. This section also sets out the scheme options under consideration.

The Strategic Case establishes the:

- Context for the business case, outlining the strategic aims and responsibilities of Kent County Council;
- Transport-related problems that have been identified, using evidence to justify intervention and examining the impact of not making the investment;
- Specific, Measurable, Achievable, Realistic and Time-bound (SMART) objectives that solve the problem, identified through alignment with Kent County Council's strategic aims and responsibilities;
- Measures for determining successful delivery of the objectives;
- Analysis of constraints and opportunities for investment; and
- Breakdown of interdependencies on which the successful delivery of the scheme depends.

3.2 Strategic Context

3.2.1 National Strategy: 'National Infrastructure Plan'

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.

3.2.2 National Strategy: 'Creating Growth, Cutting Carbon'

The White Paper 'Creating Growth, Cutting Carbon – Making Sustainable Local transport Happen' (January 2011) sets out central Governments vision for delivering a transport system which enables economic growth whilst also which also tackles climate change by reducing carbon emissions.

The strategy encourages decision making and identification of transport solutions at the local level. The paper sets out the vehicles for decentralising economic powers such as the Regional Growth Fund and the devolution of funding to local LEP's.

The Tonbridge Town Centre scheme is in accord with this vision as it represents a locally identified scheme to resolve existing problems and has been provisionally allocated funding from the Local Growth Fund, via the SE LEP.

3.2.3 National Strategy: 'Door to Door'

'Door to Door' A Strategy for Improving Sustainable Transport Integration' (March 2013) sets out the Government's strategy for encouraging more sustainable transport, by enabling people to make coherent travel decisions based on considering their full journey from start to finish.

The strategy sets out four key areas which need to be addressed in order to make sustainable travel more attractive:

- accurate, accessible and reliable information about the different transport options for their journeys;
- convenient and affordable tickets, for an entire journey;
- regular and straightforward connections at all stages of the journey and between different modes of transport; and
- safe, comfortable transport facilities.

The Tonbridge Town Centre Regeneration scheme supports the vision of the strategy by seeking to integrate journeys by different modes. Improved pedestrian and cyclist connectivity between the rail station, town centre bus stops and key infrastructure, such as schools, will help meet the objectives of this strategy.

3.2.4 Regional Strategy: 'Growth Deal and 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 intend 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 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 9,000 jobs and 7,500 homes on the A21 London-Tonbridge-Tunbridge Wells corridor over a six-year period.

The Tonbridge Town Centre Regeneration scheme is identified within the SEP as a key component of unlocking growth within the West Kent area.

3.2.5 Regional Strategy: 'LEP Assurance Framework'

The latest Government guidance for SELEP ('LEP Assurance Framework', HMT, December 2014), sets out Government expectations for how transport investments, such as the Tonbridge Town Centre scheme, should be justified with supporting evidence in a manner 'proportionate' to the scope of the scheme and the scale of funding required.

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.
- Deliverability – affordability. Practicality, key risks, stakeholder and public support

This Transport Business Case is designed to conform to this process.

3.2.6 Local Strategy: '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 Tonbridge Town Centre Regeneration scheme.

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

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.

3.2.8 Local Strategy: Local Development Framework: Tonbridge Central Area Action Plan

The Tonbridge Central Area Action Plan (April 2008) is a saved policy as provided for in the Planning and Compulsory Purchase Act 2004. The plan sets out Tonbridge & Malling Borough Council's (TMBC) master plan for the central Tonbridge area. The plan sets out a Transport Strategy for the town and identifies specific areas for improvement as well as setting out a vision for the town centre identity.

The Tonbridge Town Centre Regeneration scheme being promoted has been conceived from this local policy and has been designed to meet the aims and objectives set out within the Action Plan. The proposal is central to achieving TMBC's future vision for the town and has been developed in a collaborative partnership with TMBC.

3.2.9 Local Strategy: Tonbridge & Malling Cycling Strategy

The Tonbridge & Malling Cycling Strategy prepared by KCC, sets out a number of principles and related action plans which aim encourage cycling and improve existing cycle facility provision within the borough.

The proposed cycle routes which form part of the Tonbridge Town Centre Regeneration scheme are specifically identified within the strategy. The scheme is therefore considered to accord with this local transport strategy.

3.3 The Case for Change

3.3.1 The Need for the Scheme

The key rationale for the Tonbridge Town Centre scheme is its role in supporting the planned growth in housing and employment in West Kent, 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.

The scheme will also regenerate Tonbridge's economy to bridge the gap to its neighbouring districts in West Kent.

3.3.2 Current Problems

Local Economy

The borough of Tonbridge & Malling has fallen behind its neighbouring districts in West Kent: Sevenoaks and Tunbridge Wells, in terms of its economic vitality. A number of key indicators of economic deprivation, derived from the 2011 Census, show that Tonbridge & Malling is the poor relation in West Kent in terms of the proportion of its population within working age (16-64), unemployment rate, and proportion of economically inactive residents.

Table 1 Economic Deprivation Indicators

	Population Aged 16-64	**Unemployment Rate**	**Population Economically Inactive**
Sevenoaks District	80.9%	4.4%	19.1%
Tunbridge Wells Borough	81.9%	4.0%	18.1%
Tonbridge & Malling Borough	72.8%	6.2%	27.2%

The above table clearly demonstrates that the local economy in Tonbridge & Malling is not as strong compered to its neighbouring districts in West Kent. The borough has a significantly smaller proportion of its population within working age and, therefore, economically active. The unemployment rate is also significantly higher.

Within Tonbridge specifically, the existing retail offer in the High Street is also considered poor in comparison with other competing centres in the local area such as Tunbridge Wells, Maidstone and Bluewater. This is evidenced by the disproportionate number of discount and charity shops located in the High Street.

Traffic Congestion

The existing town centre experiences a number of current problems which the proposed scheme seeks to address. Previous studies and surveyed traffic data indicates that the High Street currently experiences high levels of traffic and congestion during peak periods. Automated traffic count data, undertaken in February 2014, shows that the High Street currently observes two-way daily traffic flows of 19,350, with an even split in terms of direction.

Typical peak hour one-way flows range between 700-750 vehicles per hour which is approaching the indicative link capacity for a High Street road with 6.75m width of 900 vehicles per hour, as set out in DMRB Volume 5 Section 1 TA 79/99.

Congestion and delay is regularly observed in the High Street as a result of traffic levels and a number of existing barriers to vehicle flow. Barriers to traffic flow such as uncontrolled deliveries and numerous formal pedestrian crossing facilities disrupt the flow of traffic and contribute to poor air quality in the lower High Street.

Pedestrian crossing counts were undertaken in February 2014 at the 3 controlled crossing points along Tonbridge High Street. Surveys were conducted on both a typical weekday (Tuesday, February 4th) and Saturday (Saturday 1st February) between 0700 and 1900hrs in order to gauge the level of use of the pelican crossing and the variation between weekday and weekend.

The surveys indicated that use of the crossings is high with an average hourly combined directional flow of 946 on the weekday and 1445 on the Saturday (all sites). The peak pedestrian flow (2way) occurred between 1200 and 1300 on both the weekday and Saturday.

Each of the sites was compared to find the most utilised crossing over the course of the day. Table 1 below indicates the proportion of people who used the sites on both the weekday and weekend.

Table 2 Proportion of people crossing at each site (2way flow)

	Site 1	**Site 2**	**Site 3**
Weekday	38% (4309)	25% (2879)	37% (4167)
Saturday	33% (5785)	27% (4681)	40% (6869)

The above table indicates that on the weekday, sites 1 and 3 had very similar proportions of use whilst at the weekend; site 3 was clearly the best used. It is noticeable that on the weekday and Saturday, the middle site was considerably less well used than the other crossing sites.

Air Quality

The area has been designated as an AQMA and forms part of the Draft Air Quality Action Plan 2011. The latest available 'Kent and Medway Air Quality Monitoring Network - Monthly Report December 2013' shows that the Tonbridge High Street monitoring site measured an annual mean Nitrogen Dioxide (NO_2) level of 49 μgm^{-3} in 2014 (to date of report publish) compared with the national objective of 40 μgm^{-3}.

Highway Safety

5 year personal injury crash data indicates that there is an existing safety issue within the existing High Street. Along the scheme corridor (between Vale Road and Maylams Quay), 19 crashes were reported between 1st July 2009 and 30th June 2014.

Analysis has revealed that year by year, there is no significant variation between crash numbers as shown in Figure 5 below. All recorded crashes were categorised as 'Slight'.

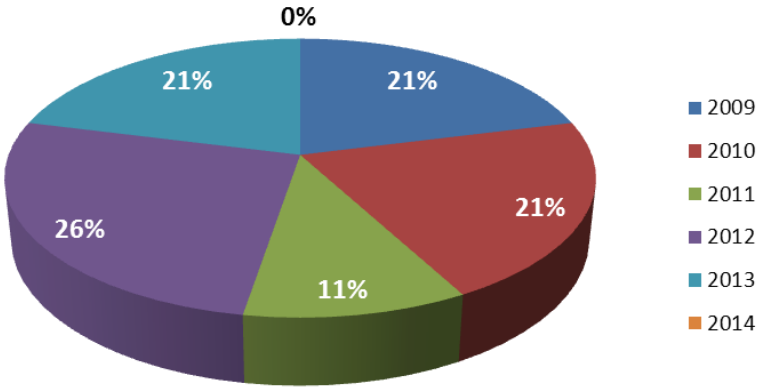


Figure 5 – Percentage Crashes by Year

13 of the 19 crashes occurred between the hours of 0700 and 0900 hours (68% of all crashes) with 32% taking place in the PM peak period (1600-1900 hours). 53% of the crashes involved pedestrians, 26% with motor cycles and 21% with pedal cycles.

A cluster of crashes have occurred at the High Street/Medway Wharf Road junction. Further analysis reveals that 7 crashes have occurred at this junction with the majority involving vehicles turning right from Medway Wharf Rd onto the High Street.

Accessibility by Sustainable Modes

The existing environment for pedestrians and cyclists is considered to be poor. Significant barriers exist such as poor crossing facilities at side roads, cluttered footways and poor connectivity with key destinations.

3.3.3 Likely Impact of No Change

To meet the objective of economic growth in Tonbridge the redevelopment of the High Street is considered key to attracting both retailers and increased customer footfall and therefore boosting employment and the local economy. As the main centre within the borough, without the proposed regeneration of Tonbridge town centre, the likelihood is that Tonbridge & Malling will continue on a downward trend in terms of economic health and fall even further behind its neighbouring districts in West Kent. The town would be at risk of entering a cycle of decline with retailers and business less likely to locate and invest in the area which would further stagnate the economy.

