A24 Network Resilience
Epsom Town Centre
Submission to Coast to Capital LEP
Surrey County Council
January 2017
Coast to Capital Local Growth Fund – Outline Business Case

A24 Epsom Town Centre Network resilience Scheme

Annex

A  Business Case Supporting Spreadsheet
B  Epsom Town Centre Resilience Report Technical Feasibility Study
C  A24 Resilience Epsom, Cost Estimate
D  A24 Resilience Epsom, Microsimulation Modelling: Technical Note
E  Letters of support
F  Project Governance
G  Communication and Stakeholder Engagement Plan
This document provides a template for an Outline Business Case (OBC) in support of Coast to Capital’s investment in a project to be funded through the Local Growth Fund.

The main purpose of the OBC is to put forward the case for change and the preferred way forward identified in an internal Strategic Outline Case (SOC); which establishes the option which optimises value for money; outlines the deal and assesses affordability; and demonstrates that the proposed scheme is deliverable.

In practice, you will find this entails updating the strategic case; undertaking investment appraisal within the economic case; and completing the commercial, financial and management cases, with supporting benefits and risk registers.

Please note that this template is for guidance purposes only and should be completed in accordance with any guidance issued by Coast to Capital and the guidelines laid down in HM Treasury’s Green Book which can be found at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

The OBC should cover the 5 cases – the Strategic case, the Economic case, the Commercial case, the Financial case and the Management case.

The amount of work and detail put in to a Business Case should be proportionate to the scale of the project or programme, and the expenditure involved.

Coast to Capital Disclaimer

There shall be no expectation of grant payment unless and until a funding agreement is signed by both parties. All the Applicant’s costs and charges incurred as a result of making this outline application shall be for the Applicant’s account and cannot be claimed as part of the project except where feasibility funding has been prior awarded.
1. Executive Summary

1.1) Overview of the project including what opportunity or barrier the investment will unlock:

Scheme Overview

The A24 is a major strategic link running north east to south west through Epsom Town Centre. This route carries some 25,000 vehicles per day and is the vital link to Epsom’s economy.

The A24 gyratory around Epsom Town Centre has been identified as a network that is in need of significant capital funding as the carriageway nears the end of its design life. Life cycle maintenance has been undertaken, in line with SCCs Asset Management Strategy over the ensuing years, including some ‘thin overlays’, Local Structural Repairs (LSR) and patching, but it has largely been piecemeal and its structural life is now nearing its end. This is due to SCC funding constraints and the difficulty in delivering a coordinated highway maintenance strategy in this busy town centre.

The delivery of ‘Epsom Plan E Highway Improvements scheme’ presents the opportunity to address these maintenance issues by funding the ‘A24 Network Resilience Scheme’. This co-ordinated approach to project delivery provides a cost effective way of undertaking both highway improvements and highway maintenance in this busy town centre, maximising the benefits of Plan E by removing future maintenance disruptions after the Plan E Highway Improvement scheme is complete.

Removing investment barriers in our towns

The A24 Network Resilience Scheme supports the SEP’s focus on Epsom through investment in ‘Town Centre Regeneration and Linking of Major Commercial Estates’. Epsom, an area that has been categorised by C2C as a ‘latent growth location’ is seeking to maximise its potential by implementing an Area Action Plan for the town centre which unlocks:
- Housing developments of 635 new homes within the town centre;
- Up to 6,000sqm of new employment floor-space; and
- The potential to provide an additional 500 jobs.

The importance and benefits from completing the A24 Network Resilience Scheme in tandem with the Epsom ‘Plan E’ Highways Package cannot be over-emphasised. Ultimately, as a consequence of the funding not being secured the longevity and therefore benefits of the Plan E Highway works will be eroded by building upon poor foundations.

1.2) Please choose the theme in which the LGF funding will invest in directly (please choose only one main theme of relevance)

<table>
<thead>
<tr>
<th>Theme</th>
<th>Infrastructure</th>
<th>Housing and Regeneration</th>
<th>Skills and workforce</th>
<th>Business and Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing and Regeneration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skills and workforce</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business and Enterprise</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.3) The fit with the Strategic Economic Plan and Devolution Deals

How does the scheme contribute to the objectives and priorities of the SEP.

Epsom and Ewell has been categorised by C2C as a ‘latent location’ for growth. This scheme supports the Coast to Capital’s Strategic Economic Plan, including its visions for London; focusing on locations where growth will concentrate; backing business growth and innovation networks; skilled population’ technology; infrastructure; and housing.

Visions for London

With direct rail links to London Waterloo and London Victoria, and situated on the A24 strategic corridor, Epsom is a gateway to London. Growth in London’s population and outward location of business and employment...
activity will inevitably have a spill over effect on Epsom & Ewell. This will affect demand for space in the borough. The SEP recognises that strategic locations along the road and rail corridors between London and Brighton need to remain attractive, conducive and competitive places.

Successful Growth Locations

The SEP recognises that the Epsom & Ewell borough is a ‘latent location’. This scheme focuses on a location where growth will concentrate, Epsom Town Centre.

Attract investment from the private sector/successful business community

The scheme assists with the delivery of new floor-space and employment opportunities. It creates the conditions for Epsom Town Centre businesses to flourish. The Strategic Economic Plan recognises that a failure to invest in transport would significantly hold back economic growth.

Improved access to opportunities

The transport improvements will tackle ad-hoc delays as the result of an increasing year on year reliance on reactive maintenance to keep the highway safe and ensure the town is accessibly 24/7.

Housing and infrastructure

The scheme will help develop sustainable communities by investing in strategic infrastructure to help unlock growth through improvements to the transport network.

Supporting SEP Investment

Epsom Plan E Highway Improvement scheme returns the gyratory back to a two-way system, with new pedestrian and cycle links and improved public transport links. The A24 Network Resilience Scheme assists both the Boroughs Town Centre Area Action Plan and the Epsom Plan E Highway Improvement Scheme in unlocking 635 homes and 6,000 sqm of new employment floor space.

How the A24 Network Resilience Scheme aligns with Coast to Capitals five transport objectives

1. Connectivity: “Can I get where I want to go?”
   By delivering this key maintenance improvement along A24 in a cost effective and coordinated manner, we can eliminate the need for road closures and lengthy diversion routes as a result of reactive maintenance. This will enable people to get to where they need to go directly in the future.

2. Reliability: “Will I arrive when I expect?”
   By delivering this key maintenance improvement along A24 in a cost effective and coordinated manner, we can eliminate the need for signal delays that are caused as a result of reactive maintenance. This will give people certainty when travelling that their journey is not disrupted by ad-hoc delays.

3. Capacity: “Will I get a seat, a parking space, a clear road?”
   Of the 181 carriageway defects identified and repaired for the calendar year 2015, 28 where managed directly by the highways gang which involved setting out lane closure and 8 required the support of specialist TM gang (road closure, traffic lights, stop/go). Road works reduce the capacity of our highways.

4. Quality: “Will my journey be healthy, safe, clean, sustainable and enjoyable?”
   The majority of journeys that are disrupted by highway maintenance are not enjoyable, particularly if lengthy delays occur whilst lanes or road are closed. Driver stress is increased when drivers are delayed or diverted down unfamiliar routes. By delivering maintenance to the A24 in a coordinated and cost effective manner we can reduce stress levels and provide an enjoyable (as possible) driving experience around Epsom High Street.

