Please note: that this document sets out the questions that will be required to complete on the online portal. This document is for your information to help you prepare your Business Case and will not be accepted as a form of submission. All Business Cases will be required to be submitted by completing the questions on the Homes England HIF portal.
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<tr>
<td>8.</td>
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<td>96</td>
</tr>
</tbody>
</table>
**Bid Details**

Lead Authority: Surrey County Council

Is it a joint bid with other Local Authorities? Yes

Local Authority: Runnymede

**Contact Details**

First Name: Paul
Last Name: Millin
Email address: paul.millin@surreycc.gov.uk
Telephone: 020 8541 9365
1. The Project

1.1 Project summary

1.1.1 What is the name of your scheme?
A320 North of Woking

1.1.2 Please provide an Executive Summary for your proposal.

The A320 North of Woking is an arterial corridor in Surrey connecting a number of villages, international business locations, a regional hospital and Junction 11 of the M25 in the area between Ottershaw to the south and Chertsey to the north. It currently suffers from significant congestion and this constraint is preventing new growth from sites that will feed on to the road and access the hospital, retail centres and the Strategic Road Network.

Due to flooding, ecological and strategic Green Belt constraints elsewhere in Runnymede Borough the only deliverable housing sites, to be realised from the Green Belt to meet housing need in the area, are in the immediate vicinity of the corridor. The Highway Authority (Surrey County Council (SCC)) and Local Planning Authority (Runnymede Borough Council (RBC)), working in partnership with neighbouring authorities and Highways England have undertaken extensive assessment of the current highway network capacity and have identified that new growth cannot be accommodated without Severe impact to the local network and the Strategic Road Network junction. Feasibility work has been undertaken to demonstrate that the necessary improvements can be brought forward, but the number of effected sites and scale of the necessary interventions require Forward Funding to ensure housing delivery can be secured. Capacity improvements to five road junctions, including the M25 junction itself, and four associated link roads are necessary therefore to allow 7 sites to be released from the Green Belt to delivery 3,687 homes. The A320 Feasibility Study and resulting Topic Paper are provided as attachments 1 and 2.

The largest of the sites is the Longcross Garden Village, over 1,700 homes in a new community already recognised by Homes England as one the first identified locally-led Garden Villages, to come forward with a suite of new associated community infrastructure, including a school, retail and local centre facilities, a country park, and an enhanced railway station. The Village also includes an Enterprise Zone, EZ2, providing around 1 million square foot of new commercial floorspace. Details of each of the housing sites, including Longcross Garden Village, are provided as attachments 3 to 9.

Within the proposal area the St Peter’s Hospital, a regional hospital with A&E facilities, and an ambulance station all take direct access from the A320. Preserve and enhancing accessibility for these essential health facilities is a key wider benefit of the proposal. St Peter’s Hospital has also identified a proportion of their site as surplus land and have secured planning permission, conditional on the A320 capacity works, to release this public sector land for over 400 homes. The associated capital receipt will then be reapplied to the capital programme of the hospital funding a new acute care wing and other improvements.

The essential highway improvements to bring these sites forward is the single piece of strategic infrastructure necessary to allow the adoption of the Runnymede 2030 Local Plan, a plan to provide for over 7,500 homes by 2030 in a borough recognised in the top 6% for constraints in the Country (according to the Ministry for Housing, Communities and Local Government ‘Planning for the right homes in the right places’ consultation) and with affordability ratios significantly higher than the national, or even south east averages. With around 3,500 homes dependent on the highway infrastructure that makes up the proposal this Forward Funding bid generates significant housing benefits, brings forward a Locally-led Garden Village, allows the release of public sector land currently owned by DEFRA and St Peter’s hospital, and allows the adoption of an up to date Local Plan for Runnymede.

1.1.3 Please provide an overview of the project, including your project scope for the infrastructure and for the wider project.

The A320 North of Woking project will enable the delivery of 3,687 new homes within Runnymede Borough across 7 sites, including Longcross Garden Village. The project scope comprises works to 8 junctions and links summarised below and shown in attachments 10 to 17:

Junction 1: A320 Chilsey Green Road / St Ann’s Road / B388 Thorpe Road / Staines Road

Works comprise: (a) carriageway widening in 4 key locations; (b) marking the circulatory carriageway as two lanes; and (c) new controlled crossing on Chilsey Green Road in the vicinity of Pyrcroft Grange Primary School.
Junction 6a & 6b: A320 Guildford Road / Green Lane & A320 Guildford Road / Holloway Hill

Works involve implementation of a large signal controlled crossroads including: (a) 3 lane approaches on Guildford Road north and Holloway Hill; (b) 2 lane approaches on Green Lane and Guildford Road south; left turn slip lanes on all approaches; (c) 2 lane exits on all arms; (d) right turn pocket on Holloway Hill at the junction with Hardwick Lane; (e) 4m wide shared use foot/cycleways around the junction; and (f) controlled pedestrian/cycle crossings.

Junction 8: A320 Guildford Road / Hillswood Drive / Bittams Lane

Works involve: (a) 3 lane approach on Guildford Road north; (b) dedicated lane through roundabout for southbound vehicles on Guildford Road; (c) 3 lane exit on Guildford Road south; (d) 2 lane entry and exit on the St Peter’s Hospital access road; (e) left turn only exit on Bittams Lane approach; (f) 4m wide shared use foot/cycleway along west side of Guildford Road; (g) enhanced pedestrian/cycle crossing across Guildford Road north arm; and (h) relocated bus stop lay-by on Guildford Road north approach.

Junction 10: A320 Guildford Road / Murray Road / Chobham Road

Key features are: (a) large conventional roundabout with 2 lane entries and exits on all approaches; (b) dedicated left turn lane from Chobham Road to Guildford Road north; (c) realignment of Brook Road; (d) loss of existing surface car park located to the north of Murray Road; (e) 4m wide shared use foot/cycleway along west side of Guildford Road; and (f) controlled crossing facilities at southern end of proposed junction.

Link 1: Guildford Road (Outside Salesian School)

Scheme includes: (a) widening of Guildford Road north approach to Green Lane junction; (b) conversion of existing segregated cycle route on the east side of Guildford Road to shared use foot/cycleway; and (c) widening eastern footway on Guildford Road at the northern end of Salesian School to continue shared use foot/cycleway.