Growth targets for housing and employment in West Kent will increase the volume of traffic on the road network in the future, thereby exacerbating the air quality issues currently experienced in the lower High Street. Increased congestion through the scheme would also likely exacerbate the existing road safety issues and further detriment accessibility within the town.

3.3.4 Factors Driving the Need for Change

A key delivery strand of 21st Century Kent—Unlocking Kent's Potential, "Growth Without Gridlock" outlines how economic growth and regeneration can be delivered in a sustainable manner and also details the infrastructure required to deliver an integrated transport network which is fit for purpose in the 21st Century. If Kent is to accommodate this growth, its transport network must have sufficient capacity and resilience to provide for efficient and reliable journeys.

3.4 Scheme Options Considered

This section of the report looks in greater depth at the scheme options that were considered, their relative strengths and weaknesses and which options has been taken forward as the preferred option.

Option A is the 'Do Nothing' option. This option assumes that the existing situation remains unchanged and no improvements are introduced along lower High Street.

Advantages of **Option A**

In the short term, the do nothing option benefits from not requiring investment as the current streetscape configuration remains. Another possible benefit of doing nothing is that some business owners and people who access the High Street for work or leisure purposes may be happy with the existing situation and don't feel that a change is required.

Disadvantages of **Option A**

As has been mentioned previously, a combination of factors such as interaction between pedestrians and traffic, deliveries and limited on street capacity is causing congestion on the lower High Street. This is likely to be exacerbated in the do nothing option as growth targets for both housing and employment increase strain on the transport network.

Lower High St is an established Air Quality Management Area and as such, responsibility is placed on the local authority to reduce emissions in order to meet national air quality objectives. The current situation where stop-start traffic is observed travelling down High Street will lead to further deterioration in air quality which ultimately impacts on the environment and people's health.

High Streets across the UK have suffered at the hands of increased online shopping and large out-of-town shopping centres. Tonbridge High Street is no different and faces direct competition from local shopping centres such as Tunbridge Wells, Maidstone and Bluewater Shopping Centre as well as online and mobile opportunities. The current High St has a disproportionate number of discount and charity stores making it less likely for people to visit.

Walking and cycling along lower High Street is not a pleasant and inviting experience as it is dominated by vehicle traffic. This situation is likely to get worse with the projected targets for housing and employment in West Kent.

The preferred scheme, '**Option B'** will see the regeneration of Tonbridge High Street. In addition to improving junctions, footways will be widened and the main carriageway width will be reduced on the lower High St in order to make the environment a safer, more attractive and inclusive environment for pedestrians and cyclists.

Advantages of **Option B**

The key objectives of the preferred scheme align with local, regional and national policy objectives. The main aims of the scheme are to boost the local economy, alleviate congestion levels along lower higher street by encouraging more sustainable journeys and improving air quality accordingly.

Evidence from similar schemes across the UK indicates that wider benefits can be experienced such as attracting investment, attracting visitors, increased employment opportunities and reducing accidents.

Disadvantages of **Option B**

The cost of the scheme at £2.65million, is a disadvantage when compared against the do nothing situation.

The overarching

As with any new scheme, there will be a need to secure 'buy in' from local residents and businesses to ensure that it is given every opportunity to succeed. Significant consultation will be required to ensure the continued success and development of the scheme.

The final option assessed, **Option C,** related to a bypass of Tonbridge town centre, to the north of the town between the B245 London Road and A26 Hadlow Road. The purpose of the scheme was to encourage north-south traffic to avoid using the High Street in favour of using the bypass. The scheme was not progressed as it was considered unaffordable and the expected benefits of the scheme were called into question.

Advantages of **Option C**

A bypass of the town centre would drastically reduce the volume of traffic using the High Street in Tonbridge which would improve air quality along the lower section of High Street.

Disadvantages of **Option C**

The cost of introducing the scheme was deemed to be unaffordable and the expected benefits were uncertain.

Introducing the bypass would lead to significant objection from business owners established on the High Street.

The scheme does not address improvements on High Street with regards to promoting more sustainable forms of movement.

Error! Reference source not found. below indicates the different options considered during the sifting process and how these compare with the ultimate scheme objectives.

Table 3 - Summary of Scheme Option Assessment and Sifting

	Likely Achievement of Objectives		
Reference to:	**Option A**	**Option B**	**Option C**
Description of Option:	**Do Nothing**	**Preferred Option**	**Do Maximum**
Scheme Objectives			
1 Alleviate Congestion	✗	✓	✓
2 Improve Air Quality	✗	✓	✓
3 Improve Streetscape Ambience	✗	✓	✓
4 Support Economic Activity	✗	✓	✗
5 Improve accessibility to employment and services by sustainable modes	✗	✓	✗

The sifting process has identified 'Option B' as the preferred option, namely Tonbridge High Street Regeneration.

3.5 Scheme Scope

The overall purpose of the investment is to provide a more accessible and attractive environment in Tonbridge town centre in order to improve the current retail offer and boost the local economy. Tonbridge currently falls behind its neighbouring districts: Sevenoaks and Tunbridge Wells, with regards to its economy; specifically in terms of rates of unemployment, economic inactivity and proportion of population at working age. The regeneration of Tonbridge Town Centre aims to bridge the gap to its surrounding area.

The scheme is split into several smaller elements which together are intended to regenerate the existing town centre environment. The main element of scheme consists of improvements to the lower High Street area of Tonbridge, which proposes to provide wider footway provision, and areas of shared surface to ease pedestrian movements and to create space for street furniture, public art and opportunity for activities and events.

The lower High Street currently suffers from poor air quality and is designated as an Air Quality Management Area (AQMA). The proposed scheme seeks to improve the flow of traffic through the high street by removing existing barriers to traffic, such as uncontrolled deliveries, and one of three pedestrian crossing facilities; thereby improving air quality. A plan showing the proposed Lower High Street improvements is included within **Appendix A** of this report.

In addition a 20 mph zone is proposed throughout the wider town centre. A plan showing the extent of the proposed 20 mph zone is contained within **Appendix A**. The reduced speed limit is intended to create a safer town centre environment for all users and improve the perception of safety for pedestrians within the high street.

Other elements of the scheme aim to improve accessibility within the town centre for sustainable modes by improving links between key infrastructure. Proposed cycle routes between the rail station and specific schools to the south of the town aims to improve door-to-door journeys and encourage use of sustainable modes of travel. Furthermore, pedestrian way-finding signs are to be provided to aid and encourage pedestrian movements within the High Street.

3.6 Scheme Objectives

3.6.1 Objectives

The scheme objectives have been defined to address directly the problems discussed earlier in this chapter. They align closely with the business strategies for the scheme promoters, SELEP and for Central Government – most obviously in terms of the Government's broad goals for transport.

The desired outcomes from each objective have been considered and are shown in Table 4 below.

Table 4 - Objectives and Desired Outcomes

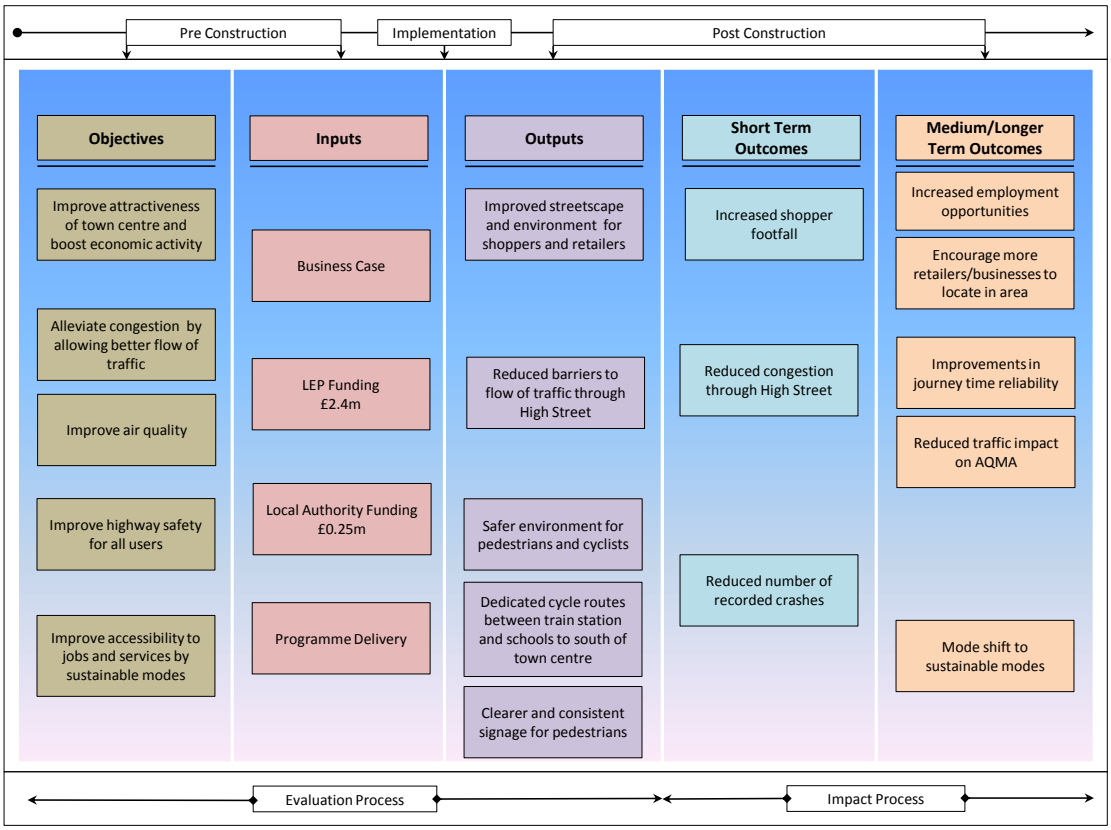
Objective	**Desired Outcome**
Improve the attractiveness of town centre and boost economic activity	Encourage new retailers/retail expenditure within Tonbridge Increased local employment opportunities
Alleviate congestion by allowing better flow of traffic	Improved car journey time reliability
Improve air quality	Reduced nitrogen dioxide emissions
Improve safety for all road users	Reduced number of recorded crashes within scheme
Improve accessibility to jobs and services by sustainable modes	Increased pedestrian and cyclist modal split

3.6.2 Logic Map

The logic map in Figure 6 is intended to show the linkages between the various aspects of the proposed scheme's development appraisal and delivery, as follows:

- It indicates how resolving the identified local problems will achieve the scheme's local and strategic transport objectives, through a sequence of cause and effect, including interaction with adjacent schemes.
- It also shows how various aspects of the scheme will be predictively appraised (either qualitatively or quantitatively), using specified tools, to determine the appropriate scheme solution and design.
- Finally, it suggests how actual outcomes from the implemented scheme will be measured and evaluated, by comparison with the initial predictions, to verify that the scheme's intended aims will be realised, in the shorter and longer term.