5. Resilience: “Will transport be there when I need it – 24/7?”
   The network is disrupted by delays and not available whilst lanes or road closures are in place. By contributing to the funding that is required to deliver this coordinated and cost effective maintenance scheme for A24, we can ensure that Epsom Town Centre is available when it is needed and we can assist in addressing the potential of growth for the town.
This scheme will result in a transport network in Epsom Town Centre that is better connected and more resilient, better able to support existing users and serving to attract more consumers and businesses from wider afield.

**Contributing to other objectives Supporting Policy**

The A24 Resilience bid for Epsom Town Centre aligns closely with local policies, including:

- **Corporate Plan 2012-16: Making Epsom & Ewell an excellent place to live and work.**

  The economic vitality of Epsom is a key priority of its residents, and many businesses strongly supported the high level ambitions set out in Plan E.

- **Corporate Plan 2016-21: Confident in Surrey’s Future**

  At the heart of Surrey’s new corporate plan are three strategic goals:
  1. Wellbeing – That everyone in Surrey has a great start to live, and can live and age well
  2. Economic prosperity – Surrey’s economic remains strong and sustainable
  3. Resident experience – Residents in Surrey experience public services that are easy to use, responsive and value for money.

  Investment in A24 Network Resilience for Epsom Town Centre can provide a highway that supports the existing and future prosperity of Epsom high street, and make Epsom a great place for people to live, work and visit. Economic prosperity is inextricably linked to having a functioning and reliable transport network.

- **Epsom Town Centre Area Action Plan (May 2011)**

  Plan E is a long term strategy for the town centre and provides a framework for future change up to 2026. It is a long term ‘Spatial’ Strategy which will help deliver not only the Council’s objectives for the town centre, but also the Local Strategic Partnership and partner organisation’s goals and aspirations. It builds upon the vision for the vibrant and prosperous town centre.

  Measures within the A24 Network Resilience bid which are considered to assist in the delivery of the Plan E vision include:

  - Significant reduction in maintenance disruption, reduced road space reductions and an increasingly
  - A vibrant, healthy and safe shopping environment combined with a high quality townscape and attractive and accessible environment for all;
  - Thriving day-time and night-time economies;
  - An improved public realm that contributes to the Town Centre’s historical character and appearance and provides opportunities for biodiversity enhancements;
  - Improved public transport links and facilities, combined with an enhanced environment for pedestrians and cyclist, providing clear and safe opportunities for movement around the town;
  - An improved sense of safety and security for all town centre users, at all times of the day and night, and a reduction in anti-social behaviour; and
  - A centre which can be planned, managed and promoted in a positive way.

  Policy E3 of the Area Action Plan identified the aim for the town centre as maintaining its position in the wider sub-region as a secondary regional centre, with its offer reflecting that of a quality retail market town. The A24 Network Resilience scheme will assist in achieving the vision as set out in Epsom Town Centre Area Action Plan.

- **Surrey Local Transport Plan (LTP3 2014):**

  The Epsom & Ewell Local Transport Strategy & Forward Programme identified key issues on Epsom’s transport network, identifying a need to address congestion and improve pedestrian accessibility to the town centre to boost the economic vitality of the town centre. This includes: - Improvements to the road surface within the town centre, which is a fundamental part of the A24 Network Resilience bid.
Devolution Deals

The ‘Three Southern Counties’ (3SC) proposal aims to improve life for residents and businesses. This proposal is fully aligned with, and in support of the 3SC partnership’s devolution aspirations which are for more economic growth, greater productivity and improved public services.

1.4) Expected Total Project Cost and source of funding. Please also complete the funding breakdown tab on the supporting spreadsheet.

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>Amount</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Cost</td>
<td>£1,935,938.00</td>
<td>100%</td>
</tr>
<tr>
<td>Applicant own funds</td>
<td>£292,000.00</td>
<td>15%</td>
</tr>
<tr>
<td>Other public funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private sector funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding requested from Coast to Capital LEp</td>
<td>£1,643,938.00</td>
<td>85%</td>
</tr>
</tbody>
</table>

1.5) Expected tangible core outputs/outcomes: Please also complete the outputs tab of the supporting spreadsheet.

<table>
<thead>
<tr>
<th>Output/outcome</th>
<th>Metric</th>
<th>Number to be delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment- created and/or safeguarded</td>
<td>No.</td>
<td>500</td>
</tr>
<tr>
<td>Businesses assisted- financial and non- financial</td>
<td>No.</td>
<td>Conservative estimate: All business’s within Epsom Town Centre.</td>
</tr>
<tr>
<td>Skills- new learners and/or apprentices</td>
<td>No.</td>
<td></td>
</tr>
<tr>
<td>New housing unit completions</td>
<td>Units</td>
<td>c635</td>
</tr>
<tr>
<td>New floor space constructed/refurbished- learning</td>
<td>Sq mtr</td>
<td></td>
</tr>
<tr>
<td>New floor space constructed/Refurbished- Commercial</td>
<td>Sq mtr</td>
<td>c6,000</td>
</tr>
<tr>
<td>Length of new roads/cycle ways</td>
<td>Km</td>
<td>1.6</td>
</tr>
<tr>
<td>Improvement to journey times</td>
<td>Minutes per mile</td>
<td>1,409,940 (per annum)</td>
</tr>
<tr>
<td>Carbon reduction</td>
<td>Tonnes of CO2</td>
<td></td>
</tr>
</tbody>
</table>

1.6) Main risks and issues the project will need to manage?

A risk register is provided in Annex B, page 25.

The management of key risks:

The main risks relate to SCC match funding and NRSWA road space bookings whilst the Plan E Highway Improvement scheme is delivered.

The management of key issues:

Much of the total cost and cost variable revolves around NRSWA permits, and maximising programme opportunities which will be coordinated within the detailed design, procurement and project management process to maximise the value for money of the scheme.

There is a clear opportunity to integrate resilience work into the Plan E project to remove costs through shared use of temporary traffic management, diversions and road space, as will optimising labour and plant resources.

There is also some duplication and overlap in the engineering work and cost if both schemes are constructed.
### DOCUMENT STATUS

#### REVISION HISTORY

<table>
<thead>
<tr>
<th>Revision Date</th>
<th>Version No.</th>
<th>Summary of changes</th>
<th>Author/editor</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/01/2017</td>
<td>1</td>
<td>Business Case Submission to C2C</td>
<td>S. Howard\R. Banner</td>
</tr>
</tbody>
</table>

#### DOCUMENT AUTHOR

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Organisation</th>
<th>E-mail address</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steve Howard \ Richard Banner</td>
<td>Mr</td>
<td>Surrey County Council</td>
<td><a href="mailto:Steve.Howard@Surreycc.gov.uk">Steve.Howard@Surreycc.gov.uk</a></td>
<td>Contact Centre: 0300 200 1003</td>
</tr>
</tbody>
</table>

#### DOCUMENT OWNER

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Organisation</th>
<th>E-mail address</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lyndon Mendes</td>
<td>Mr</td>
<td>Surrey County Council</td>
<td><a href="mailto:Lyndon.Mendes@Surreycc.gov.uk">Lyndon.Mendes@Surreycc.gov.uk</a></td>
<td>Contact Centre: 0300 200 1003</td>
</tr>
</tbody>
</table>

#### DISTRIBUTION LIST

- SCC Cabinet Member for Highways, Transport & Flooding
- SCC Deputy Director for Environment & Infrastructure
- Epsom & Ewell Borough Council Chief Executive
- C2C LEP
2. The Strategic Case

2.1) Describe the compelling case for change.