Link 2: Guildford Road (Holloway Hill to Bittams Lane)

Scheme proposes: (a) widening A320 Guildford Road to provide single wide traffic lanes in each direction; (b) 4m shared use foot/cycleway; (c) 2m wide footway on the east side of Guildford Road; (d) carriageway widening at both ends of the link to tie into schemes at Junction 6a & 6b and Junction 8; and (e) shared use foot/cycleway from western footway on Guildford Road to St Peter’s Hospital.

Link 3: Guildford Road (St Peter’s Way to Chobham Road)

The scheme involves: (a) widening Guildford Road carriageway immediately south of St Peter’s Way roundabout to extend the length of the two lane exit to reduce the frequency and duration of the blocking back through the Guildford Road / St Peter’s Way junction; and (b) conversion of existing cycle route to a 4m wide shared use foot/cycleway with widening of the existing route in some locations.

Link 4: St Peter’s Way & M25 Junction 11

The scheme incorporates measures to reinforce the 50mph speed limit and proposed carriageway widening eastbound along St Peter’s Way. At the M25 Junction 11 installation and upgrading of traffic signal controls where will be delivered together with revised road markings for all arms of the junction.

1.2 Site details

1.2.1 How many housing sites will the funding bring forward?

7 sites
1.2.2 Please provide a list of the housing sites that the funding will bring forward, including the amount of units to be delivered on each site and the lower tier or unitary authority the site is in.

<table>
<thead>
<tr>
<th>Site Name</th>
<th>Units</th>
<th>Local Authority</th>
<th>Current Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site 1</td>
<td>Hanworth Lane, Chertsey</td>
<td>225</td>
<td>Runnymede Borough Council</td>
</tr>
<tr>
<td>Site 2</td>
<td>Longcross Garden Village, Former DERA Site, Chobham Lane, Longcross</td>
<td>1,725</td>
<td>Runnymede Borough Council</td>
</tr>
<tr>
<td>Site 3</td>
<td>St Peter’s Hospital, Chertsey</td>
<td>475</td>
<td>Runnymede Borough Council</td>
</tr>
<tr>
<td>Site 4</td>
<td>Parcels A to E, Chertsey Bittams, Chertsey</td>
<td>628</td>
<td>Runnymede Borough Council</td>
</tr>
<tr>
<td>Site 5</td>
<td>Ottershaw East, Ottershaw</td>
<td>202</td>
<td>Runnymede Borough Council</td>
</tr>
<tr>
<td>Site 6</td>
<td>Parcel B, Vet Labs Site, Addlestone</td>
<td>152</td>
<td>Runnymede Borough Council</td>
</tr>
<tr>
<td>Site 7</td>
<td>Pycroft Road, Chertsey</td>
<td>280</td>
<td>Runnymede Borough Council</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,687</strong></td>
<td><strong>3,687</strong></td>
<td><strong>Runnymede Borough Council</strong></td>
</tr>
</tbody>
</table>

1.2.3 Please provide site boundaries for all housing sites.
Mapped using the online tool

1.2.4 Please attach scheme plan(s) for your proposal – these should include plans of all housing sites and infrastructure.
Attachments 3 to 9 housing sites
Attachments 10 to 17 infrastructure
1.2.5 *What is the total size of the development (in hectares)?*  
192 hectares

1.2.6 *Of the total development size, what is the total housing area (in hectares)?*  
90 hectares

1.2.7 *How much of the total housing area is on brownfield land (in hectares)?*  
61 hectares

1.2.8 *How much of the total housing area is on Public Sector Land (in hectares)?*  
16 hectares

1.2.9 *What is the current planning status of the sites?*

*These should be set out against the following: full/detailed; outline, planning in principle, allocated or none. If a scheme has partial planning for a phase please provide this in the commentary. If you have Full/Detailed or Outline planning, you will need to provide planning references.*

<table>
<thead>
<tr>
<th>Site 1 Hanworth Lane</th>
<th>Planning Status</th>
<th>Planning reference (if applicable)</th>
<th>Commentary (i.e. site with both outline and full planning)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site 2 Longcross Garden Village</td>
<td>Outline, Allocated</td>
<td>RU.13/0856</td>
<td>Outline permission to Longcross North including 200 homes (planning ref RU.13/0856) Longcross South and Longcross Barracks allocated for housing in the emerging Local Plan Policy SD10</td>
</tr>
<tr>
<td>Site 3 St Peter’s Hospital</td>
<td>Outline, Planning in principle, Allocated</td>
<td>RU.17/1815</td>
<td>Planning permission has been resolved to be granted subject to a s106 agreement Emerging Local Plan Policy SL13</td>
</tr>
<tr>
<td>Site 4 Parcels A to E Chertsey Bittams</td>
<td>Allocated</td>
<td></td>
<td>Emerging Local Plan Policy SL14 to 18</td>
</tr>
<tr>
<td>Site 5 Ottershaw East</td>
<td>Allocated</td>
<td></td>
<td>Emerging Local Plan Policy SL12</td>
</tr>
<tr>
<td>Site 6 Parcel B Vet Labs</td>
<td>Allocated</td>
<td></td>
<td>Emerging Local Plan Policy SL11</td>
</tr>
<tr>
<td>Site 7 Pyrcroft Road</td>
<td>Allocated</td>
<td></td>
<td>Emerging Local Plan Policy SL6 Pre-application discussions have recently commenced.</td>
</tr>
</tbody>
</table>
1.2.10 **What are the proposed tenures of the homes delivered?**

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Percentage of units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable sale</td>
<td>10%</td>
</tr>
<tr>
<td>Affordable rent</td>
<td>23%</td>
</tr>
<tr>
<td>Market Sale</td>
<td>59%</td>
</tr>
<tr>
<td>Market Rent</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
</tbody>
</table>

Other (please specify): Gypsy and Traveller Pitches and Extra Care Units

1.3 **Infrastructure requirements**

1.3.1 **What types of physical infrastructure is the HIF funding required for? Please tick all that apply:**