Figure 6 – Scheme Logic Map



3.7 Determining Success of the Scheme

Fulfilment of certain successful performance criteria, together with negotiating a number of essential hurdles to fund and deliver the scheme, can be regarded as 'Critical Success Factors' (CSF) for the Tonbridge Town Centre Regeneration scheme, in accordance with HM Treasury's 'The Green Book' (July 2011).

3.7.1 Critical Success Factors

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

The CSFs for the Tonbridge Town Centre Regeneration scheme have been selected and categorised as follows:

- **CSF1: Strategic Fit**
  - Will provide increased employment opportunities;

- Will regenerate the local economy in line with neighbouring districts;
- Will enable housing and employment development;
- Will lock-in benefits of other transport investments in local and surrounding areas;

- **CSF 2: Prosperous and Sustainable Economy and Value for Money**
  - Will improve safety for scheme users;
  - Will maximise return on investment, striking a balance between the cost of delivery and the cost to the economy of non-delivery;
  - Will improve public health through active travel;
  - Will reduce carbon emissions and enhances the natural/urban environment;
  - Will expand access to opportunities in an equitable manner;
- **CSF 3: Affordable Finance**
  - Can be delivered within the likely capital funding available;
  - Can be afforded, in terms of financing revenue liabilities within current budgets;
- **CSF 4: Achievable Construction**
  - Can be delivered using current engineering and technological solutions;
  - Can be procured through accepted methods of commissioning;
- **CRF 5: Manageable Implementation and Operation**
  - Can be delivered within the timeframe of available funding;
  - Can be operated satisfactorily in accordance with its intended remit.

3.7.2 Measurement of Successful Scheme Performance

Successful delivery against the scheme objectives will be monitored as part of the post construction monitoring and evaluation, details of which are discussed in Chapter 8 of this report.

A programme of monitoring will be put in place prior to construction, then again at one-year and five-year post construction. It is envisaged that monitoring will include before and after conditions in relation to:

- Aggregated pedestrian footfall by month/annum;

- Average daily traffic by peak/non-peak periods;
- Average AM and PM journey times on key routes;
- Day to Day travel time variability;
- Flows to capacity;
- Average annual CO_2 emissions;
- Average annual NO_2 and particulate emissions;
- Personal injury crash records; and
- Mode share (%).

3.8 Constraints and Dependencies

3.8.1 Scheme Constraints

The key constraints surrounding the delivery of the scheme are summarised below:

- The programme for delivery is tight due to a winter construction period not being suitable for this scheme due to its likely impact on high street traders during the peak trading period of Christmas.
- Due to the tight delivery programme it will be necessary to order certain construction materials prior to business case sign off and release of LGF funding.
- Some elements of the scheme are more detailed and advanced than others. The proposed cycle routes are intended to be constructed in the financial year 2016/17 and as such are not fully designed at this stage. As such the cost estimate for construction of the cycle routes is not based upon detailed designs and could vary as this element of the scheme is developed.

3.8.2 Scheme Dependencies

The scheme is in essence a 'stand-alone' scheme; however, there is a relationship with the West Kent LSTF scheme. The sustainable transport elements of the scheme, particularly the pedestrian way finding signs and proposed cycle routes, compliment the principles of the LSTF scheme aimed at the West Kent area by improving access to sustainable modes of travel, improving door to door journeys and attempting to tackle congestion.

3.9 Scheme Risks

Table 5 below provides a summary of the identified risks surrounding the scheme.

Table 5 – Scheme Risk Assessment

Scheme Risk Item	Likelihood of Risk Arising (✓)			Impact Severity (✓)			Predicted Effect on Scheme Delivery & Outcome (✓)			Suggested Mitigation
	Low	Medium	High	Slight	Moderate	Severe	Slight	Moderate	Severe	
Financial Risks										
Unforeseen increase in scheme cost reduces the VfM (i.e. BCR nearer to 1.0 'low')		✓			✓			✓		Amend preferred scheme design content to reduce scheme cost and increase VfM / BCR
Earmarked / secured funds do not cover current scheme capital cost			✓			✓			✓	Lobby for additional funds from existing / new contributors
Award of major fund allocation is dependent upon uncertain external events and outcomes	✓				✓		✓			Seek alternative funding streams that are not dependent upon uncertain events and outcomes
Majority of fund allocation is from Government LGF, giving poor 'leverage'			✓	✓				✓		Seek additional private sector and local public sector fund contributions
Main funding award depends upon sound scheme transport business case, which is not currently achievable	✓			✓			✓			Assemble additional supporting evidence for the scheme and prepare a Transport Business Case to a standard sufficient to confirm funding award
Government policy change disables a planned funding source	✓					✓			✓	None available

Scheme Risk Item	Likelihood of Risk Arising (✓)			Impact Severity (✓)			Predicted Effect on Scheme Delivery & Outcome (✓)			Suggested Mitigation
	Low	Medium	High	Slight	Moderate	Severe	Slight	Moderate	Severe	
Commercial Risks										
Scheme construction is delayed and costs increase, owing to unexpected engineering difficulties.		✓				✓		✓		Kent CC, as scheme promoter, bears the risk. Ensure that scheme development, design, procurement and construction procedures are sufficiently robust to minimise likelihood of construction difficulties.
Ongoing maintenance costs of scheme higher than expected		✓			✓		✓			Kent CC, as scheme promoter, bears the risk. Ensure that scheme design, materials selection and construction procedures are sufficiently robust to minimise likelihood of maintenance issues.
Delivery Risks										
Public/political objection to scheme preventing its progression		✓				✓			✓	PR company engaged to assist with consultation phase. Detailed consultation plan developed to maximise engagement with interested parties
Utility diversion costs		✓				✓			✓	Work with utility companies at an early stage after completion of the outline design to identify stats issues and cost-effective means of dealing with them

Scheme Risk Item	Likelihood of Risk Arising (✓)			Impact Severity (✓)			Predicted Effect on Scheme Delivery & Outcome (✓)			Suggested Mitigation
	Low	Medium	High	Slight	Moderate	Severe	Slight	Moderate	Severe	
Unable to avoid Lane Rental charges		✓		✓			✓			Engage with Lane Rental coordinator to minimise impact of the works on traffic which may reduce or eliminate the charges
Unable to meet tight delivery programme and requirement to avoid impact on xmas trading			✓			✓			✓	Pre-order required materials in advance of construction period to avoid delay. Ensure procurement and construction procedures are sufficiently robust to minimise likelihood of construction difficulties. Adopt split construction period to straddle xmas embargo.

3.10 Required Powers and Consents

The proposed scheme is all incorporated within the existing public highway boundary and KCC represent the local highway authority. As such the scheme is designated as permitted development and, therefore, all required powers and consents are in place.

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.

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

4.1.3 Components of Economic Case

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

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

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

4.1.4 Quantitative Evidence for Economic Case

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

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

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

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

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

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

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

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

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

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

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

4.1.5 Qualitative Evidence for Economic Case

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

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

- Define an initial BCR (for usually monetised impacts); and
- Work out an adjustment to the BCR (for sometimes monetised impacts);
  - Both against a 5-point scale (poor/low/medium/high/very high);
- Undertake a qualitative assessment (for rarely monetised impacts), against a 7-point scale (slight/moderate/large beneficial, neutral, slight/moderate/large adverse);
- Combine items above, to give initial an VfM, against a 4-point scale (low/medium/high/very high);
- Make a risk assessment, to derive a further adjustment to the initial VfM, using the 7-point scale; and
- Finalise the overall VfM, by adjusting the initial VfM for risk, using the 4-point scale.

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

4.2 Background

This Business Case has been prepared in support of the Tonbridge Town Centre Regeneration scheme. The scheme has been identified in order to address established issues in the town.

The borough of Tonbridge & Malling has fallen behind its neighbouring districts in West Kent: Sevenoaks and Tunbridge Wells, in terms of its economic vitality. A number of key indicators of economic deprivation, derived from the 2011 Census, show that Tonbridge & Malling is the poor relation in West Kent in terms of the proportion of its population within working age (16-64), unemployment rate, and proportion of economically inactive residents.

Tonbridge town centre experiences high levels of congestion during peak periods as a consequence of traffic volumes totalling in excess in 19,000 (2way). Peak hourly flows range between 700 and 750 vehicles (one-way) meaning that the High Street link is operating at almost 85% of its indicative link capacity[1].

In addition to high traffic volumes, a number of other barriers add to the levels of congestion experienced. The High Street is a bustling hive of activity with three crossing points causing delay for traffic as almost 1000 people cross on average per hour. Street clutter and poor crossing facilities at side roads inhibit both pedestrians and cyclists in connecting with key destinations in the local area.

The High Street is dominated by discount and charity stores making it difficult to compete with neighbouring retail centres such as Tunbridge Wells, Maidstone and Bluewater shopping centre.

Uncontrolled loading/unloading also takes place along the High Street, further disrupting the flow of traffic.

This disruption in traffic flow leads to reduced traffic speeds and stop-start motoring along the High Street which contributes to existing air quality issues along the lower High Street.

These issues have influenced the intended objectives of the Tonbridge Town Centre Regeneration scheme, namely to;

- Improve the attractiveness of town centre and boost economic activity
- Alleviate congestion by allowing better flow of traffic
- Improve air quality
- Improve safety for all road users
- Improve accessibility to jobs and services by sustainable modes

[1] DMRB Volume 5 Section 1 TA/99

The objectives of the scheme as set out above will have the following desired outcomes;

- Encourage new retailers/retail expenditure within Tonbridge
- Provide increased local employment opportunities
- Improve car journey time reliability
- Reduce nitrogen dioxide emissions
- Reduced number of recorded crashes within scheme
- Increase pedestrian and cyclist modal split

4.3 Evidencing Desired Outcomes

The desired outcomes of the scheme must be achievable in order that an economic assessment can be undertaken to evaluate the expected benefits of the scheme against the costs.

In 2011, Mary Portas was commissioned by the Prime Minister and Deputy Prime Minister to independently review the state of the high street and town centres across the UK. This review brought the High Street back into focus as an important retail destination after suffering at the hands of online/ mobile retail and out-of-town shopping centres.