Strategic Fit.

The proposed A24 Network Resilience Epsom Town Centre Scheme will positively contribute towards achieving the policies, strategies and aspirations on a national, regional and local level. This section explores these policies and their strategic fit to this business case:

National Policies

- Government priorities for transport are reflected in ‘Creating Growth, Cutting Carbon: making Sustainable Local Transport Happen’ (January 2011) and point to the link between a well-functioning transport system contributing positively to economic success.
- The Climate Change Act 2008 established a long-term framework to reduce the UK’s greenhouse gas emissions. Schemes that reduce traffic congestion, either by removing delays and/or removing diversions will help reduce carbon, sulphur and nitrogen oxides (NOx and SOx), and particulate emissions in town centres.

Regional Policies

- Coast to Capital LEP has developed a Strategy for Growth (2014) by investing in business critical infrastructure including transport and flood defences to deliver vigorous business growth to rival the best in Europe and the rest of the World. Resilience schemes to help keep the network operating 24/7 have been identified to help unlock stalled economic growth within the Coast to Capital area.
- Surrey Connects Strategy (2011) puts forward a strategy for ‘Smart Economic Growth’ – extracting more from less. Surrey Connects is an independent organisation focussed on economic development working with Surrey County Council to stimulate enterprise growth and encourage investment in the County. Within this strategy, the delivery of major transport infrastructure projects are categorised as a key aspect of enabling global competitiveness, a condition that promotes Smart Economic Growth.
- Surrey Future: Congestion Programme (2014) – With anticipated employment in Surrey predicted to grow by 11% by 2031, the pressure on roads are such that congestion is expected to increase by 9% over the next two decades. One of the priorities going forward is to improve Surrey’s roads by providing additional capital funding to support our highways (5,000km of roads, 200km shared cycleway/footway, 1650 structures (bridges, footbridges, underpasses, subways, culverts and retaining walls)). The 40,000 road and street works carried out annually cause a considerable inconvenience to residents and businesses due to the substantial delays they cause, but by working collaboratively and implementing long term mitigation these disruptions can be minimised.

Local Policies

- Epsom & Ewell Core Strategy (2006 – 2026) - These works will dovetail with the Plan E Highway Improvement Scheme measures that help facilitate and support the planned housing needs identified in the Epsom & Ewell Core Strategy. The strategy states that 3,620 housing units are planned between 2006 and 2026. Specific to this scheme, Plan E Policy E2 identified the Town Centre as having the capacity to deliver circa 635 new residential units within the Town Centre during the period between 2010 and 2026.
- These works align strongly to SCC’s Environment & Infrastructure Directorate Vision and priorities (2014/15) which seek to repair road defects within an appropriate amount of time and delivers the County Council’s priorities in the renewal of 100km of the county’s road network.
A compelling case for change.

Generally the entire A24, town centre one-way gyratory, C195 Waterloo Road and B290 Ashley Road are in very poor condition, with significant surface delamination, deformation at stress points and some evidence of structural failure at binder course and below. Significant reflective cracking and failure at road base joint locations is also prevalent in the concrete sections.

The County Highways Asset Management and works ordering database evidences an extremely high number of defect repairs undertaken as reactive maintenance for carriageways and footways in this location.

The costs of reactive repairs has necessitated that the Highway Authority move towards programmes of jet patching which will further shorten the life of repairs and undermines the visual amenity that other LEP funded urban townscape projects are striving to achieve.

Relatively small amounts of future funding will likely be found over the forthcoming years for surface repairs to this network, with the disruption for what are ‘super patches’ on the motorist being disproportionate to what could be achieved through one major planned and financed highway reconstruction and resurfacing project.

Without this funding Surrey County Council would continue to inspect and maintain the highway in accordance with their duties under the Highways Act 1980 and adopted inspection policies. Hence, carriageway defects would be addressed on an ad-hoc basis, leading to frequent and widespread disruption on the route.

Planned patched maintenance when funding becomes available will be limited due to financial constraints and competing resources, and would not deliver the same benefits as a single strategic re-surfacing approach.

A successful A24 Network Resilience bid is required to deliver a single strategic re-surfacing approach for the A24 around Epsom Town Centre, maximise the benefits of both local drainage and resurfacing maintenance and complement the Epsom Plan E Highway Improvement scheme works to minimise disruption and road closures.

2.2) Investment Objectives - detail the specific objectives to achieve the anticipated outcomes.

The Economic Objective for the scheme is to support The Coast to Capital Strategic Economic Plan and Epsom & Ewell Core Strategy Spatial Vision 2022, which envisages the borough as economically strong and a good place to live, work and visit. This scheme supports Epsom & Ewell Borough Council addressing this latent demand, by unlocking:

- housing development of c635 new homes within the town centre;
- creating up to c6,000sqm of new employment floor-space; and
- potential to provide an additional c500 jobs.

The Local (Scheme) Objectives are:
- To remove the need for future planned and/or reactive maintenance on the A24 around Epsom Town Centre by delivering this key highways maintenance improvement in a cost effective and coordinated manner.
- To improve journey time reliability by removing ad-hoc delays that are created as a result of reactive maintenance, by delivering the A24 Network Resilience Scheme we will help to keep the network operating 24/7, a priority for the Coast to Capital LEP.
2.3) Stakeholder Engagement carried out.

A number of stakeholders have been consulted with for this project (listed below in table 2.4). Letters of support are shown in Annex E. As per paragraph 6.8 Surrey County Councils Works Communication team will liaise with businesses and residents prior to and during the construction of works.

2.4) List the key stakeholders and their interest areas.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Interest area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thames Water</td>
<td>Surface Flooding and Sewage</td>
</tr>
<tr>
<td>Highways England</td>
<td>The operation of the Strategic Network</td>
</tr>
<tr>
<td>Epsom &amp; Ewell Borough Council</td>
<td>Town Centre Economy and Interests</td>
</tr>
<tr>
<td>Steve Howard</td>
<td>Epsom Plan E ‘Highways’ Project Manager</td>
</tr>
<tr>
<td>SCC’s Asset Management Group</td>
<td>Drainage &amp; Maintenance</td>
</tr>
<tr>
<td>Works Communications Team</td>
<td>Stakeholder engagement prior to and during construction</td>
</tr>
</tbody>
</table>

2.5) What are the strategic issues, risks and constraints that may impact successful delivery of the project?

A detailed risk register is provided on Page 25 of in Annex B.