<table>
<thead>
<tr>
<th>Infrastructure Type</th>
<th>X</th>
<th>X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road/Highway — Strategic Road Network</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rail</td>
<td>Education</td>
<td>Digital infrastructure</td>
</tr>
<tr>
<td>Health Facilities</td>
<td>Green infrastructure</td>
<td>Flood Defence</td>
</tr>
<tr>
<td>Public Realm Works</td>
<td>Water works</td>
<td>Land Remediation</td>
</tr>
<tr>
<td>Land assembly</td>
<td>Utility Network Extension</td>
<td>Utility Capacity</td>
</tr>
<tr>
<td>Other (please provide details)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.3.2 **Please provide further details on the HIF infrastructure requirements based on the information provided above and their link to the delivery of housing.**

<table>
<thead>
<tr>
<th>Option selected</th>
<th>Description of infrastructure requirement</th>
<th>Amount of HIF funding required</th>
<th>Link to Housing</th>
<th>Site’s benefitting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road/Highway — Strategic Road Network</td>
<td>The proposed improvements involve works to Junction 11 of the M25</td>
<td>£10,755,225</td>
<td>Works to the M25 Junction 11 and the St Peter’s Way link connecting it to the A320 are essential for the delivery of 3,687 homes across all 7 sites. Highways England will not support the Runnymede Borough Council Local Plan and the levels of housing proposed within it without works taking place to the M25 Junction 11</td>
<td>Hanworth Lane, Chertsey Longcross Garden Village, Former DERA Site, Chobham Lane, Longcross St Peter’s Hospital, Chertsey Parcels A to E, Chertsey Bittams, Chertsey Ottershaw East, Ottershaw Parcel B, Vet Labs Site, Addlestone Pyrcroft Road, Chertsey</td>
</tr>
<tr>
<td>Road/Highway — Other</td>
<td>The proposed improvements comprise works to 4 junctions and 3 links along the A320</td>
<td>£33,381,697</td>
<td>The highway works are required to facilitate the development of all 7 housing</td>
<td>Hanworth Lane, Chertsey Longcross Garden Village, Former DERA Site, Chobham</td>
</tr>
<tr>
<td>Sites and are connected to the delivery of housing as follows with a Grampian clause included (or to be included) in all planning consents:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Junction 1 improvements enable 280 homes on Pycroft Road site</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Junction 6a and 6b improvements enable 3,053 homes on Hanworth Lane, Longcross Garden Village, St Peter’s Hospital and Chertsey Bittams sites</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Junction 8 improvements enable 3,687 homes across all sites</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Junction 10 improvements enable 354 homes on Ottershaw East and Vet Labs sites</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sites connected to delivery of housing as per Grampian clause included in all planning consents:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Link 1 enables 505 homes on Hanworth Lane and Pycroft Road sites</td>
</tr>
<tr>
<td>Link 2 enables 3,333 homes on Hanworth Lane, Longcross Garden Village, St Peter’s Hospital, Chertsey Bittams and Pycroft Road sites</td>
</tr>
<tr>
<td>Link 3 enables 354 homes on Hanworth Lane, Longcross St Peter’s Hospital, Chertsey Parcels A to E, Chertsey Bittams, Chertsey Ottershaw East, Ottershaw Parcel B, Vet Labs Site, Addlestone Pycroft Road, Chertsey</td>
</tr>
</tbody>
</table>
1.3.3 **Please outline, in further detail, the direct link between the infrastructure scheme/s and how this unlocks the homes identified in your bid.**

The A320 North of Woking is currently over capacity and cannot accommodate any increase in dependency through new development along the route. To deliver the identified housing need within the Runnymede area requires highways improvements to eight junctions and links along the A320 North of Woking. Without improvements just 272 new homes will be built. Runnymede Borough Council is in the process of promoting its Local Plan 2030 however Highways England has objected to the Local Plan on the basis that improvements are required to the M25 Junction 11 before any further homes can be built. As a result, a Grampian condition has been included within consented schemes and will continue to be used as schemes come through the planning system preventing occupation of new development until such time as the A320 improvements have been made. The text for the Grampian condition is included at attachment 18.

The infrastructure scheme unlocks the delivery of 3,687 new homes across seven sites, including Longcross Garden Village. A summary of the interrelationship between the highways improvements and delivery of homes is provided below:

- To deliver 225 homes at the Hanworth Lane site requires works to be completed at A320 Junctions 6a and 6b and 8, Links 1, 2 and 4 and M25 Junction 11.
- To deliver 1,725 homes at Longcross Garden Village requires works to be completed at A320 Junctions 6a and 6b and 8, Links 2 and 4 and M25 Junction 11.
- To deliver 475 homes at St Peter's Hospital requires works to be completed at A320 Junctions 6a and 6b and 8, Links 2 and 4 and M25 Junction 11.
- To deliver 628 homes on Parcels A to E Chertsey Bittams requires works to be completed at A320 Junctions 6a and 6b and 8, Links 2 and 4 and M25 Junction 11.
- To deliver 202 homes on the Ottershaw East site requires works to be completed at A320 Junctions 8 and 10, Links 3 and 4 and M25 Junction 11.
- To deliver 152 homes on Parcel B Vet Labs requires works to be completed at A320 Junctions 8 and 10, Links 3 and 4 and M25 Junction 11.
- To deliver 280 homes at the Pyrcroft Road site requires works to be completed at A320 Junctions 1 and 8, Links 1, 2 and 4 and M25 Junction 11.

Each site requires improvements to multiple junctions and / or links along the A320 North of Woking demonstrating the complexity associated with this developing homes in this important corridor and the need to deliver the highways works as a programme rather than a series of separate schemes over time.

### 1.4 Wider Development Impacts

**Dependent on your answer to 1.3.1, you will be required to answer some or all of the below questions**

1.4.1 **Please provide a summary of the impact the scheme will have on the Transport Network?**

The impact on the transport network has been assessed using the Local Transport Model. A full account is detailed in Chapters 5 and 6 of attachment 40 Transport Annex 1 Transport Model Technical Report, and an outline of the transport network impacts with regards to both the external impacts to existing transport users and transport infrastructure have also been provided in the Economic Case.