As a consequence of this commission, regeneration of town centres has become popular in order to make the high street a more vibrant place to be. Making high streets more desirable ultimately leads to greater numbers of people wishing to travel to and spend time there, ultimately improving trading conditions for the local economy.

The Commission for Architecture and the Built Environment (CABE) have published a number of documents aimed at emphasising the value of better designed streetscapes and prioritising people and their movements over vehicles. Their research has revealed that the economic benefits associated with designing better streets can be significant, although it is difficult to quantify the benefits.

Indeed, The Manual for Streets (2007) published a new hierarchy of how streets should be designed, putting pedestrians and cyclists at the top with non-specialist service vehicles at the bottom of the scale.

CABE suggests that 'civilising' streets can lead to a number of benefits being realised such as;

- Stronger communities;
- Safer communities;
- Improved health and wellbeing;
- A stronger economy; and
- Environmental Sustainability.

Case study evidence of similar schemes elsewhere suggests that the above benefits can be realised and whilst it is difficult to quantify these benefits, they are expected to be achieved from the introduction of this scheme.

4.4 Appraisal Assumptions

HM Treasury's Green Book and Department for Transport advice states that all new proposals should be subject to comprehensive but proportionate assessment, whether it is practicable, so as best to promote public interest. Kent County Council has held discussions with the South East Local Enterprise Partnership, in the light of Government Guidance, on how the appraisal of devolved small major schemes should be handled ('Growth Deals Initial Guidance for Local Enterprise Partnerships', HM Government July 2013). In this regard the Tonbridge Town Centre Regeneration scheme appraisal has been undertaken wholly qualitatively using a combination of evidence from case studies and research from similar proposals elsewhere, professional judgement and using an analysis of information (where data has been made available).

4.5 Scheme Modelling

A transport model for Tonbridge is not available in a format that could be used to determine the outcomes of introducing the Tonbridge High Street Regeneration Scheme.

Making the High Street a more desirable place for pedestrians and cyclists is likely to discourage strategic traffic from using the town centre streets, however, an assessment of the predicted transfer of trips has not been undertaken due to the absence of a usable model.

The benefits expected from the scheme far outweigh those in transport terms and as such, a qualitative evaluation has been undertaken against the impacts outlined in the Appraisal Summary Table.

4.6 Economic Case Content and Method

4.6.1 Economy

Business Users and Transport Providers

Traffic counts reveal a very small proportion of heavy goods vehicles (HGV's) and large goods vehicles (LGV's) using the High Street. HGV movements on the High Street are likely to be associated with deliveries to businesses and servicing.

During the construction period, it is envisaged that vehicles will be forced to travel on alternative routes in order to make deliveries or travel strategically. When construction is complete, it is anticipated that a proportion of traffic will remain on the alternative routes as the High Street becomes less attractive for strategic traffic.

Traffic requiring direct access onto the High Street will benefit from the improvements with less traffic competing for road space.

Qualitative Outcome: NEUTRAL

Reliability Impact on Business Users

Reliability for business users will be improved as congestion is reduced along the High Street.

One of the proposals involves providing a specific area for deliveries. Deliveries will be rationalised in order to reduce the effects deliveries have on the congested network.

The removal of one of the crossing facilities will realise a reduction in delays associated with pedestrians using the push button facility.

Reliability during the construction phase will be affected, however, it is not anticipated that this will create will last long or be significant.

Qualitative Outcome: SLIGHT BENEFICIAL

Regeneration

The scheme will have no impact upon any regeneration areas designated by the UK Government or the European Union. However, in the context of the West Kent area, the scheme is intended to regenerate the economy of Tonbridge & Malling Borough which has fallen behind its neighbouring districts and risks falling further behind without the scheme. The proposed scheme will provide increased employment opportunities and encourage more retailers/business to locate in the area; further boosting local economic activity.

Case study evidence suggests that improving the streetscape and making it a more desirable place to visit can allow it to compete with neighbouring retail centres and attract inward investment.

Qualitative Outcome: MODERATE BENEFICIAL

Wider Impacts

It is unclear how 'wider impacts' will be impacted as a consequence of the scheme. An assessment has therefore been done on a qualitative basis for the purposes of this report.

Qualitative Outcome: NEUTRAL

4.6.2 Environmental

Noise

The area does not feature in DEFRA's noise action plan and it is unlikely that the scheme would have a considerable effect on noise levels. One of the primary objectives of the scheme is to reduce traffic congestion, currently experienced along lower High Street. Successful implementation of the scheme is likely to reduce traffic volumes along High Street and thereby noise levels.

Noise levels are expected to increase during the construction phase of the scheme, however.

Qualitative Outcome: SLIGHT BENEFICIAL

Air Quality and Greenhouse Gases

Lower High Street has been designated as an Air Quality Management Area (AQMA) as transport emissions have led to concentrations of Nitrogen Dioxide (NO2) above EU limits. The most recent, readily available *'Kent and Medway Air Quality Monitoring Network - Monthly Report December 2013'* indicates that the Tonbridge High Street monitoring site measured an annual mean Nitrogen Dioxide (NO_2) level of 49 μgm^{-3} in 2014 (to date of report publish) compared with the national objective of 40 μgm^{-3}.

Nitrogen Dioxide is emitted from slow moving, stop-start traffic which indicates why levels along High Street are higher than the national objective. Traffic volumes along this corridor are also high (in excess of 19,000 2way) over a 24hour period.

A likely consequence of the scheme is an improvement in the flow of traffic along the High Street through the removal of existing barriers.

It is anticipated that by making the High Street more pedestrian friendly, traffic will be discouraged from using the High Street to travel strategically, thus reducing the number of vehicles using the High Street and improving air quality.

Traffic speeds along High Street are unlikely to be affected drastically as the suggested 20mph speed limit is similar to observed existing speeds. Whilst air quality is expected to be improved along the High Street, traffic moving to alternative routes could lead to a rise in air pollutants elsewhere.

Qualitative Outcome: SLIGHT BENEFICIAL

Landscape

The scheme is concentrated on lower High Street which is a typical High Street dominated by leisure outlets and office accommodation. The scheme will have no effect on the natural landscape.

Qualitative Outcome: NEUTRAL

Townscape

A key objective of the scheme is to improve the streetscape ambience to make it a more desirable place to be for pedestrians and cyclists. At present, footfall on the High Street is fairly high with a peak of 1600 people observed using the crossing facilities (2way) on a typical weekday in February 2014. On a typical Saturday this figure was in excess of 2800. It is evident from these figures that there is considerable attraction east/west with the congested High Street proving to be a barrier.

The proposed scheme aims to minimise levels of congestion experienced along the High Street by narrowing the carriageway in favour of upgrading and enhancing footways. The existing middle crossing at Angle Walk will be removed in its place, a coloured or table top surface will be introduced to support the east /west movement between Bradford St and Angel Walk. This crossing area will be uncontrolled, allowing pedestrians greater freedom and taking away unnecessary obstacles.

Whilst it is difficult to quantify the benefits that can be realised by introducing improved pedestrian facilities, research by practitioners does indicate that these improvements can lead to significant increases in footfall. A study by Turner et Al[2] in 2011 looked at cities in New Zealand where pedestrians encountered issues. A before and after study suggested that introducing new or improved pedestrian facilities increased footfall between 7 and 90% in 7 out of 8 cities.

The increase in footfall has also been witnessed in the UK, notably in Coventry and Bristol where a 25% increase[3] has been observed owing to improving the public realm and access for pedestrians.

In Shrewsbury[4], 'courtesy crossings' were introduced along the High Street, encouraging drivers to give way to pedestrians. This scheme has resulted in 34% fewer accidents, high levels of public satisfaction and a 22% reduction in traffic flows. Traffic speeds are rarely observed above 15mph.

Although it is difficult to estimate the level of benefit that can be expected from improving the townscape of Tonbridge, evidence from elsewhere suggests that significant benefits can be experienced. Given the proximity of competing retail centres, it is anticipated that a moderate beneficial outcome could be achieved.

Qualitative Outcome: MODERATE BENEFICIAL

Heritage/ Historic Environment

Tonbridge has over 150 listed buildings, including the castle adjacent to the 'Big Bridge' and was initially referenced in the Doomsday book in 1086.

The proposed scheme is concerned with improving the streetscape and will not have any effect on the heritage or historic nature of the town.

Qualitative Outcome: NEUTRAL

Biodiversity

The scheme will have no impact on biodiversity in the immediate or surrounding areas.

Qualitative Outcome: NEUTRAL

[2] Turner et al, Benefits of New and Improved Pedestrian Facilities: Before and After Studies http://trid.trb.org/view.aspx?id=1122909
[3] The Pedestrian Pound – The Business Case for Better Streets and Places (Just Economics on behalf of Living Streets)
[4] Courtesy of MADE – A Centre for Place Making

Water Environment

The scheme will have no tangible effect on the water environment. The river Medway and Botany stream run through the High Street, however, they will not be affected by improvements to highway and pedestrian network.

Qualitative Outcome: NEUTRAL

4.6.3 Social

Travel Costs to Commuter & Other Users

A qualitative assessment has been undertaken to determine personal affordability in relation to the scheme. It is considered highly unlikely that changes to any of the following will occur as a consequence of introducing the scheme;

- Parking Charges;
- Car fuel & non-fuel operating costs;
- Road User Charges;
- Public Transport Fare charges; and
- Public transport concession availability.

Qualitative Outcome: NEUTRAL

Accidents

Accident records for the past 5 years[5] have been assessed for the scheme section (approximately 400metres along lower High Street between Vale Road and 'The Big Bridge').

Over the 5 year period, 19 accidents were reported which were all categorised as 'slight' with regards to severity.

Closer inspection of the accidents revealed a cluster of 7 collisions at the High Street junction with Medway Wharf Rd. It should be noted that the proposed scheme will ban traffic from High Street south turning into Medway Wharf Rd, thus reducing conflict and potential for collisions in the future.

Of the recorded accidents, 53% involved pedestrians in some capacity with a further 26% involving motor cycles and 21% pedal cycles.

[5] Courtesy of Kent County Council (1st July 2009-30th June 2014)

The cost of a 'slight' accident is calculated to be £22,000 with serious and fatal accidents costing considerably more.

Analysis of other regeneration and public realm schemes indicates that accident rates can be lowered significantly. In Shepherds Bush, the regeneration of town centre West witnessed a 35% drop in accidents whilst the de-cluttering of Kensington and Chelsea High Street lowered road traffic accidents by 40% and those involving pedestrians by 60%. The example of Shrewsbury mentioned earlier in this section also witnessed a 34% reduction by improving the streetscape.