For the successful delivery of the project it is recommended that:-

- The resilience work is undertaken within a single contract / managed project,
- The resilience components should be to a detailed input specification,
- The contractor shall be responsible for all temporary traffic management and diversion routes, and carry financial risk,
- The contractor shall be responsible for all costs associated with working at night and other non standard hours,
- The client will provide a framework of working conditions and constraints on principles agreed with the Traffic Manager, including access and servicing provision,
- The client will provide a robust quality control process to ensure specification compliance,
- A risk schedule will be prepared and costed to cover client liability for unavoidable client responsibilities (emergency service directives, weather, street work directives etc).

2.6) Project Dependencies

Project Dependencies

Epsom ‘Plan E’ refers to the Area Action Plan (AAP) adopted by the Borough Council in 2011. The Plan E AAP is a long term strategy for the town centre and provides a framework for growth in Epsom up to 2026. As a long term development plan, it will help deliver the Borough Council’s objectives and aspirations for the town centre. It builds on the vision for the town centre set out in the Borough’s Core Strategy adopted in 2007.

Epsom has seen significant change and this is likely to continue. It is therefore important to plan to ensure that Epsom reaches its full potential and remains a vibrant and distinctive place where people want to visit, work, live and study. The A24 Network Resilience Scheme is dependent upon the implementation of Epsom Plan E. Epsom Plan E is dependent upon schemes which enable its objectives and aspirations, such as the A24 Network Resilience Scheme.
Associated Projects

Delivery of the **Epsom ‘Plan E’ Highways Improvement Scheme** will begin in January 2017, supporting the regeneration of Epsom town centre. These measures will tackle congestion and improve accessibility of the gyratory, helping to create a vibrant town centre which is attractive to consumers and businesses. Headline improvements include implementing two way traffic movements on South Street, enhancements to the Spread Eagle Junction and the market place junction. The **A24 Epsom Town Centre Network Resilience Scheme** compliments ‘Plan E’ highways to maximise the benefits achieved through delivering these upgrades.

Delivery of the **Epsom-Banstead Sustainable Transport Package** is expected to begin in 2017, subject to a successful business case submission in 2016. This scheme enhances connectivity between the boroughs of Epsom & Ewell and Reigate & Banstead and complements the A24 Network Resilience Scheme.

As a future pipeline scheme, **Kiln Lane Link** will provide an underpass between Blenheim Road, Ewell and Kiln Lane, Epsom, to enable vehicular and non-motorised traffic to cross the Mole Valley rail line. This scheme will ease heavily congested routes along Hook Road and Chessington Road caused by prevailing east-west traffic movements severed by the railway line. An objective for this scheme is to connect two strategic employment hubs at Longmead Industrial Estate and Nonsuch Industrial Estate, which would remove some traffic and HGVs from Epsom Town Centre.

**2.7) Project disruption**

Given that the A24 is a strategic route there will be disruption whilst these works are undertaken. Indeed, this is one factor that has accelerated the poor condition of the carriageway. By undertaking these works whilst Epsom Plan E ‘Highway Improvement works are implemented there will be a considerable reduction in the amount of disruption due to future maintenance. Stakeholder engagement will be undertaken during these works as set out in 6.7, Communications and stakeholder management, to minimise the impacts of the disruption and to keep residents, councillors and business’s informed.

**3. The Economic Case**

**3.1) Please describe the options that have been considered in selecting the project proposal, completing both box 1 and 2.**

**Box 1:**

<table>
<thead>
<tr>
<th>Option Name:</th>
<th>Description:</th>
<th>Total cost:</th>
<th>Amount requested:</th>
<th>Core outputs (see 1.5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do nothing, minimum or status quo</td>
<td>Do Nothing is not acceptable as SCC has duty of care, underpinned by a defect intervention practice involving inspections and reactive maintenance.</td>
<td>£0</td>
<td>£0</td>
<td>No Outputs</td>
</tr>
<tr>
<td>Proposed option</td>
<td>Resurface the whole of Epsom Town Centre to maximise the benefits of Epsom Plan E ‘Highways’</td>
<td>£1,935,938</td>
<td>£1,643,938</td>
<td>As per 1.5</td>
</tr>
<tr>
<td>Alternative option, do minimum:</td>
<td>Maintain Status Quo</td>
<td>£292,000 or more per annum as condition deteriorates.</td>
<td>£0</td>
<td>Housing and growth targets may be achieved, but transport disruption would remain.</td>
</tr>
</tbody>
</table>

**Box 2:**

<table>
<thead>
<tr>
<th>Option Name:</th>
<th>Advantages:</th>
<th>Disadvantages:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do nothing,</td>
<td>None</td>
<td>Discounted as the highway asset (The A24</td>
</tr>
</tbody>
</table>
primary route network) would continue to deteriorate and will need to be maintained.

<table>
<thead>
<tr>
<th>Proposed option</th>
<th>Value for Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximises the benefits of Plan E</td>
<td></td>
</tr>
<tr>
<td>Reduces Future Maintenance costs</td>
<td></td>
</tr>
<tr>
<td>Requires Local Growth Funding</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Alternative option, do minimum:</th>
<th>Affordable (Low Cost)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintains status quo, although still reliant on SCC Capital Funding to support reactive maintenance.</td>
<td></td>
</tr>
</tbody>
</table>

### 3.2) The preferred option

**What options have been considered to address this problem and why have alternatives been rejected?**

**Do Nothing** – This has been discounted as the highway asset (The A24 Primary Route Network) would continue to deteriorate and will need to be maintained. A very ineffective best use of resources, but dictated by the absolute need for a consistent approach to all County roads.

**Do Minimum** – Investment funding from SCC’s existing budgets would continue to be utilised as and when available given that these funds are allocated upon a competitive basis. This will result in a greater proportion of our maintenance funding being utilised to “slap and dash”, which is not cost effective given that Epsom Plan E Highway Improvement scheme works will be underway and the roads will, at times, be closed.

**Preferred Option** – To successfully deliver a coordinated Resilience Scheme that addresses the long term maintenance issues for Epsom town centre. This option provides good value for money as there is a high first year rate of return (FYRR) of **19.32%**, as explained in Section 5.4 Value for Money.

**Scheme Benefits**

The expected benefits of the scheme are:

- To support local and regional economic growth. The Epsom Plan E Highway Improvement scheme works helps to unlock circa 635 new homes, and 6,000sqm of new employment space. The A24 Resilience Scheme will help maximise these benefits.
- Improved journey time reliability/reduced disruption by removing the need for both reactive and planned maintenance.
- Air Quality improvements by removing the disruption caused by the need for both reactive and planned maintenance.
- A reduction in road noise due to the improved carriageway surface.
- Improved accessibility to shops – reduction in ‘splash’ from carriageway pot holes.
- Improved bus waiting facilities – reduction in ‘splash’ from carriageway pot holes.

The benefits that this scheme will deliver for Epsom and Ewell, Surrey County Council and the Coast to Capital area cannot be overestimated. If delivered in tandem with the Epsom ‘Plan E’ Highway Improvements scheme in 2017, the combined schemes will provide a reliable and resilient highway network to support the upgrade in surface materials to improve the appearance of the market place and surrounding area to enable the market place to thrive and further enhance the economic vitality of the whole town centre.

The SEP recognises that Epsom is already a success story as a business location. Epsom and Ewell as a borough contributed £1.3 billion GVA to Britain’s economy in 2011. However, it is ‘performing well below its potential’. Hence the need for Coast to Capital to support Epsom and Ewell to grow as a business location.