In summary:

- The total NPV of transport infrastructure impacts is estimated to be an NPV of £99.157m in 2018/19 factor costs.
- The total impact of dependent development trips on existing transport users is estimated to be an NPV of £-196.006m in 2018/19 factor costs. Due to the transport network across Runnymede and beyond being subject to congestion, the cumulative dis-benefit caused by dependent development...
trips on network outside of the A320 corridor improvements of the HIF scheme will have a sizeable negative impact, as indicated by these results.

Both calculations of NPV have been solely calculated using the Department for Transport’s TUBA (Transport User Benefit Appraisal) software version 1.9.12, following Transport Appraisal Guidance (TAG) A2.2. This estimates the NPV for greenhouse gases and the combined economic efficiency of journey time and vehicle operating costs split by purpose.

1.4.2 Please answer the following questions on the Education provision related to this scheme:

If you have highlighted ‘Education’ as a type of physical infrastructure to be funded through HIF please answer the below questions:

1.4.2.1 How many schools are expected to be funded through HIF?

If you have highlighted that HIF will fund more than one school you will need to complete questions 1.4.2.2 – 1.4.2.6 for each school

1.4.2.2 What educational phase will the school(s) concern? (Tick all relevant)

<table>
<thead>
<tr>
<th>Nursery</th>
<th>Primary</th>
<th>Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>16-19</td>
</tr>
</tbody>
</table>

1.4.2.3 What type will the school(s) be? (Tick all relevant)

<table>
<thead>
<tr>
<th>Free School mainstream</th>
<th>Free School Special Education Needs and Disability (SEND)</th>
<th>Free School Alternative Provision (AP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LA-led mainstream</td>
<td>LA-led Special Education Needs and Disability (SEND)</td>
<td>LA-led Alternative Provision (AP)</td>
</tr>
<tr>
<td>Other (please provide details)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.4.2.4 What is the anticipated date (month and year) when the school(s) will open for the first time?

1.4.2.5 What is the planned pupil capacity of school(s) and the anticipated timeline for this to be reached? Please include details of initial pupil numbers and the initial form/s of entry (FE) and year-on-year plans for increasing pupil intake.

1.4.2.6 What is the pupil yield for site(s) unlocked and how this has been calculated? Please attach relevant documents outlining pupil yield calculation if available.

If you have not highlighted ‘Education’ as a type of physical infrastructure to be funded through HIF please answer the below question:

1.4.2.7 Please indicate whether the housing development generates a need for new school places and how this will be accommodated, either within the development site or elsewhere.

All additional education need is to be funded by developers through Section 106/Community Infrastructure Levy contributions and SCC/central government funding.

Availability of early years places varies across Runnymede and new provision will be required, to be delivered by the private sector. A private nursery will be provided as part of the development at Longcross Garden Village with construction costs to be funded by the developer. Integration of early years education facilities is possible within community hubs or other shared facilities, assuming there are no safeguarding issues.

SCC’s strategy for school admissions is for pupils to attend their closest school where possible. While there is considerable available capacity within primary education facilities in Runnymede, within certain schools there is a shortage of available places. SCC has recently undertaken a programme of expansions to deliver additional primary education places within 4 schools. A two form of entry (FoE) primary education facility is to be delivered at Longcross Garden Village (420 places) to be constructed (or funded) by the developer and given to SCC following its construction.
Additional secondary education places will be delivered through the delivery of a new 6 FoE Runnymede Free School and the development of an additional FoE at Salesian School. Longcross Garden Village is expected to generate circa 491 secondary school pupils and this is too small a number to require an additional Secondary School. As such, residents will be required to access existing Secondary Schools within the area. Whilst Salesian School is situated close to Longcross Garden Village and an additional FoE is planned there, admissions are selective on the basis of Catholic faith making it unsuitable to accommodate all new pupils. Demand generated by Longcross Garden Village will be accommodated at an existing secondary school in the Chertsey, yet to be confirmed.

1.4.3 Please answer the following question on utility networks related to this scheme:

If you have highlighted ‘Utility Network Extension’ or ‘Utility Capacity Reinforcement’ as a type of physical infrastructure to be funded through HIF please answer the below questions:

1.4.3.1. How have you engaged with your Distribution Network Operator when developing this scheme? Please provide costs and timescales for connections and upgrading network infrastructure.

1.4.3.2. Please demonstrate your assessment of additional utility provision (including but not limited to water, waste water, gas and telecoms) for this scheme and future housing delivery?

If you have not highlighted either ‘Utility Network Extension’ and ‘Utility Capacity Reinforcement’ as a type of physical infrastructure to be funded through HIF please answer the below question:

1.4.3.3. How have you assessed that no new utility infrastructure – electricity capacity, water, waste water, gas and telecoms – will be required for this scheme and future housing delivery or, how additional utility infrastructure will be delivered without HIF funding?

The Runnymede Infrastructure Delivery Plan (see attachment 19) assessed the utilities capacity against future demand and identified the following:

Gas

National Grid Gas Distribution Limited’s Network Strategy Team provided a high-level capacity check for the proposed developments to identify whether reinforcement works will be required to ensure supply. National Grid Gas Distribution Limited indicated that for 3 sites, capacity is available, and no reinforcements are therefore required. However, for 4 of the allocation sites no capacity is available and so reinforcements will be required with capital contributions sought from developers.

Electricity

UKPN confirmed that it would not build in capacity unless asked to do so. UKPN noted that the aim will be to maintain capacity at current standards with capital contributions sought from developers as required.

Potable Water

Affinity Water provided a high-level capacity check which established that major reinforcements to the network will be required, based on the increase in demand for portable water forecast for each site. Network upgrades will be funded by service providers with contribution from developer according to impact of the scheme.

Waste Water

Thames Water (TW) confirmed that capacity would not be built in and their aim would be to maintain standards. A number of growth studies have been undertaken in the current pricing period and further growth studies are being considered for the next pricing period 2020-2025 with capital contributions sought from developers as required.

Telecomms

All sites require broadband infrastructure which is typically installed by providers in anticipation of future income from users and will be a developer responsibility to deliver in conjunction with the programmes being led by SCC to secure faster broadband within the County.