Traffic speeds along the existing High Street section are relatively low and the speed limit of 30mph is very rarely reached by vehicles, in particular during peak conditions. A clear link exists between speeds and road traffic accidents and by lowering the speed limit to 20mph fewer accidents are anticipated to occur

It is clear that regeneration schemes aligned with reduced speeds can lower the frequency of accidents on the highway network. By taking into account the relatively low number of collisions and traffic speeds observed along the scheme corridor, it is considered that a slight benefit in accident terms will be realised as a consequence of the scheme.

Qualitative Outcome: SLIGHT BENEFICIAL

Physical Activity

Making the streetscape a more desirable, attractive and safe place for pedestrians and cyclists is likely to encourage greater footfall and cycle journeys. A February 2014 document published by the Cabinet Office[6] discussed how it aimed to build on the success of the Olympics and Paralympics and secure a Physical Activity legacy for the nation.

An approach raised in the report in order to promote physical activity was 'better streets' to promote walking and cycling by applying improved public realm design principles. The report also suggests that footfall and trading can be increased by 40% as a consequence of improving on-street conditions.

The introduction of cycle routes will see an increase in cycle activity between the railway station, schools and High Street; further enhancing the physical activity benefits associated with the scheme.

[6] Moving More, Living More. The Physical Activity Olympic and Paralympic Legacy for the Nation

Qualitative Outcome: SLIGHT BENEFICIAL

Journey Quality

Journey quality for all users of the High Street is likely to be improved as a consequence of upgrading facilities.

From the perspective of pedestrians and cyclists, at level crossing points, finger posts and the introduction of additional cycle routes will improve the journey ambience as greater emphasis is placed on vulnerable users.

Finger posts will make it easier for pedestrians to make their way around the town and upgraded, pedestrian friendly footways will reduce the fear of potential accidents.

Traffic speeds will be more dependable, reducing the fear of accidents, giving pedestrians and cyclists more prominence on the scheme corridor.

In addition to the benefits experienced by pedestrians and cyclists, it is anticipated that slight benefits will also be realised for motorists using the High Street. Traffic speeds will be more consistent, delays associated with crossings will be reduced and deliveries will be rationalised meaning that drivers will find it easier and less stressful to travel along High Street.

Strategic traffic is likely to re-route from the High Street which could see increased traffic on the surrounding network, reducing journey quality on the adjacent network.

Qualitative Outcome: SLIGHT BENEFICIAL

Reliability

One of the key objectives of the scheme is to reduce the levels of congestion currently experienced along the High Street. A reduction in congestion will inevitably improve journey time reliability along this section for all vehicles but more importantly, bus journeys.

The removal of one of the crossing facilities will also realise a reduction in delays associated with pedestrians using the push button facility. In addition, deliveries to stores along High Street will be rationalised, further reducing the delay experienced by vehicles.

Journey reliability will also be improved for pedestrians as the introduction of a speed table in place of the existing formal crossing will allow pedestrians to cross between Angel Walk and Bradford Street in between vehicles, thus reducing delay experienced waiting for traffic signals to turn red.

Qualitative Outcome: SLIGHT BENEFICIAL

Option & Non Use Values

The scheme will not *'substantially change the availability'* of transport services along the scheme corridor and as such will have a negligible effect on 'Option and No Use Values'.

Qualitative Outcome: NEUTRAL

Security

Improvements to the High Street will aim to make the environment a more desirable and safe place to be. Making the High Street more aesthetically pleasing will add to the perception of a safe environment and encourage people to use the space during the day and evening, supporting the evening economy at adjacent bars and restaurants.

A public realm improvement scheme in Ealing (West London) was introduced with the vision of creating a *'safe, clean, attractive and user friendly town centre'*. The scheme saw the introduction of new street lighting, improved signing and hanging baskets as well as measures such as de-cluttering.

The Living Streets, 'The Pedestrian Pound – The Business Case for Better Streets and Places' report suggests that crime figures reduced by 60% (late night toen centre violence) as a consequence of the public realm improvements introduced in Ealing. A 25% reduction in pick-pocketing was also witnessed post scheme implementation.

The report suggests that visitors have described Ealing as a "safe, friendly and affordable town centre" which has resulted in greater numbers of people accessing the town and adding to the town centre economy.

Pedestrians and cyclists should also feel safer in relation to road safety hazards which have been alluded to above under the 'Accidents' heading.

Qualitative Outcome: SLIGHT BENEFICIAL

Access to Services

The scheme will promote increased pedestrian access along lower High Street and upgraded fingerposts will give walking and cycling directions and times to access key destinations in and around the town centre.

These improvements should make the town easier to navigate, allow easier access and enhance linkages between bus and rail interchanges.

Qualitative Outcome: SLIGHT BENEFICIAL

Affordability

Personal affordability will not be affected by the introduction of the scheme.

Qualitative Outcome: NEUTRAL

Severance

Pedestrian counts indicate significant movements between the areas to the east and west of High Street. Pay and Display parking is available on either side of the High Street at the following locations;

- Bradford St;
- Botany;
- Lamberts Yard;
- River Lawn; and
- Angel Front.

In addition there are supermarket car parks serving Somerfield and Waitrose within easy walking access of the High Street.

At present, traffic congestion on the High Street severs the east and west side of the High Street making it difficult and un-appealing to cross.

The scheme aims to make the High Street easier to cross by removing a formal crossing and introducing a speed table where pedestrians can cross informally as traffic speeds are reduced.

Making the pedestrian environment a more desirable place to be will make the town centre a more inclusive space, removing barriers associated with severance.

Severance to traffic is unlikely to be affected as a consequence of introducing the scheme.

Qualitative Outcome: MODERATE BENEFICIAL

4.7 Appraisal Summary Table

The AST presents the evidence qualitatively of the proposed scheme. The AST assesses the merits of the scheme and its impact; economically, environmentally and socially as well as looking at public accounts and distribution.

Where data is available to undertake a detailed quantitative assessment, this has been done, however, in the absence of quantifiable data, research has been undertaken looking at similar case studies from across the UK and measure qualitatively using professional judgement.

Table 6 – Appraisal Summary Table (AST)

Scheme Appraisal Summary Table (AST)												
Impact Category	**Monetised / Non-Monetised Impact?**	**Specific Impact**	**Quantitative Outcome (Monetised)**	**Qualitative Outcome (✓) (Non-Monetised)**								
				Beneficial			**Neutral**	**Adverse**		
				Large	**Moderate**	**Slight**		**Slight**	**Moderate**	**Large**
Economy	Usually Monetised	Travel Costs to Business Users and Providers					✓			
	Sometimes Monetised	Reliability for Business Users				✓				
		Regeneration			✓					
		Wider Impacts					✓			
	Rarely Monetised	None								
Environment	Usually Monetised	Noise				✓				
		Air Quality				✓				
		Greenhouse Gases				✓				
	Sometimes Monetised	Landscape				✓				
	Rarely Monetised	Townscape			✓					
		Heritage / Historic Environment					✓			
		Biodiversity					✓			
		Water Environment					✓			
Social	Usually Monetised	Travel Costs to Commuter & Other Users					✓			
		Accidents				✓				
		Physical Activity				✓				
		Journey Quality				✓				
	Sometimes Monetised	Reliability for Commuter & Other Users				✓				
		Non-User Option/Non-Use Values					✓			
	Rarely Monetised	Security				✓				
		Access to Services				✓				
		Affordability					✓			
		Severance			✓					

Scheme Appraisal Summary Table (AST)											
Impact Category	**Monetised / Non-Monetised Impact?**	**Specific Impact**	**Quantitative Outcome (Monetised)**	**Qualitative Outcome (✓) (Non-Monetised)**							
				Beneficial			**Neutral**	**Adverse**			
				Large	**Moderate**	**Slight**		**Slight**	**Moderate**	**Large**	
Public Accounts	Usually Monetised	Cost to Broad Transport Budget	n/a								
		Indirect Tax Revenue									

4.8 Value for Money Statement

Table 7 – Summary of Scheme Value for Money Assessment

Scheme Value for Money (VfM) Summary				
VfM Component	**VfM Assessment Mechanism & Outcome Measurement Method**	**Scope of VfM Component**	**VfM Component Strands**	**VfM Outcome Qualitative (See 2nd Column)**
Initial BCR	Quantified BCR, or 5pt Qualitative BCR: Poor (<1.0) Low (1.0-1.5) Medium (1.5-2.0) High (2.0-4.0) Very High (>4.0)	Derived from usually-monetised scheme user economic appraisal and cost/benefit analysis	Economic Efficiency (Consumer Users Commuters & Others) – Economic Efficiency (Business Users & Providers) – Noise – Local Air Quality – Greenhouse Gases – Journey Quality – Physical Activity – Accidents – Wider Public Finances (Indirect Tax revenues) – Broad Transport Budget – Overall –	Medium
Adjusted BCR	Quantified adjustment to BCR, or 5pt Qualitative adjustment to BCR: Poor/Low/Medium/High/Very High	Initial BCR adjusted to allow for sometimes-monetised scheme impacts	Journey Reliability – Area Regeneration – Wider economy – Landscape – Non-user option / non-use values – Overall Adjusted –	Medium
Qualitative Assessment	7pt Qualitative outcome: Large/Moderate/Slight Beneficial Neutral Slight/Moderate/Large Adverse	Covers rarely-monetised scheme impacts	Townscape – Heritage / Historic Environment – Biodiversity – Water Environment – Security – Access to Services – Affordability – Severance – Overall –	Moderate/ Large
Initial VfM Category	4pt Qualitative outcome: Low/Medium/High/Very High	Aggregate of above VfM components, excluding risk component	Overall Initial VfM Category (excluding risk adjustment) –	Medium/ High

Scheme Value for Money (VfM) Summary				
VfM Component	**VfM Assessment Mechanism & Outcome Measurement Method**	**Scope of VfM Component**	**VfM Component Strands**	**VfM Outcome** **Qualitative (See 2nd Column)**
Final VfM Category	4pt Qualitative outcome: Low/Medium/High/Very High	Aggregate of above VfM components, including risk component	**Overall Final VfM Category (including risk adjustment) –**	Medium/ High

4.9 Overall VfM Category

The value for money assessment of the proposed scheme has produced an overall qualitative outcome of Medium/ 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 impacts that will benefit the town considerably more than solely from a transport perspective and further adjustments have been made with regard to this. It is expected that making the town centre a more desirable place to be will encourage greater numbers of people to access the high street and thus add to the economic growth of the town.