Despite recent investment in some key locations, C2C SEP recognises that the borough is a ‘latent location’. Continued investment by Coast to Capital would ensure the continued provision of commercial and business services for residents over a wide area, including Ewell, and potentially Banstead, Leatherhead and Croydon.
This scheme supports the SEP’s focus on Epsom through ‘Town Centre Regeneration and Linking of Major Commercial Estates’.

This scheme supports Epsom Plan E which will assist with addressing ‘latent demand’ by unlocking:
- housing development of 635 new homes within the town centre;
- creating up to 6,000sqm of new employment floor-space; and
- potential to provide an additional 500 jobs.

The Epsom & Ewell Core Strategy Spatial Vision 2022 envisages the borough as economically strong and a good place to live, work and visit. Epsom Town Centre will have retained the best of its character, and will be an even more attractive place in which to move around on foot and to shop. The unpleasant impacts of traffic management will have been reduced and the town will be a vibrant centre meeting the day to day needs of those who live or work in the town, or who visit it for the range of services and facilities it can provide. The package will make a major contribution to achieving this vision.

3.3) Issues with preferred option.

The main issue to be resolved before Surrey County Council can progress this option relates to securing the 15% match funding from the Project Horizon programme. The other issues are then relatively straightforward, the detailed design will need to be completed, road space booked and delivery co-ordinated with the other phases of the Epsom Plan E Highway Improvements scheme and other events such as the Derby Festival and other planned development related works in the area.

3.4) What are the top 5 risks of this option?

The top 5 risks are:
1. Receiving early notice of scheme approval to enable co-ordination with the delivery of these improvements with the Epsom Plan E highway improvement scheme works and other works in the area.
2. The costs of the works increasing due to unforeseen circumstances (weather/civil emergencies).
3. NRSWA road space booking required in advance of works
4. Unforeseen hazards such as the identification of Tar which impact upon costs.
5. Procuring contractors within scheme delivery programme.

Please complete the boxes below, answering only those relevant for the theme of your project, referring to the guidance available. Please also complete the outputs tab of the supporting excel spreadsheet.

3.5) Economic impact

Retention of existing jobs or creation of new jobs Employment sites:

These improvements will support the planned employment needs identified in the Epsom & Ewell Core Strategy.

Plan E Policy E5 indentifies that development will deliver around 6,000 sqm of new employment floor-space within the town centre in the period to 2026. It is anticipated that the majority of this new provision will be focused on existing employment locations such as East Street and Ashley Avenue, coming forward either through the development of opportunity site allocations (such as the Utility Site East Street, indentified under Plan Policy E15) or through intensification of other employment nodes (such as Ashley Avenue, which is home to a number of modern office developments that have capacity for intensification).

According to the Economic Development Plan for Epsom & Ewell Borough, the projected employment floor-space development covered in the Epsom Plan E long term strategy for the Town Centre for office space will be met by 2026.

By applying an average of 1 full time job for every 12 square meters of general office space (Employment Density Guide, 2010), the 6,000 sqm of new employment floor-space within the town centre will generate 500 jobs.
In addition to this, the present day latent demand of 11,000 sqm of vacant office and retail space could result in 1187 additional jobs, contributing an additional £60.9m GVA to C2C’s economy (by utilising Surrey Average GVA per head).

Unlocking or improving access to new dwellings

These improvements will support the planned housing needs identified in the Epsom & Ewell Core Strategy.

The strategy states that 3,620 housing units are planned between 2006 and 2026. Specific to this scheme, Plan E Policy E2 identifies the Town Centre as having the capacity to deliver circa 635 new residential units during the period between 2010 and 2026. It is anticipated that the key opportunity sites, as defined in the Local Plan Proposals Map, will deliver a significant proportion of this as follows:

- Upper High Street and Depot Road site: Plan E Policy E14 identifies about 130 units across the whole site. The site has yet to be redeveloped. However, there is a proposal (at the pre-application stage) for a mixed use development (comprised of a food store and residential accommodation) on part of the site. This proposal could yield at least 30 new units.
- Utilities site, East Street: Plan E Policy E15 identifies about 250 units across the whole site. Part of the site (Linton’s Lane redevelopment) is currently under construction. This part of the site will yield 85 new additional units. It is anticipated that the remainder of the site’s residential units will come forward during the period 2022-26.
- Epsom Station site: Plan E Policy E16 identifies about 100 units. This site has now been redeveloped and has yielded 117 additional units.
- Former magistrates’ site: this is an opportunity site identified under Plan E Policy E17D. The policy anticipated a redevelopment comprised of up to 54 units additional new units. The site has since been fully redeveloped and has yielded 46 new additional units.
- TKMaxx, High Street: (65 units)
- Church Street: this is an opportunity site identified under Plan E Policy E17G. The policy anticipates up to 50 units across the whole site area. The site has yet to be redeveloped. However, there is a proposal (at the pre-application stage) that could yield up to 27 new units on part of the site (the former Police Station).
- Comrades Club, The Parade – this is an opportunity site identified under Plan E Policy E17H. The policy states that the site could come forward for a variety of commercial uses; exclusive of residential uses. The site has permission for a mixed use scheme comprised of private members club (at ground floor), a café (also at ground floor) and a hotel (across upper floors). Work on site has started with completion anticipated during 2017.
- Shaftsbury House: this was a preferred housing site allocation with an anticipated yield of 39 units. It has since been redeveloped and has yielded 45 new units (all as affordable accommodation).

Plan E Policy E5 makes reference to ‘other opportunity’ sites within Epsom Town Centre, specifically conversions of upper floor office/retail accommodation (Policy E5). These types of site are classified as “small and medium scale windfalls” – they tend to individually yield up to 10 new units (at most). They are not a reliable source of housing land supply, as their delivery is difficult to predict (and map out on a trajectory) with any accuracy. But on the basis of recent experiences, these typically deliver around 10 new units via this source of supply per annum.

In addition in the last couple of years there has been some release of town centre office stock to residential via the changes to the permitted development regime. These have been monitored – principally from the loss of office stock perspective. To date the town centre has lost about 17 office buildings to residential use. These have yielded around 100 new additional residential units. However, please note that since the loss of these units, the local planning authority has introduced Article 4 Directions on much of the remaining modern office stock – thereby curtailing this source of potential supply.

Encouragement of new businesses or protection of existing businesses.
The number of businesses in Epsom and Ewell peaked in 2009 and has subsequently declined, although levels have remained above the national average. The borough has a number of high profile employers, including WS Atkins, Premium Credit, and Epsom Coaches and has continued to attract additional employers with the recent relocation of offices of Nuffield Health bringing an additional 450 jobs to the town (Economic Development Plan for Epsom & Ewell, Economic Growth Management, March 2014).

3.6) Environmental Impact

This section describes the outputs of a ‘high level’ and proportionate assessment of the environmental impacts of the Epsom A24 Resilience Scheme.

Expected impact on carbon emissions.
It is considered that the scheme will be ‘slightly beneficial’ for carbon emissions.