Attachment 19. Infrastructure Delivery Plan added
1.4.4 Please answer the following questions on the healthcare provisions related to this scheme:

1.4.4.1 What consideration have you given to ensuring that the health and care services locally will align with the additional homes to be built?

Policy SD6 of the emerging Runnymede 2030 Local Plan (attachment 19) seeks to ensure that developments causing a need for infrastructure improvements mitigate their impact. The RBC Infrastructure Delivery Plan (IDP) (attachment 20) supports that policy, setting out the scale, type and cost of infrastructure up to 2030. The Clinical Commission Group’s (CCG) future needs arising from housing growth are captured in the IDP.

St Peter’s Hospital is the general hospital serves that residents of Runnymede, Woking, Spelthorne, Elmbridge and Surrey Heath. To accommodate expected population growth, RBC is proposing to remove the hospital campus from the Green Belt as part of the 2030 Local Plan to allow the hospital to expand. The western part of the site is allocated in the emerging 2030 Local Plan for residential led development (policy SL13), in order to release funds for re-investment in the hospital facilities to include:

- Key worker housing for hospital staff to aid recruitment and retention
- A new acute care unit to be formed as an extension to the accident and emergency wing
- Comprehensive refurbishment of the Abraham Cowley Unit (a specialist mental health unit which provides treatment and support to inpatients, including daytime activities)

The site has been subject to a planning application (ref RH. 17/1815), the Decision Notice and Planning Statement are provided as attachments 21 and 22 setting out further information on the associated healthcare benefits.

In relation to GP provision in the area, NW Surrey CCG has advised that housing growth across its catchment will require expansion in GP facilities. The CCG supports the development of a new GP surgery in Runnymede. To achieve this, RBC requires provision of a new GP surgery on the Ottershaw East site (Policy SL12).

1.4.4.2 Have you engaged with your Sustainability and Transformation Partnership? More information on STPs can be found here: NHS England » System change (STPs and ICSs)

Engagement with the Sustainability and Transformation Partnership has been carried out as part of the development of this bid via the Ashford and St Peter’s Hospital NHS Trust. A letter of support from Surrey Heartlands Health and Care Partnership and its key partners in the area - Ashford and St Peter’s Hospital NHS Trust, Surrey and Borders Partnership NHS Foundation Trust and the North West Surrey Clinical Commissioning Group is attached to the bid at Attachment 38.

RBC and SCC have had regard to the Surrey Heartlands five year Sustainability and Transformation Plan (STP) (October 2016) in the development of this bid. The plan recognises that people are healthier when they have jobs, good quality, affordable housing and are part of strong families and active communities. Regard has been had to the Surrey Joint Health and Wellbeing Strategy (document subject of consultation until 27th March 2019) which is a product of unprecedented collaboration between the NHS, SCC and wider partners. The strategy focusses on the importance of prevention and addressing root causes of poor health and wellbeing – including things like poor housing and the environment – and not simply on treating observed symptoms.

The Runnymede 2030 Local Plan embeds key principles from the STP through its spatial vision (paragraph 5.6), objectives (paragraph 5.7: objectives 1, 2, 3, 4 and 7 in particular) and planning policies (policy SL1: Health and Wellbeing for example). Objective 2 of the Local Plan relates specifically to the provision of high quality housing, including delivery of much needed affordable homes. A large proportion of these new homes are planned along the A320 North of Woking corridor. The housing unlocked in the short term as a result of a successful bid will therefore contribute towards the objectives of the STP.

1.5 Additional Information

1.5.1 If you have any further information to support your project overview, which has not already been captured in the above, please include this here.

The following attachments are referenced as part of responses to the Project Details section and those that have not previously been attached are attached below:
1. A320 Corridor Feasibility Study
2. A320 Topic Paper
3. Housing Site Details: Hanworth Lane
4. Housing Site Details: Longcross Garden Village
5. Housing Site Details: St Peter’s Hospital
6. Housing Site Details: Chertsey Bittams Parcels A-E
7. Housing Site Details: Ottershaw East
8. Housing Site Details: Veterinary Labs
9. Housing Site Details: Pyrcroft Road
10. Highways Design: Junction 1
11. Highways Design: Junction 6a and 6b
12. Highways Design: Junction 8
13. Highways Design: Junction 10
14. Highways Design: Link 1
15. Highways Design: Link 2
16. Highways Design: Link 3
17. Highways Design: Link 4 and M25 Junction 11
18. Grampian condition text
19. Infrastructure Delivery Plan
20. Emerging Runnymede 2030 Local Plan
21. St Peter’s Hospital Decision Notice
22. St Peter’s Hospital Planning Statement
38. Letter from Ashford and St Peter’s Hospital NHS Trust, Surrey and Borders Partnership NHS Foundation Trust and the North West Surrey Clinical Commissioning Group
42. Transport Annex 1: Transport Model Technical Report
2. Strategic Case

2.1 Strategic Approach

2.1.1 How will this scheme support your long-term housing and economic growth ambitions? Please refer to any development plans and/or associated planning policies.

The emerging Runnymede 2030 Local Plan (2015-2030) (attachment 20) is the key vehicle for delivering the long-term housing and economic growth ambitions of the Borough. It seeks to provide a significant uplift in housing provision in the Borough by making provision for a minimum of 7,629 net additional dwellings. The A320 North of Woking project will support infrastructure development necessary to bring forward 3,687 of these dwellings (approximately 45%). The Local Plan also proposes the delivery of 80,630sqm of net additional employment floorspace.

The soundness of the Local Plan is currently being assessed through the Examination in Public process. Two stages of public hearings have now been held and one further set of hearing sessions is to be held in June/July 2019 (date to be confirmed). The stage 3 hearings have been deferred to allow Runnymede Borough Council (RBC) additional time to resolve outstanding matters with Highways England (in relation to the impacts of growth in the Borough, particularly in the vicinity of A320 corridor) which relate to impacts on the M25, particularly junctions 11, 13 and the mainline. It has been concluded through engagement undertaken to date that improvements to junction 11 of the M25 will need to be made and this mitigation forms part of this HIF bid.