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

5 Financial Case

5.1 Overview

This chapter sets out the Financial Case for the Tonbridge Town Centre Regeneration scheme which provides an itemised breakdown of the expected project cost components and the time profile for the transport investment. It considers if these capital costs are affordable from public accounts at the times when the costs will arise. It also identifies where contributions of anticipated funding will be obtained, to meet the scheme costs and it assesses the breakdown of funds between available sources and by year and considers how secure these funds are likely to be. Finally, it reviews the risks associated with the scheme investment and examines possible mitigation.

5.2 Project Costs

This section considers the capital costs associated with the proposed scheme investment. The capital required to fund the project is £2.65m for the period 2015-2017. The overall cost is broken down further below.

5.2.1 Breakdown and Time Profile of Project Costs

Table 8 provides an overall summary of the costs of the separate elements which make up the Tonbridge Town Centre Regeneration scheme.

Table 8 – Cost Estimates of Scheme Components (2014 prices)

Cost Category	**Cost By year (£)**	
	2015/16	**2016/17**
Lower High Street Improvements	1,382,418	
Cycle Routes		600,000
Pedestrian signage		140,000
Base Cost	**1,382,418**	**740,000**
Total Base Cost	**2,122,418**	

5.3 Inflation

Table 9 provides a base cost estimate of the investment which incorporates real cost increases. General inflation is forecast to be 1% between 2014 and 2015 and 2% between 2014 and 2016. Construction costs are forecast to increase by 4.1% between 2014 and 2015 and by 8.4% between 2014 and 20167. Therefore the base investment costs, including real cost increases have been calculated by:

- In 2015 - £1,382,418 x (1.041/1.010)*1 = £1,424,849
- In 2016 - £740,000 x (1.084/1.020)*1 = £786,431

Table 9 – Base Scheme Costs (**2014 prices**)

Cost Category	**Cost By year (£)**	
	2015/16	**2016/17**
Lower High Street Improvements	1,424,849	
Cycle Routes		637,647
Pedestrian signage		148,784
Base Cost	**1,424,849**	**786,431**
Total Base Cost	**2,211,280**	

5.4 Risk Budget

A 20% 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.

5.5 Optimism Bias

Optimism Bias adjustments are designed to deal with the 'systematic tendency of project appraisers to be overly optimistic' with regard to a project's 'costs, benefits and duration'. To reflect the current status of scheme designs and costs, an Optimism Bias uplift of 15% has been considered as part of the Economic Case, therefore ensuring that the economic appraisal is robust.

[7] Sweett Tender price Update United Kingdom Q2 2014

Optimism Bias adjustments are not intended for use in estimating actual scheme outturn costs for funding requests and are therefore not included in the costs.

5.6 Final Scheme Costs

Table 10 below shows the final scheme costs for the 2015/16 funding bid, including risk and inflation but excluding optimism bias and indirect taxation.

Table 10 - Summary of Final Scheme Costs (2014 prices)

Cost Type	Cost (£)
Scheme Cost	2,122,418
Inflation	88,862
Risk Allowance	438,720
Total	**2,650,000**

5.7 Spend Profile

An estimated outturn spend profile for the Tonbridge Town Centre Regeneration scheme is shown in Table 11, split by financial year.

Table 11 – Scheme Outturn Cost Breakdown and Profile

Scheme Cost Breakdown and Profile				
Project Components	**Capital Cost Items**	*** Cost Estimate Status (O/P/D/T)**	**Costs by year (£000) Year of Estimate: 2014 Q4**	
			2015/16	**2016/17**
Lower High Street Improvements	Preliminaries	D	39	
	Roadworks	D	829	
	Ancillary Works	D	67	
	Statutory Undertakers	D	261	
	Fees	D	186	
Cycle Routes	Total	O		600
Pedestrian Signage	Total	O		140
Inflation	Total	O	42	46
Quantified Risk Adjustment	Risks from Policy Change Risks of Scheme Delivery Risks of Scheme Operation Risks from Unexpected User Demand & Operator Revenue Outcomes	O	283	156
Total Cost	Including Risk Adjustment Excluding optimism Bias (NB - Not Base Cost with Real Cost Adjustment)		**1,708**	**942**
*O = Outline estimate, P= Preliminary estimate, D = Detailed estimate, T = Tender price,				

The cost estimate for the Lower High Street element of the scheme has been developed by Amey and is based upon the cost rates set out in the Amey Highways Term Maintenace Contract with KCC, which is the intended delivery method for this scheme (detailed further in Commercial Case). The detailed cost estimate is contained within this report as **Appendix B**. The cost estimates for the other elements of the scheme are outline at this stage and will be developed in more detail as the scheme designs progress.

5.8 Whole Life Costs

It is likely that there will be on-going revenue implications for future maintenance (as is the case with most schemes), which will be added to the general highway asset and funded as required. To date these cost implications have not been quantified.

5.9 Project Funding

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

5.9.1 Sources of Funding

Table 12 below provides a sequential breakdown of capital funds, by year required and anticipated sources.

Table 12 – Scheme Funding Sources and Profile of Contributions

Scheme Funding Sources and Profile of Contributions				
		Funding Contributions by year (£000)		
Funding Source	**Fund Details**	**2015/16**	**2016/17**	**Total**
Gov. / SELEP (direct)	LGF –	2,000	400	2,400
Private Sector (external)	Developer – Business – Transport Operator – Overall –			
Public Sector (external)	Network Rail – Gov. agency fund – LSTF – Overall –			

Local Authority (external)	Kent County Council –	250		250
Borrowed Funds				
Income				
All Funding Sources	**Total**	**2,250**	**400**	**2,650**

5.10 Financial Risk Management Strategy

This section examines the risks associated with the costs and financial requirements of the named scheme. It considers the mitigation that may be needed to handle the identified risks, if they arise.

5.10.1 Risks to the Scheme Cost Estimate and Funding Strategy

Table 13 provides a qualitative risk assessment of the funding of the proposed scheme and suggests potential mitigation measures should these risks occur.

Table 13 – Scheme Financial Risk Assessment

Qualitative Financial Risk Assessment										
Scheme Financial Risk Item	**Likelihood of Risk Arising (✓)**			**Impact Severity (✓)**			**Predicted Effect on Scheme Delivery & Outcome (✓)**			**Suggested Mitigation**
	Low	**Medium**	**High**	**Slight**	**Moderate**	**Severe**	**Slight**	**Moderate**	**Severe**	
Unforeseen increase in scheme cost reduces the VfM (i.e. BCR nearer to 1.0 'low')		✓			✓			✓		Amend preferred scheme design content to reduce scheme cost and increase VfM / BCR
Earmarked / secured funds do not cover current scheme capital cost			✓			✓			✓	Lobby for additional funds from existing / new contributors
Award of major fund allocation is dependent upon uncertain external events and outcomes	✓				✓			✓		Seek alternative funding streams that are not dependent upon uncertain events and outcomes

Qualitative Financial Risk Assessment										
Scheme Financial Risk Item	**Likelihood of Risk Arising (✓)**			**Impact Severity (✓)**			**Predicted Effect on Scheme Delivery & Outcome (✓)**			**Suggested Mitigation**
	Low	**Medium**	**High**	**Slight**	**Moderate**	**Severe**	**Slight**	**Moderate**	**Severe**	
Majority of fund allocation is from Government LGF, giving poor 'leverage'			✓	✓					✓	Seek additional private sector and local public sector fund contributions
Main funding award depends upon sound scheme transport business case, which is not currently achievable	✓			✓				✓		Assemble additional supporting evidence for the scheme and prepare a Transport Business Case to a standard sufficient to confirm funding award
Government policy change disables a planned funding source	✓					✓			✓	None available

6 Commercial Case

6.1 Overview

The Commercial Case for the Tonbridge Town Centre Regeneration scheme provides evidence that the proposed investment can be procured, implemented and operated in a viable and sustainable way. The aim is to achieve best value during the process, by engaging with the commercial market.

6.2 Expected Outcomes from the Commercial Strategy

The outcomes which the procurement strategy must deliver are to:

- Achieve cost certainty, or certainty that the scheme can be delivered within the available funding constraints;
- Minimise further preparation costs with respect to scheme design by ensuring best value, and appropriate quality;
- Obtain contractor experience and input to the construction programme to ensure the implementation programme is robust and achievable; and
- Obtain contractor input to risk management and appraisals, including mitigation measures, to capitalise at an early stage on opportunities to reduce construction risk and improve out-turn certainty thereby reducing risks to a level that is 'as low as reasonably practicable'.

6.3 Scheme Procurement Strategy

6.3.1 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 the Tonbridge Town Centre Regeneration scheme is delivery through Amey HTMC.

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

6.4 Commercial Risk Assessment

Table 14 below provides a summary of the identified commercial risks surrounding the scheme.

Table 14 – Scheme Commercial Risk Assessment

Qualitative Commercial Risk Assessment										
Scheme Commercial Risk Item	**Likelihood of Risk Arising (✓)**			**Impact Severity (✓)**			**Predicted Effect on Scheme Procurement, Delivery & Operation (✓)**			**Immediate Bearer of Risk and Suggested Mitigation**
	Low	**Medium**	**High**	**Slight**	**Moderate**	**Severe**	**Slight**	**Moderate**	**Severe**	
Scheme construction is delayed and costs increase, owing to unexpected engineering difficulties.		✓				✓		✓		Kent CC, as scheme promoter, bears the risk. Ensure that scheme development, design, procurement and construction procedures are sufficiently robust to minimise likelihood of construction difficulties.
Ongoing maintenance costs of scheme higher than expected		✓			✓		✓			Kent CC, as scheme promoter, bears the risk. Ensure that scheme design, materials selection and construction procedures are sufficiently robust to minimise likelihood of maintenance issues.

7 Management Case

7.1 Overview

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

7.2 Project Governance, Roles and Responsibilities

Project Governance

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

Figure 7 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 the KCC PMs comprise of the following updates; general progress, project finances, issues, risks and governance meeting dates. The Highlight Report identifies any areas of concern or where decisions are required by the PB meeting or higher to the KCC LEP Programme Manager. An agreed version of the Highlight Report is issued to the PB meeting attendees during the meeting.