Traffic delays (vehicle idling) and the re-routing of journeys along diversion routes add to vehicle emissions. These are a typical by-product of road works. By removing the need for reactive maintenance we will remove the need to road works, thus one would expect carbon emissions to decrease.

Expected impact on air quality
The air quality of the High Street and South Street is likely to remain relatively good.

It is considered that the scheme will overall be ‘slightly beneficial’ for air quality.

Traffic delays (vehicle idling) and the re-routing of journeys along diversion routes add to vehicle emissions. These are a typical by-product of road works. By removing the need for reactive maintenance we will remove the need to road works, thus one would expect the air quality to improve during times of maintenance works.

Expected impact on noise and the natural and urban environment.

It is considered that the scheme will overall be ‘slightly beneficial’ for noise pollution.

From site observations it is clear that the dilapidated surface of the carriageway adds to the noise of the urban environment. It is one of the five factors that influence the noise generated from vehicles (speed, traffic volume, traffic composition, road gradient, road surface condition). As vehicles pass over or brake on pot holes, there is an increase in the noise from the vehicle. By removing such defects in the carriageway one would expect there to be a slight benefit by the reduction of noise pollution.

3.7) Social Impact

Expected regeneration & deprivation impacts

It is considered that the scheme will have an overall ‘slightly beneficial’ impact upon regeneration and deprivation.

Current travel conditions are perceived to be a barrier to businesses locating to Epsom. The scheme dovetails the proposed measures in the Plan E highway improvements scheme which provide sufficient improvements in accessibility and travel conditions to help attract business activity to the town centre and other employment areas close to the town centre. This would assist in achieving the borough’s Area Action Plan objectives to:

- Ensure that Epsom remains a focus for employment uses and maintains and enhances its attractiveness as a location; by providing the opportunity to retain existing business, up-scale employment sites (moving away from low-density and low value storage uses), provide intensification of town centre employment densities and increase commercial land values.

Expected impact upon severance, physical activity, accessibility.
It is considered that the scheme will have a ‘neutral’ impact upon severance, physical activity and accessibility.

The town centre currently caters for around 22,000 vehicular movements a day. Whilst the road surface is unlikely to prevent vehicles from travelling, any improvements in the condition of the road will improve the experience for the driver, passenger, and pedestrian/cyclist using/crossing that section of the road.

3.8) The number of people and businesses positively impacted by the intervention?

As the main town centre in the Borough, Epsom plays a vital role in the community, being the focus for a range of services and activities. The importance of maintaining a vibrant and vital town centre is widely recognised, and government policies positively encourage those involved in town centres to be proactive in their management and change.

Epsom is a successful town centre although, like all town centres, it faces a variety of challenges and pressures. It has seen significant change over the past few years and this is likely to continue. In transport terms, the two greatest challenges to be addressed relate to congestion ‘Epsom Plan E Highway Improvement scheme’ and network resilience ‘Epsom Town Centre (A24)’. By investing in our towns where the majority of people live, work and visit we can maximise the amount of benefits we provide to our residents. It is likely that all town centre businesses and residents will benefit from the funding of this intervention.

Gatwick Diamond Initiative

The Gatwick Diamond Initiative (GDI) is a business-led partnership, with the aim of growing the region’s existing jobs base, attracting new jobs and securing investment from companies that most closely match our industry strengths. The GDI seeks to promote the Gatwick Diamond area’s strengths and highlight strategies for the predominant sectors that drive the local economy. Investment in the Epsom Banstead scheme which is wholly situated within the Gatwick Diamond and supports their GDI aim.
3.9) Follow on Investment

Due to the proximity this project is closely tied to Epsom Plan E. Epsom Plan E will deliver at least 635 new residential units within the Town Centre during the period between 2010 and 2026 and maintain its position in the shopping hierarchy as a secondary regional centre by delivering the following growth:

Convenience goods: there is capacity for an additional 2,466 sq m by 2026.

Comparison goods: there is capacity for an additional 7,730 sq m by 2026.

This project has significant investment synergy with Epsom Plan E Highway Improvement scheme as Epsom Plan E Area Action Plan is rolled out.

3.10) Skills projects only- Impact on Skills Provision

N/A

3.11) Business and Enterprise projects only- Impact on business growth

Epsom’s town centre is tucked into a largely residential area so while there are retailers who’d like to have a shop in town there simply aren’t many places for them to go. This could change in the longer term if under-used sites are developed –such as the Depot Road area and the gas works site.

Improvements to Derby Square are set to start towards the end of 2016 and new businesses including Green Life, Café Senzo and Prezzo, are opening cafes or restaurants in the town centre which will further boost the food offer.
Improvement works to the roads and junctions are planned to start early in Jan 2017, which will improve the appearance of the town centre, ensure a better flow of traffic and allow pedestrians to move about more freely.

Businesses in Epsom are looking seriously at whether they’d like to set up a Business Improvement District to strengthen the competitiveness of the town centre. These business-led, business-funded bodies aim to improve the business conditions in a town centre, boost footfall, make the area more attractive to shoppers, customers, clients and staff.

3.12) Infrastructure and Regeneration and Housing projects only- Physical and aesthetical impact- Does the project make a positive and lasting contribution to the physical, human and cultural environment?

As the main town centre in the Borough, Epsom plays a vital role in the community, being the focus for a range of services and activities. Like most town centres, it faces a variety of challenges and pressures.

The poor condition of the carriageway impacts upon the look and feel of the town. Surface dilapidation creates noise pollution within the town centre, which doubles to create ‘splash’ when it rains. This detracts from the quality and attractiveness of Epsom Town Centre, which in terms impacts upon the delivery of the vision for the Town Centre.

By undertaken these works we will improve the town centre both physically and aesthetically. By understanding these works we will make a positive and long lasting improvement to the built environment of Epsom Town Centre.

3.13) If your project results in service and other improvements then please provide baseline data below.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Baseline</th>
<th>What the intervention will achieve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of network closures</td>
<td>648 instances of network closures</td>
<td>&lt;50 instances of road works within the study area.</td>
</tr>
<tr>
<td>Journey times</td>
<td>23,499 hours delay</td>
<td>&lt;1,807 hours delay reduction compared to 2015</td>
</tr>
</tbody>
</table>

4. The Commercial Case

4.1) Please provide details of your envisaged procurement route.

The current total value of the works in the package is £1.94m (approx), which falls well below the OJEU threshold. This work will be procured through our existing Term Maintenance Contract (TMC), see 4.3 below.

4.2) Involvement of private development partners.

There are no private development partners required to deliver this project. As a Resilience Scheme, Surrey County Council is the sole delivery agent.

4.3) Procurement plan and timescales.

The County Council has considered a number of options for procurement of the works for the A24 Network Resilience Scheme. The preferred procurement route is to utilise the existing term maintenance contract (TMC) with Kier, which is appropriate in terms of scale and scope for the following reasons:

- The current total value of the works in the package is £1.94m (approx), which falls below the OJEU threshold.
• The TMC offers the County Council the shortest route to the market, with a procurement period of 4 months (maximum).
• The County Council proposes to deliver the design and implementation of the scheme in 2017/18.
• The TMC offers the County Council the flexibility to procure the works as and when the scheme can be delivered in conjunction with Epsom Plan E Highway Improvement Scheme.
• The TMC is a familiar route to market for this type of works.
• Aligning work and contractors with Plan E Highway Improvements scheme will not compromise ownership for defects repairs.