RBC accepts that delivery of the necessary infrastructure improvements along the A320 North of Woking is critical to the delivery of the spatial strategy contained in the Local Plan. Of the 3,415 homes which are dependent on the delivery of infrastructure improvements along the corridor, 2,835 are located on Green Belt sites which can only be released and become suitable in principle for large scale housing development on adoption of the Local Plan. This includes a new Government supported residential led Garden Village at Longcross which will contain a range of supporting infrastructure and services and business park. To reach this point, the Local Plan must be concluded to be sound. The Local Plan will only be found sound if the Council can demonstrate that it is able to deliver its spatial strategy. The delivery of the spatial strategy as drafted is reliant on the delivery of mitigation along the A320 corridor in a timely manner to allow for a significant step change in the delivery of housing in the Borough in the short term.

Without an up to date Local Plan in place, the delivery aspirations of RBC will be significantly curtailed and it is highly unlikely that the step change in housing growth sought by the Government will be achieved.

In relation to economic growth, the Surrey Future Congestion Programme (2014) (attachment 23) confirms that congestion and lack of investment in transport infrastructure are having a negative impact on Surrey’s economic competitiveness, with congestion on Surrey’s road network costing the UK economy £550 million every year. It reports that Surrey’s A roads carry 66% more traffic than the national average. It states that managing congestion on Surrey’s roads (some of the busiest in the country) is urgently needed to improve traffic flow and to avoid wasting time in traffic jams and losing business through delayed journeys. The document recognises that improvements are required to support housing and economic growth (with the proposals at the Longcross Garden Village site being specifically referenced). Annex 2 of the document recognises the A320 in Woking, the A320 at St Peter’s Way as well as other local roads surrounding the M25 junction 11 as congestion bottlenecks.

The more recent ‘Influencing Strategic Transport in the South East’ study (March 2016) (attachment 24) provides an assessment of the economic benefits of strategic transport corridors across 4 LEP areas (including the EM² area) and the value of their enhancement to the economy. This study recognised the strategic importance of the A320 road corridor in linking Guildford with Woking and M25 Junction 11. It found it to be one of the key congested corridors in the area of assessment, noting its ‘very high’ traffic volumes, and concluding significant benefits to GVA (including on a per mile basis), job numbers, income tax gain, corporate tax gain and firms’ production gain if upgrades were carried out. It notes the ‘regional benefits’ that such an improvement scheme would bring.

Overall, the evidence supports that by improving congestion on this critical part of the road network, the scheme will bring significant economic improvements including by supporting the productivity of strategically important businesses in this area including the headquarters of McLaren (who have yet to implement a further major expansion at their site. Planning application ref: PLAN/2014/1297), Astellas Pharma and Samsung as well as many others located near to the A320 Corridor North including in Woking Town Centre and beyond. In terms of emerging proposals, the bid would also support the attractiveness of the Longcross Garden Village which contains an Enterprise Zone site (one of the largest strategic business park sites in the EM² LEP sub-region).
In relation to both the delivery of homes and economic growth, in addition to growth proposals in Runnymede, given the links between the A320 North with Woking Town Centre, the growth aspirations of the Woking Core Strategy are also considered relevant. Woking Borough Council has an adopted Core Strategy which articulates a clear vision for the Borough and the Woking Town Centre. The vision states that ‘Woking will be a regional focus of economic prosperity centred on a vibrant, enhanced town centre that provides a good range of quality shops, jobs, cultural facilities, services and infrastructure to cater for the Borough’s need’. The Town Centre is earmarked to facilitate the delivery of 2,180 dwellings, 27,000 sq.m of office floorspace and 75,300 sq.m of retail floorspace (see Policies CS1 and CS2 of the Core Strategy) up to 2027.

It is also considered worthy of mention that the Enterprise M³ LEP Strategic Economic Plan (SEP) 2018-2030 (see attachment 25) notes that house prices in the Enterprise M3 area are high and increasing rapidly which makes affordability a challenge, particularly given the relatively low provision of new housing which makes buying a home in the Enterprise M3 area very expensive. The SEP finds that that the significant gap between housing costs acts as a deterrent to potential future residents which results in recruitment issues. For example, the SEP reports that 12% of Enterprise M3 businesses reported having at least one vacancy that was hard to fill in 2015, the highest amongst all 38 LEPs and clearly above the English average (8%).

Enterprise M3 also has the highest proportion of any LEP of businesses reporting skills shortage vacancies (9%, against 6% average in England). The SEP concludes that transport is essential to ensuring that a skilled workforce can access appropriate jobs. In some areas there is a mismatch between residents and jobs, where the skills of the local workforce don’t meet those of the employer. The LEP is working to address this by providing transport solutions that will deliver housing growth and affordable housing and are also ensuring that new transport links are in place so that the appropriate workers can reach the higher value jobs easily and maximise their productivity.

This HIF bid for the A320 North of Woking seeks to help address the issues identified in the SEP by seeking to provide important road improvements to support a step change in housing delivery including the provision of 1,188 affordable homes which will support sustainable economic growth.

Alongside the housing and economic growth that a successful bid would support, the scheme will also enable significant investment to implement much needed improvements and expansion at St Peter’s Hospital through enabling the release of land for market housing adjacent to the hospital (see response to question 1.4.4.1).

As stated earlier in this response, the HIF bid, if successful would allow seven large housing sites to be delivered in the short term in the Borough to provide much needed homes. Three of these sites would provide supporting Suitable Alternative Natural Greenspace (SANG) land to enable their housing proposals (37.4ha to support the delivery of the remaining units at the Longcross Garden Village site, at least 3.84ha to support the development of homes at the Ottershaw East site and 14ha of SANG to support the delivery of homes at Chertsey Bittams (the surplus SANG being provided at this site could potentially support wider housing growth in the Borough)).

2.1.2 What is your assessment of local housing requirements in your area and how will this scheme address these needs? Please refer to any data and evidence sources you have, including Local Housing Need.

RBC has assessed its objectively assessed housing needs as required by Government policy in its 2015 Strategic Housing Market Assessment (SHMA) and 2018 partial update. These reports (which can be viewed as attachments 26 and 27) demonstrate that there is a need for 498 homes to be delivered per year in the Borough up to 2030 to meet identified needs. The 2018 SHMA highlights where affordability and other housing market issues already exist and has factored these issues into the recommendations on Objectively Assessed Need. Key findings from the SHMA are as follows:

- The official household projections show some suppression within the Household Formation Rates (HFR). The suppression is particularly related to those aged 25-34 and is evident both historically (since 2001) and in the forward projections.