Figure 7 – KCC Project Governance Structure

KCC LEP Meeting Governance Diagram

Bid / Design / Construction	High level Agenda	Frequency	Attendees	Format	Scope	Agenda Items	Key Deliverables/Feedback	Templates
Sponsoring Group	Bid Design Construction	Monthly - Can be called in emergency if required	**Chair: TR** BC/JB/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
Escalation 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/FQ/KCC Promoters/KCC PMs/ AQ or RC/Amey TE's SW&IC/JW	Face to face meeting, rotating venue	To discuss progress/preview next steps and discuss and resolve issues	LEP programme progress to date Project financial reporting Next steps Issues/Risk/Change Actions	Minutes of Meeting Action List Output distributed to all attendees	Agenda Minutes
Highlight Report	Identify key points for Programme Meeting	Monthly	JW/MG	Face to face meeting/report	JW to collate and streamline all reports highlighting areas of interest for the programme meeting. To be fed back to MG by report/meeting		Highlight report for MG to use for Programme Meeting. Highlight report shared with PR attendees.	Highlight Report
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
JB	John Burr
TR	Tim Read
MG	Mary Gillett
FQ	Fayyaz Qadir
AQ	Andrew Quilter
CM	Chris Morris
RC	Richard Cowling
SW	Steve Whittaker
IC	Ian Cook
JW	Joanne Whittaker

Programme Board (PB) Meeting

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

Escalation Report

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

Sponsoring Group (SG) Meeting

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

Project Roles and Responsibilities

Role	Name
KCC SELEP Schemes Delivery Manager	Mary Gillett
Project Sponsor	Louise Rowlands
KCC Project Manager	Jamie Watson
Amey Highway Design Lead	Ian Cook
Amey HTMC Contact	Martin Addison

7.3 Evidence of Previously Successful Scheme Management Strategy

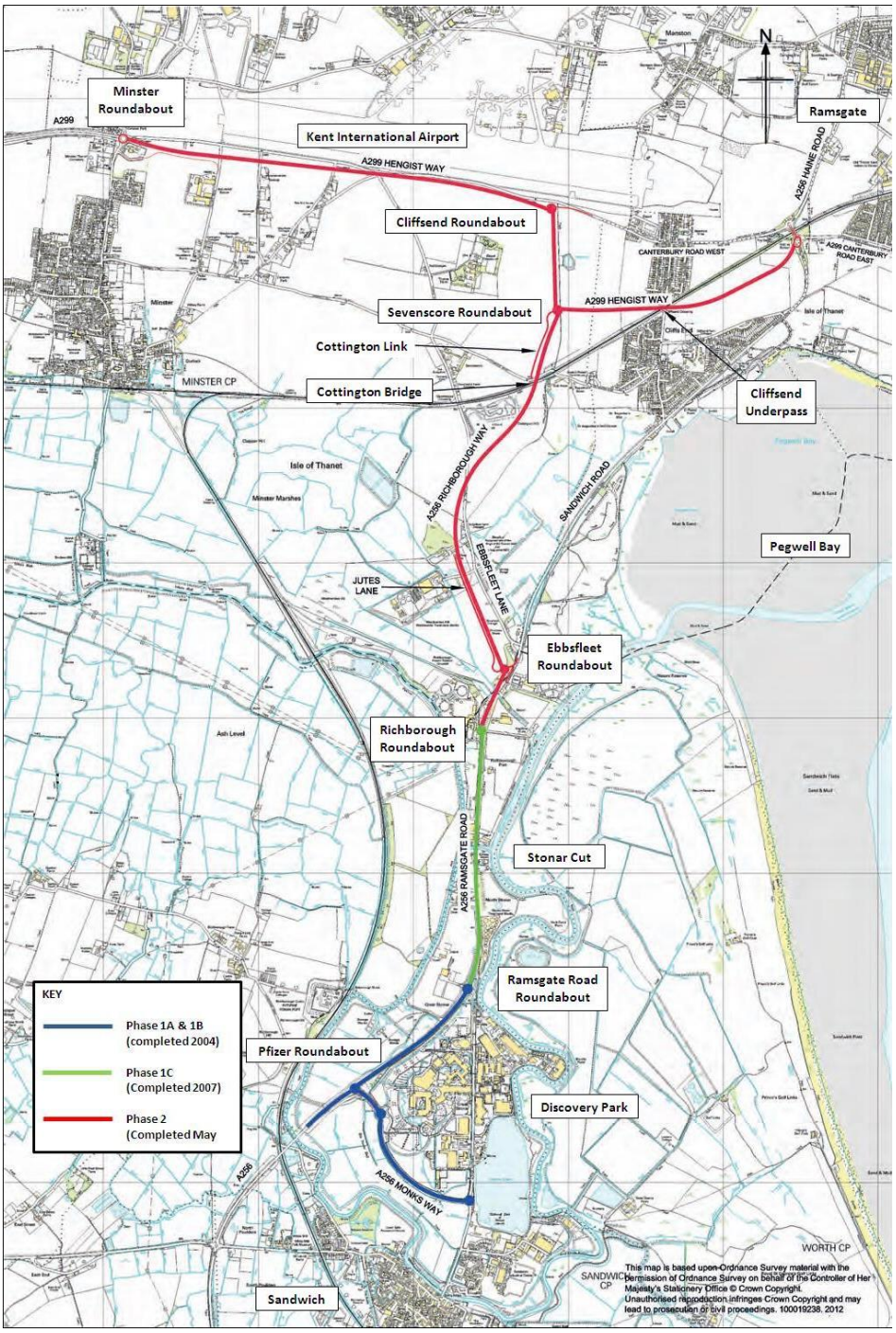
KCC have a successful track record of delivering major transport schemes within the county. The most recent of which were the East Kent Access Phase 2 (EKA2) and Sittingbourne Northern Relief Road schemes (SNRR).

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 8 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 Tonbridge Town Centre Regeneration 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.

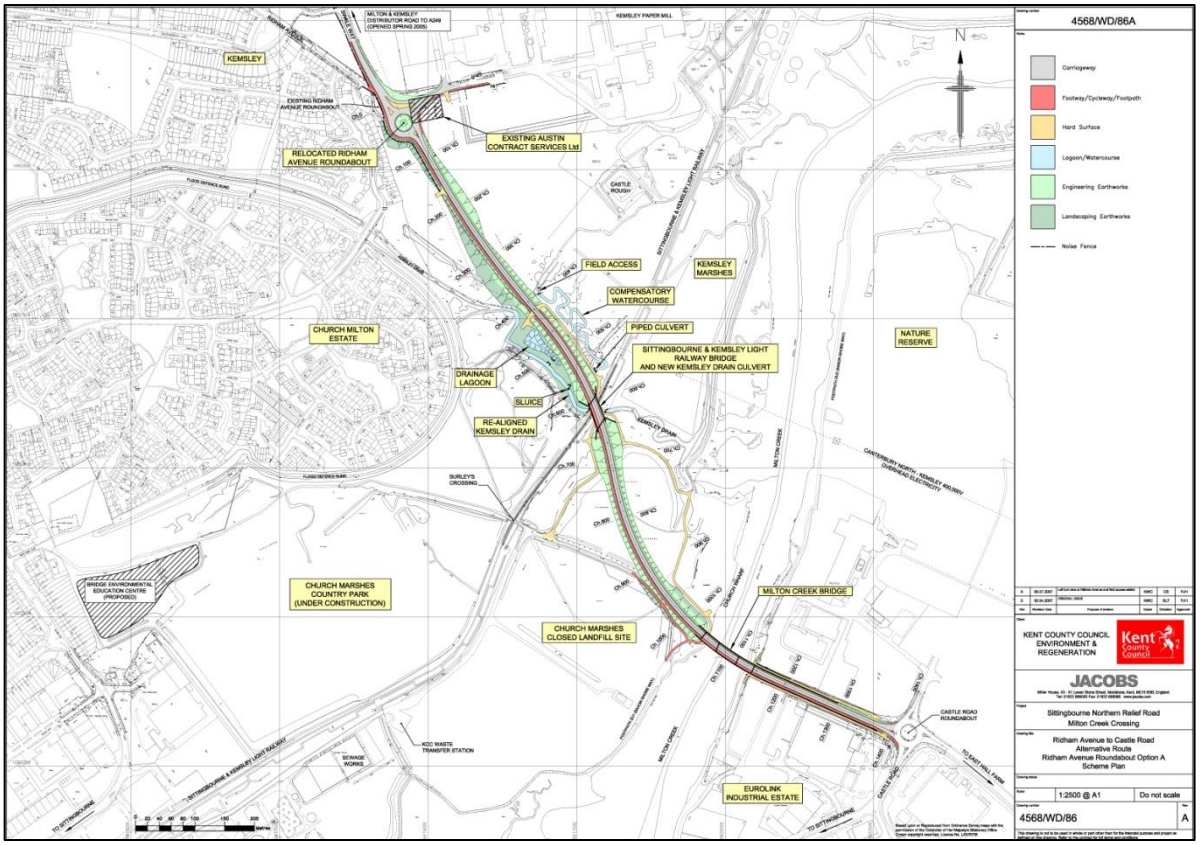
Figure 8 – EKA2 Scheme Layout



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 9 below:

Figure 9 – 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.

<u>Lessons Learnt</u>

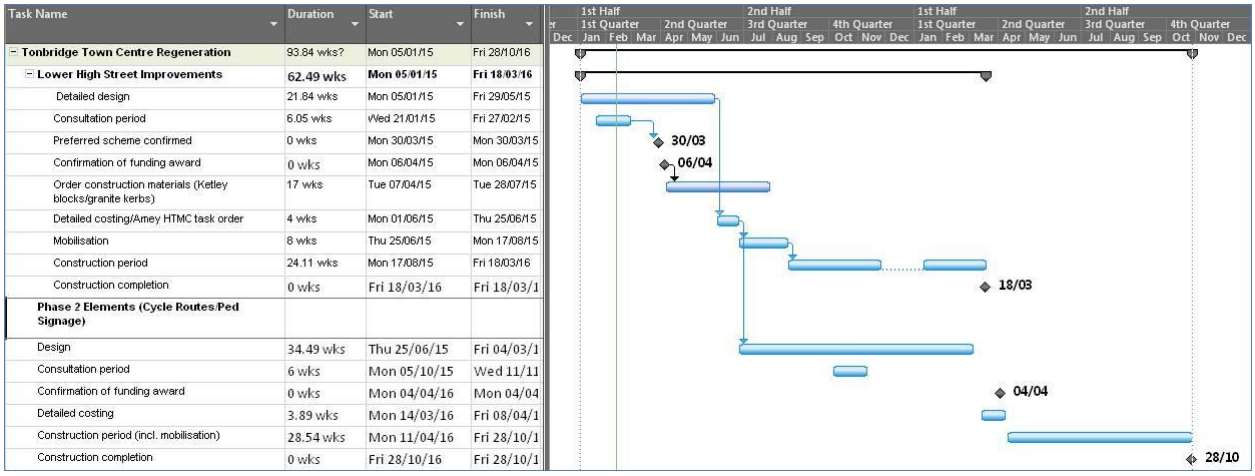
- Engage with the market place so they fully understand the schemes and our needs - we regularly meet contractors to discuss our forward programme. CECA - Civil Engineering Contractors Association visit KCC once a year to share experience/views.
- Tailor contracts to scheme specific circumstances i.e. one size does not fit all.
- Have a Quality component to Tenders - this also weeds out unrealistic low price tenders.