As indicated in 4.1, the County Council proposes to use its term maintenance contract with Kier to deliver the works for A24 Network Resilience Scheme. The procurement period will at most be 4 months and is factored within the delivery period of 2017/18.

The procurement process for the scheme will start with the issue of works information package including detailed design drawings, bills of quantities, pre-construction information and design risk assessment to Kier. Kier will then invite three of their supply chain contractors who have already been vetted and approved by SCC to submit tenders for the delivery of the works. Kier will then award the contract for the delivery of the works to the Contractor which submits the Most Economically Advantageous Tender, subject to acceptance of the price and programme by the County Council.

4.4) How will the project contribute towards social value?

Epsom Town Centre is the main focus for economic activity within the Borough. It is classified as a secondary regional centre. The Town Centre provides a good range and choice of facilities and caters for a wide range of needs. As well as providing services and functions for those who live, work, study or visit the Borough, it also provides a network of meeting places and social spaces in the public realm.

This project will ensure that Epsom Town Centre remains ‘Open for Business’. By investing in the transport links that brings people to our towns we can increase the levels of economic, social and cultural activities within a safe and secure environment.

By utilising the Term Maintenance Contract (Kier) to deliver this scheme we also enhance the social value of the project through employment and training opportunities (including apprenticeships), and environmental protection through eco-efficient contractor operations. Kier has a corporate sustainability action plan covering the above opportunities and requires similar of their sub-contractors.

The county council’s contract with Kier includes KPIs in relation to diversion of waste from landfill, use of recycled materials to stimulate the market for recycling and reducing carbon emissions from direct operations. This contract also provides apprenticeship employment opportunities and training for local people.

4.5) State Aid Compliance.

This is a public highway scheme aimed at reducing congestion and improving general accessibility to the advantage of the wider regional economy. The project is not designed to provide any advantage or discriminate against any commercial organisation.

For these reasons Surrey County Council deems the scheme to be State Aid Compliant.
5. The Financial Case

5.1) what is the estimated total project cost and the amount of LGF being applied for? Please complete the funding breakdown tab in the supporting excel spreadsheet.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total project cost (£k)</th>
<th>LGF (£k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>16/17</td>
<td>1,936</td>
<td>1,644</td>
</tr>
<tr>
<td>17/18</td>
<td>1,936</td>
<td>1,644</td>
</tr>
<tr>
<td>18/19</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>19/20</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>1,936</td>
<td>1,644</td>
</tr>
</tbody>
</table>

Year | Total project cost (£k) | LGF (£k)
|-----|--------------------------|----------|

5.2) Please set out the project expenditure items

Please state the date of this estimate – December 2016.

<table>
<thead>
<tr>
<th>Projects costs (delete as appropriate)</th>
<th>Total cost (£)</th>
<th>LGF (£)</th>
<th>Match funding (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning and Feasibility studies</td>
<td>50</td>
<td>43</td>
<td>-</td>
</tr>
<tr>
<td>Construction, inc - materials, equipment and labour</td>
<td>1,350</td>
<td>1,147</td>
<td>292</td>
</tr>
<tr>
<td>Project management</td>
<td>100</td>
<td>85</td>
<td>-</td>
</tr>
<tr>
<td>Contingency*(25%)</td>
<td>375</td>
<td>319</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Net Cost</strong></td>
<td><strong>1,875</strong></td>
<td><strong>1,593</strong></td>
<td><strong>292</strong></td>
</tr>
<tr>
<td>Inflation and Optimism Bias</td>
<td>61</td>
<td>51</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Gross Cost</strong></td>
<td><strong>1,936</strong></td>
<td><strong>1,644</strong></td>
<td><strong>292</strong></td>
</tr>
</tbody>
</table>

Please see Annex C for a more detailed breakdown of the technical cost estimates for the various areas.

Since the detailed cost estimate in Annex C was produced the technical estimates have been revised to incorporate an increase in contingency from 10% to 25%. This is based on the following assumptions and results of recent investigations surveys including additional carriageway coring.

- the identification of tar in subsequent carriageway cores taken at Spread Eagle junction and the reaffirmation of the fundamental failure of the Waterloo Road structure at the Spread Eagle junction.
- potential additional drainage work as Thames Water appear to have suspended their planned major maintenance programme
- the technical report presumed a competitive procurement exercise, but the proposal will be that work should be placed through the Councils highway maintenance term contract (Kier) because:
  - the nature of work falls within the scope of work of that contract
  - overlap with permits and consents, working space
  - accountability for remedials and works guarantees, where the two projects overlap the same template
- the low optimism bias uplift prescribed in the TAG guidance for this project (3%)

These revised assumptions have produced the final scheme costs as set out in Table 5.2 above, based on the technical detailed cost estimates in Annex C and replaces costs set out in Section 8 & 9 in Annex B (Pg23 to 25)

| Construction Works Budget | £1,500,000 |
| Contingency (25%)         | £375,000   |
| **Works Total**           | **£1,875,000** |
| Inflation (0.25%)         | £4,687     |
| Optimism Bias (3%)        | £56,250    |
| **Total Costs**           | **£1,935,938** |
5.3) Net Present Value cash flow analysis.

<table>
<thead>
<tr>
<th>Options</th>
<th>NPV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do nothing, minimum or status quo</td>
<td>N/A</td>
</tr>
<tr>
<td>Proposed option</td>
<td>£362,325.66</td>
</tr>
<tr>
<td>Alternative option</td>
<td>-£362,325.66</td>
</tr>
</tbody>
</table>

*Please note that a First Year Rate of Return is presented.*

**Please detail your project assumptions and discount rate used:**

Value of Time (VoT) benefits have been discounted to 2010 values. Further information pertaining to the methodology of the First Year Rate of Return can be found in Annex D.

5.4) Value for money.

A transport model has been utilised for the economic appraisal of the scheme. The model replicates disruption to the network as a result of reactive highway maintenance repairs which have been estimated using past data from the SCC Works Management System (WMS). The number of repairs in the WMS database 2015 was multiplied by the average duration of works, assumed to be 2 hours.

<table>
<thead>
<tr>
<th>Reason for network closure</th>
<th>Number of hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway work – reactive</td>
<td>362</td>
</tr>
<tr>
<td>Local Structural Repair (LSR)</td>
<td>24</td>
</tr>
<tr>
<td>Utility</td>
<td>262</td>
</tr>
<tr>
<td>Total</td>
<td>648</td>
</tr>
</tbody>
</table>

A validated S-Paramics model of Epsom town centre was used to test the closure of a lane for carriageway works, and the subsequent increase in delay was applied to a generalised cost equation. The generalised cost equation showed the economic impact of the increases in delay as a result of the closure. Along with average delay, trip purpose and value of time were calculated to produce a cost of time if the maintenance scheme was not completed.

This process is deemed to be consistent with the previously agreed methodology for other SCC resilience schemes where the change in delay between the do-nothing and intervention has been assessed.

With this generalised cost, the FYRR was calculated at 19.32%, which means that the cost of the scheme will be recouped within ~5 years of its completion.