- House price analysis at table 50 shows that median house prices in Runnymede in 2016 (£380,000) are higher than for both the South East (£290,000) and England (£212,950). Between Q3 2006 and 2016, median house prices in the Borough have risen by 52%, significantly outpacing increases in South East (38%) and England (24%) over this same period. Table 51 shows the average house prices by each type of dwelling analysed in Runnymede also exceed the South East and England and Wales averages in every category by large margins.

- In terms of rental value trends, table 52 shows that median rents in Runnymede in 2016 were significantly higher than for the South East and England and the increase in rents since 2011 in Runnymede (21%) has
also outpaced rental increases in the South East (18%) and England (12%) over this same period. The same trends were seen for lower quartile rents.

- Table 53 confirms that the lower quartile affordability ratio (residence-based earnings) is higher in Runnymede (12.34) than in Surrey (11.96), the South East (9.74) and the national average (7.16).

- In terms of median affordability, table 55 shows that the affordability ratio in Runnymede (11.93) is higher than Surrey (11.56), regional (9.43) and national averages (7.72). Over the 5-year period (2009-2014) Runnymede also had a greater worsening in affordability (2.08-point increase) than seen in the South East or England. Over the 10-year period (2006-2016) the affordability ratio in Runnymede worsened more than in Surrey, the South East and England.

- A symptom of affordability pressures, restrictions on access to mortgage and finance and housing under-supply (which are all related) is an increase in overcrowded households (including young people living with their parents for longer). Between 2001 and 2011 there was a 41% increase in overcrowded households in Runnymede, significantly above the levels seen in Surrey, the South East and England.

- Given the significant affordable housing needs evidence the SHMA recommended a 20% adjustment to the Objectively Assessed Need figure for the Borough. This recommendation has been taken forwards by the Council in its 2030 Local Plan and is reflected in the annual average housing target of 498 dwellings per annum (dpa).

Delivering an annual average of 498dpa is a significant increase when contrasted against historic housing targets set for the Borough through the 2004 Surrey Structure Plan (169dpa) and the 2009 South East Plan (161dpa). Whilst between 2008/09 and 2017/18 the Council delivered an average of 243 dpa, to achieve delivery of annual average of 498dpa over the period of the emerging Local Plan, the Council will need to increase housing delivery by approximately 105%. Providing this significant step change in housing delivery is a significant challenge but one that RBC has approached with vigour during the preparation of the new Local Plan to ensure that the Borough’s housing needs are met in full. Such a dramatic increase in housing delivery is however required to be supported by the necessary infrastructure improvements, including the transport improvements required along the A320 corridor. In particular, the A320 runs past St. Peter's Hospital in Chertsey which benefits from an accident and emergency department. Just beyond the hospital, and also on the A320 corridor, is the Chertsey Ambulance Station. The corridor serves a number of major businesses and provides an important link to the Strategic Road Network from Woking and further afield. It is essential therefore that movement along the corridor is maintained over the period of the Local Plan.

In terms of why significant housing growth has to be delivered along the A320 North of Woking corridor, Runnymede is heavily constrained by the Green Belt (currently 79% of the Borough is covered by this designation), as well as flooding and ecological constraints. Through its detailed housing supply work which has been carried out as part of the Local Plan process, RBC has identified that it does not have sufficient land in its existing urban areas to meet the Borough’s housing needs by a significant margin. This has meant that RBC has had to look at Green Belt releases. These releases, given constraints to development in other parts of the Borough are largely clustered around the A320 corridor. RBC’s detailed Site Selection Methodology and Assessment (SSMA) which underpins the 2030 Local Plan can be viewed as attachment 28). This sets out how the allocations in the Local Plan have been chosen compared to other promoted sites when accessibility to a range of facilities and services, constraints to development and Green Belt performance are weighed in the balance.

Beyond the growth set out in the 2030 Local Plan, RBC recognises the wider strategic importance of the A320 North of Woking corridor. In particular, the A320 runs past St. Peter’s Hospital in Chertsey which benefits from a major accident and emergency department. Just beyond the hospital, and also on the A320 corridor, is the Chertsey Ambulance Station. The corridor serves a number of major businesses and provides an important link to the Strategic Road Network from Woking and further afield. It is essential therefore that movement along the corridor is maintained over the period of the Local Plan.

Attachments added
1a. A320 Corridor Feasibility Study - Main Report
1b. A320 Corridor Feasibility Study - Appendices A to D
1c. A320 Corridor Feasibility Study - Appendix E
20. Runnymede 2030 Submission Local Plan
2.2 Local Support

2.2.1 How will the scheme demonstrate effective joint working (e.g. with neighbouring local authorities and other local partners, private sector organisations, Local Enterprise Partnerships, etc.)?

**Surrey County Council**: This bid has been jointly produced and supported by RBC and SCC. The two authorities have established a joint governance arrangement, structures and a professional team with the necessary expertise to prepare the bid and to deliver the scheme should the bid be successful. A letter of support is provided as attachment 32.

**Surrey Heath and Woking Boroughs**: The A320 North of Woking impacts the Boroughs of Runnymede, Woking and Surrey Heath and improvements to the corridor are essential to delivering growth in these three Boroughs. In 2017, given concerns relating to congestion on the network and the need to provide much needed future housing in this area, the three Borough Councils together with Surrey County Council (the Highway Authority) commissioned Arcadis to undertake a feasibility study of the corridor which assessed cumulative impacts on development on the A320 corridor. This study confirmed that junctions on the corridor were over capacity and identified a number of mitigation works required to bring forward housing and improve congestion.

In 2017, an EOI was jointly submitted for HIF funding to support the mitigation works. The current bid is supported by both Woking Borough Council and Surrey Heath Borough Council who recognise the importance of this section of major road network to their economies. Both Surrey Heath and Woking Borough Councils have provided letters of support which are included with this bid as attachments 33 and 34.