- Embrace Contractor's Quality commitments as contractual obligations.
- Have D&B on elements if appropriate - nearly always structures - because this is where tenderers will often always give an alternative tender to gain the commercial edge i.e. why incur fee designing when you end up with an alternative contractor's design.
- Have a separate specialist Cost Consultant to manage the commercial aspects rather than lumping in with a Site Supervisor/Project Manager role - even though Project manager is the formal decision maker under the NEC.
- Include high risk, programme impact activities such as archaeology into main contract i.e. risk transfer or rather risk placed where best managed.
- Actively manage utilities in advance of contract.
- Make every effort to know exactly where/how deep utilities are - their records are poor.
- Devote resources to Value Engineering but know when to stop before it has a negative impact on the contract/programme.
- Don't have variable price - we did but were lucky that impact was within budget - but it does risk considerable outturn cost uncertainty.
- Try and give maximum time for mobilisation ideal is a December award, Jan & Feb to mobilise and that then allows a prompt spring start to maximise good weather at start of job which is particularly weather dependent.

7.4 Project delivery and Approvals Programme

The identified programme for the delivery of the Lower High Street element of the scheme is shown in gantt chart form in Figure 10 below:

Figure 10 – Project Delivery Programme



Task Name	Duration	Start	Finish
Tonbridge Town Centre Regeneration	93.84 wks?	Mon 05/01/15	Fri 28/10/16
Lower High Street Improvements	62.49 wks	Mon 05/01/15	Fri 18/03/16
Detailed design	21.84 wks	Mon 05/01/15	Fri 29/05/15
Consultation period	6.05 wks	Wed 21/01/15	Fri 27/02/15
Preferred scheme confirmed	0 wks	Mon 30/03/15	Mon 30/03/15
Confirmation of funding award	0 wks	Mon 06/04/15	Mon 06/04/15
Order construction materials (Ketley blocks/granite kerbs)	17 wks	Tue 07/04/15	Tue 28/07/15
Detailed costing/Amey HTMC task order	4 wks	Mon 01/06/15	Thu 25/06/15
Mobilisation	8 wks	Thu 25/06/15	Mon 17/08/15
Construction period	24.11 wks	Mon 17/08/15	Fri 18/03/16
Construction completion	0 wks	Fri 18/03/16	Fri 18/03/1
Phase 2 Elements (Cycle Routes/Ped Signage)			
Design	34.49 wks	Thu 25/06/15	Fri 04/03/1
Consultation period	6 wks	Mon 05/10/15	Wed 11/11
Confirmation of funding award	0 wks	Mon 04/04/16	Mon 04/04
Detailed costing	3.89 wks	Mon 14/03/16	Fri 08/04/1
Construction period (incl. mobilisation)	28.54 wks	Mon 11/04/16	Fri 28/10/1
Construction completion	0 wks	Fri 28/10/16	Fri 28/10/1

The key project milestones are set out below:

- Complete detailed design of Lower High Street scheme 01/05/15
- Mobilise Amey TMC 08/07/15
- Lower High Street Construction complete 06/04/15
- Complete Cycle Routes/Pedestrian signage construction 31/03/17

7.5 Availability and Suitability 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 and Project Manager roles for the scheme have 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.

7.6 Communication and Stakeholder Management Strategy

7.6.1 Stakeholder Categorisation

Table 15 summarises the approach used to categorise the various scheme stakeholders.

Table 15 – Main Categories of Scheme Stakeholders

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

7.6.2 Engagement Categories

Table 16 shows the methods of engagement proposed for the various scheme stakeholders and interest groups.

Table 16 – Levels of Engagement with Scheme Stakeholders

Engagement Category	Details of Engagement Method
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

7.6.3 Stakeholder Communication Plan

Table 17 summarises the strategy for managing engagement with stakeholders for the Tonbridge Town Centre Regeneration scheme. It itemises the relevant stakeholders and interests. It also indicates the stakeholder category with which each is associated and identifies the engagement method proposed for handling each party.

Table 17 – Stakeholder Communication Plan

Name of Stakeholder / Interest Group	Stakeholder Category	Engagement and Consultation Level	Engagement Method
Tonbridge & Malling Borough Council	Beneficiary Statutory	Intensive consultation	Collaborative partnership in development of scheme
Kent Police	Statutory	Intensive consultation	Pre-exhibition briefing
Kent Fire Service	Statutory	Intensive consultation	Pre-exhibition briefing
Kent Ambulance	Statutory	Intensive consultation	Pre-exhibition briefing
Environment Agency	Statutory	Intensive consultation	Pre-exhibition briefing
Elected Members	Interest	Intensive consultation	Pre-exhibition briefing
High Street traders	Beneficiary Affected	Intensive consultation	Door to door individual consultation Public exhibition
Scheme users	Beneficiary	Consultation Information	Public exhibition
Other road users	Beneficiary Affected	Information	
Access and rights of way groups (including cycling)	Interest	Consultation	
Disabled access groups and individuals	Interest Affected	Consultation	
Tonbridge Town Team	Interest	Consultation	Pre-exhibition briefing
Tonbridge Rotary Club	Interest	Consultation	Pre-exhibition briefing
Tonbridge Lions Club	Interest	Consultation	Pre-exhibition briefing
Kent Association for Disabled People	Interest	Consultation	Pre-exhibition briefing

Name of Stakeholder / Interest Group	Stakeholder Category	Engagement and Consultation Level	Engagement Method
Tonbridge Civic Society	Interest	Consultation	Pre-exhibition briefing
West Kent Chamber of Commerce and Industry	Interest	Consultation	Pre-exhibition briefing
Federation of Small Businesses	Interest	Consultation	Pre-exhibition briefing
Age UK	Interest	Consultation	Pre-exhibition briefing
Tonbridge Area Churches Together	Interest	Consultation	Pre-exhibition briefing
Tonbridge Citizens' Advice Bureau	Interest	Consultation	Pre-exhibition briefing
Tonbridge Round Table	Interest	Consultation	Pre-exhibition briefing
Tonbridge & Malling Seniors Forum	Interest	Consultation	Pre-exhibition briefing
Tonbridge Historical Society	Interest	Consultation	Pre-exhibition briefing
Local press	Interest	Information	Pre-exhibition briefing
Road Haulage Association	Interest	Consultation	Pre-exhibition briefing
Freight Transport Association	Interest	Consultation	Pre-exhibition briefing
Local Enterprise Partnership	Beneficiary Funding	Information	Through LGF Business Cases & progress reports

A detailed plan setting out the stakeholder engagement processes and timetable is contained within this report as **Appendix C**.

7.7 Project Risk Management

7.7.1 Risk Management Strategy

Project risk will be managed as an on-going process as part of the scheme governance structure, as set out in section 7.2 of this report. A scheme risk register is maintained and updated at each of the two-weekly Project Steering Group meetings. Responsibility for the risk register being maintained is held by the KCC PM and is reported as part of the monthly Progress Reports.

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

An example scheme risk register is shown in Figure 11 below:

Figure 11 – Project Delivery Programme

7.7.2 Management Risk Summary

Table 18 below sets out the identified risks surrounding the management of the scheme.

Table 18 – Scheme Risk Assessment

Scheme Risk Item	Likelihood of Risk Arising (✓)			Impact Severity (✓)			Predicted Effect on Scheme Delivery & Outcome (✓)			Suggested Mitigation
	Low	Medium	High	Slight	Moderate	Severe	Slight	Moderate	Severe	
Public/political objection to scheme preventing its progression		✓				✓			✓	PR company engaged to assist with consultation phase. Detailed consultation plan to be developed to maximise engagement with interested parties
Unable to meet tight delivery programme and requirement to avoid impact on xmas trading			✓			✓			✓	Pre-order required materials in advance of construction period to avoid delay. Ensure procurement and construction procedures are sufficiently robust to minimise likelihood of construction difficulties. Adopt split construction period to straddle xmas embargo.

7.8 Project Assurance

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

7.9 Scheme Monitoring, Evaluation and Benefits Realisation

7.9.1 Overview

The strategy for monitoring the outcomes from the named scheme, once it is in operation, is usually contained within the Management Case. It identifies the scheme performance aspects, measurement items and thresholds of acceptability that will be monitored, in order to evaluate whether or not the scheme achieves its stated objectives and targeted outcomes and resolves the identified problems.

7.9.2 Outcomes Monitoring

Table 19 below provides a summary of the indicators which are to be used to monitor scheme outcomes which have been aligned to the scheme objectives.

Table 19 – Outcome Monitoring Indicators

Objective	Monitoring Indicator
Encourage new retailers/retail expenditure within Tonbridge Increased local employment opportunities	Increased pedestrian footfall in High Street
Improved car journey time reliability	Journey time reliability
Reduced nitrogen dioxide emissions	Recorded nitrogen dioxide emissions
Reduced number of recorded crashes within scheme	Recorded crashes within lower High Street
Increased pedestrian and cyclist modal split	Pedestrian/cycle modal split

7.9.3 Outcomes Evaluation/Benefits Realisation

Table 20 below provides a summary of the proposed measurement metrics and thresholds of acceptability that will be used to evaluate the benefits of the scheme.

Table 20 – Outcome Measurement and Acceptability Thresholds

Monitoring Indicator	Measurement	Acceptable Threshold
Increased pedestrian footfall in High Street	Annual pedestrian footfall within lower High Street	% increase from existing
Journey time reliability	Mean journey time variation using GIS data	% increase from existing
Recorded nitrogen dioxide emissions	Annual mean Nitrogen Dioxide (NO_2) measured at AQMA monitoring station	Recorded level of less than 49 μgm^{-3}
Recorded crashes within lower High Street	Recorded personal injury crashes within lower High St	Reduced number of PIC's within 5 year period post implementation of scheme compared with existing data
Pedestrian/cycle modal split	Combined % of pedestrian /cyclist trips within town centre	% increase from existing

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

Appendix A Proposed Scheme Plans

Appendix B Lower High Street Cost Estimate Summary

Appendix C Stakeholder Consultation Process

Appendix D Section 151 Officer Letter