**Overall, this maintenance scheme of the A24 through Epsom town centre provides good value for money as there is a high first year rate of return of over 19.32%**.

For further details of the modelling assumptions please see Annex D.

There are other tangible benefits to this project which cannot be modelled as such. There are no agreed financial values for modelling the benefits of the improvements to public realm, the physical environment, the walking environment (movement towards shared space carriageway equals pedestrian space and the splash impact of standing carriageway water on footways), sustainable travel (splash effect to bus passenger, pot holes to cyclists etc), accessibility (disabled and visually impaired) and social distribution.

SCC asset records suggest that there is no clear evidence that the A24 in Epsom is prone to regular closures and emergency diversions due to flooding, although it might be argued that in wet conditions this road does not drain well and this will impact on speeds and traffic flow through the network. This has been the basis for economic modelling for other resilience schemes, albeit on networks with 40, 50mph or national speed limits (model agreed with LEP). Carriageway depressions, ruts and potholes create standing water directly impact on public realm, footfall and retail profitability.
The economic appraisal of this scheme does not include specific quantum relating to accident savings as they have largely been covered by the Plan E business case, or air quality improvement as Epsom is not an area of specific concern, although in both cases there would be some additional benefit if this project were funded.

5.5) VAT status

Surrey County Council is registered for VAT (The VAT registration number is GB 216 9472 49). All and any VAT incurred on this project will be recovered by Surrey County Council, therefore the costs for this project have not included VAT.

5.6) Financial Sustainability

This purpose of the project is to reduce the costs of future maintenance following completion, albeit over a 60 year appraisal period it is recognised that further works will be needed. These future costs would be absorbed into the maintenance contract SCC hold.

6. The Management Case

6.1) In which financial year do you expect your project to commence? 2017/18

6.2) In which financial year do you expect your project to complete? 2017/18

6.3) Please set out the key milestones related to the project.

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Start date</th>
<th>Completion date</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEP Funding Award:</td>
<td>February ’17</td>
<td>February ’17</td>
</tr>
<tr>
<td>Cabinet approval of match funding: (DATE)</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Detail Design of Scheme: (DATE)</td>
<td>06/03/17</td>
<td>13/04/17</td>
</tr>
<tr>
<td>Appoint Contractor: (DATE)</td>
<td>18/04/17</td>
<td>15/05/17</td>
</tr>
<tr>
<td>NRSWA Orders: (DATE)</td>
<td>06/03/17</td>
<td>31/03/18</td>
</tr>
<tr>
<td>Mobilisation: (DATE)</td>
<td>15/05/17</td>
<td>31/05/17</td>
</tr>
<tr>
<td>Construction: (DATE)</td>
<td>12/06/17</td>
<td>31/03/18</td>
</tr>
<tr>
<td>Post Scheme Monitoring and Evaluation: (DATE)</td>
<td>01/04/18</td>
<td>31/03/19</td>
</tr>
</tbody>
</table>

6.4) Project management arrangements

Surrey County Council utilises the principals of the Association of Project Managers (APM) to ensure that schemes are delivered on time and to budget. As shown below, a project manager (6.5) will be charged with overseeing the project and the governance (6.6) includes project boards and delivery groups overseeing progress.

6.5) Key project roles and responsibilities.

Director of Finance: Sheila Little
Head of Procurement: Laura Langstaff
Senior Responsible Officer: Jason Russell
Project Sponsor: Lyndon Mendes (Client)
Project Manager: Steve Howard (Client)
Works Delivery: (To Be Appointed) (Designer)
Works Communications: Officer Steven Wheeler (Public Liaison)
Contractor: (To Be Appointed) (Kier)

6.6) Governance, oversight and accountability

Surrey County Council’s project governance details are provided in Annex F.

6.7) Communications and stakeholder management
Surrey County Councils Works Communication team liaise with businesses and residents prior to and during the construction of works. Our Works Communication team are guided by our Customer and Stakeholder Engagement Plan (CSEP) attached in Annex G which sets out the processes that Surrey County Council uses. As shown in the plan for a scheme of this type (Town Centre) we will be guided by the Works Communication team but will provide as a minimum 14 working days notice prior to the commencement of works.

### 6.8) Benefits management

The monitoring and evaluation of schemes is essential in helping to assess to what extent a scheme has realised its objectives, whether the scheme is offering value for money and what benefits have been achieved. It can also be helpful in ensuring that lessons are learnt from past experiences so that these lessons can be applied to future projects and decision-making.

The monitoring and evaluation of the ‘Epsom Town Centre A24 Resilience Project’ will be proportionately prepared in accordance with Department of Transport (DfT) guidelines contained in the Monitoring and Evaluation Framework for Local Authority Major Schemes (September 2012). Please see 6.9 for further details.

### 6.9) Project evaluation

Surrey County Council agrees to monitor this scheme’s progress against the set of ‘standard measures’, being:

- Scheme Build
- Delivered Scheme
- Costs
- Scheme Objectives
- Travel times and reliability of travel times
- Impact on the economy, and
- Carbon Impacts

As a resilience scheme, these ‘standard measures’ will be reported in the ‘One Year After’ evaluation report. Surrey County Council will arrange for the data collection to be undertaken in conjunction with the production of this evaluation report.

**Recommendation/ Declaration**

**Recommendation- please state clearly the recommended action this business case supports.**

Generally the entire A24, town gyratory, C195 Waterloo Road and B290 Ashley Road are in a poor condition, with significant surface delamination, deformation at stress points and some evidence of structural failure at binder course and below. Significant reflective cracking and failure at road base joint locations is also prevalent in the concrete sections.

The County Highways Asset Management and works ordering database evidences an extremely high number of defect repairs undertaken as reactive maintenance for carriageways and footways in this location. The costs of reactive repairs has necessitated that the Highway Authority move towards programmes of jet patching which will further shorten the life of repairs and undermines the visual amenity that other LEP funded urban townscape projects are striving to achieve.

Without this funding Surrey County Council would continue to inspect and maintain the highway in accordance with their duties under the Highways Act 1980 and adopted inspection policies. Hence, carriageway defects would be addressed on an ad-hoc basis, leading to frequent and widespread disruption on the route.

Planned patched maintenance when funding becomes available will be limited due to financial constraints and competing resources, and would not deliver the same benefits as a single strategic re-surfacing approach.

A successful A24 Network Resilience bid is required to deliver a single strategic re-surfacing approach for the A24 around Epsom Town Centre, maximise the benefits of both local maintenance and Epsom Plan E Highway Improvement scheme.
<table>
<thead>
<tr>
<th>Declaration:</th>
<th>I certify that the information provided in this Outline Business Case is complete and correct at the time of submission.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature:</td>
<td>Jason Russell</td>
</tr>
<tr>
<td>Print Name:</td>
<td>Jason Russell</td>
</tr>
<tr>
<td>Title:</td>
<td>Deputy Director Environment &amp; Infrastructure</td>
</tr>
<tr>
<td>Date:</td>
<td>06/01/17</td>
</tr>
</tbody>
</table>

Before submitting your Business Case ensure you have all the required supporting documentation:

- One electronic copy of the business case template, signed and dated
- Excel Spreadsheet
- Any other Supporting documents and evidence required