**Enterprise M3 LEP**: EM3 continue to be fully supportive of the bid and the overall strategic benefits the scheme will deliver. RBC engage with EM3 on a regular basis as part of the EM3 Joint Leaders Board. EM3 have provided funding support for the preparation of this HIF funding application and a letter of support is provided as attachment 31.

**Chambers of Commerce**: Letters of support have been provided from Surrey Chamber of Commerce (attachment 35) and Business Runnymede (formally Runnymede Business Partnership) (attachment 36) who recognise the importance of this bid to supporting economic growth in the area.

**Highways England**: SCC and RBC have been working closely with HE to develop proposals for the M25 Junction 11. An email from Highways England summarising the engagement to date has been provided as attachment 37.

**Ashford and St Peter’s Hospital NHS Trust, Surrey and Borders Partnership NHS Foundation Trust and the North West Surrey Clinical Commissioning Group**: The essential improvements to the A320 to support access to St Peter’s Hospital and facilitate their capital programme for housing delivery on their site have been recognised by trusts etc. A letter of strong support is provided as attachment 38.

**Landowners and Developers**: Letters of support have been provided by various landowners and developers promoting a number of the sites for which works are required to the A320 to progress.

2.2.2 Can you demonstrate local support for your scheme (for example in Local Plans and policies)?

Responses to the various consultation phases of the emerging Runnymede 2030 Local Plan have highlighted the congestion problems along the A320 North of Woking and support for improvements to the road network in this location. A summary of the comments received is set out as follows:

- The A320 is already congested/close to failure and contains accident blackspots.
- The Surrey Congestion Programme identifies A320 Guildford Road/St. Peter’s Way as a future congestion corridor to be tackled. The A320 is also recognised in the 2015 SCC Infrastructure Report as one of the 5 traffic ‘hotspots’ in the County. All the others are on motorways, which demonstrates local traffic infrastructure is overloaded and cannot accommodate any further development.

- The initial transport modelling assessment has identified the A320 as a potential severe congestion hotspot. It will be unable to cope with increased traffic levels.

- Developments in Runnymede and neighbouring authorities will increase traffic flows to the A320 and dual carriageway onto the M25.

- Improvements to the A320 should be considered to deal with strategic growth within the area.

- It will take a long time to sort out how best to reduce traffic density problems on A320 between M25 and Woking.

A public meeting was held in September 2018 where the SCC Deputy Leader and Portfolio Holder emphasised the importance and political priority of the A320 North of Woking scheme and invited local groups to contribute to the proposals going forward. That group (Ottershaw Futures) has since engaged with the project team and a letter of support has been provided for this bid. A link to the YouTube video of the September 2018 meeting can be found here: https://www.youtube.com/watch?v=R0hoxy_1z0k&app=desktop.

2.2.3 Can you provide evidence of support for your proposal from the following:

- **Local MP(s)**
  Yes ☒ No ☐ Awaiting Response
  
  Please provide further details relating to your partnership with the local MP(s)
  There has been positive engagement with the local MP, the Rt Hon Philip Hammond as evidenced by the enclosed letter of support.
  
  Attachment 29

- **Local community**
  Yes ☒ No ☐ Awaiting Response
  
  Please provide further details relating to your partnership with the local community
  SCC and RBC have been working in partnership with the community in developing the proposals for the A320 North of Woking project as evidenced by the letters of support provided by Ottershaw Futures and the Ottershaw Society. Engagement will continue as the project progresses in to detailed design and delivery phases.
  
  Attachments 30a and 30b

- **Local Enterprise Partnership(s)**
  Yes ☒ No ☐ Awaiting Response
  
  Please provide further details relating to your partnership with the Local Enterprise Partnership(s)
  SCC and RBC has been working in partnership with Enterprise M3 as evidenced by the letter of support provided and will continue to do so as the project evolves.
  
  Attachment 31

- **Supporting upper tier local authorities**
  Yes ☒ No ☐ Awaiting Response
  
  Please provide further details relating to your partnership with upper tier local authorities
  SCC has been a proud advocate for the A320 North of Woking project with collaborative working at all levels of the organisation and across departments. This is evidenced by the letter of support from the Leader of SCC.
  
  Attachment 32
• **Supporting lower tier local authorities**
  Yes ☑️ No ☐ Awaiting Response

Please provide further details relating to your partnership with lower tier local authorities
RBC has formed a strong partnership with SCC in developing the A320 North of Woking project to date and will continue to be a strong proponent of the scheme. This is evidenced by the letter of support from RBC's Leader.

Surrey Heath Borough Council and Woking Borough Council are working collaboratively as evidenced by the letter of support provided

*Attachments 33, 34a and 34b*

• **Any other key stakeholders** –
  Yes ☑️ No ☐ Awaiting Response

Please provide further details relating to your partnership with key stakeholders
Strong partnerships have been formed with a number of other stakeholders to the A320 North of Woking project, particularly Highways England whose involvement is integral to the development of proposals for M25 Junction 11.

Partnerships with the business community beyond the Local Enterprise Partnership are evidenced by letters of support from Surrey Chamber of Commerce and Business Runnymede.

The partnership with St Peter's Hospital is robust and key for the successful delivery of the A320 North of Woking project. A letter of support has been provided reflecting the relationship.

RBC has been working collaboratively with landowners, developers and their advisors promoting the various sites where housing delivery depends on works proceeding to the A320 as evidenced by the selection of letters of support provided.

*Attachments 35, 36, 37, 38, 59, 60, 61 and 62*

### 2.3 Meeting Housing Policy Objectives

#### 2.3.1 How will your scheme support the Government's ambitions for housing, as set out in the Housing White Paper? This could include the following:

- Diversifying the housing market through Small and Medium Sized Enterprises (SMEs), Modern Methods of Construction (MMCs), or Self-Build
- Supporting Garden Towns and Villages
- Unlocking public sector and local authority land
- Making effective use of brownfield sites

The following key challenges are highlighted in the 2017 Housing White Paper:
- The pace of development is too slow
- Not enough homes are being built
- There is a large gap between permissions granted and new homes built.

Runnymede experiences all 3 of these challenges and is proactively striving to address these points at a local level. It is currently in the latter stages of producing an ambitious Local Plan for the Borough which will increase housing delivery up to 2030 by in excess of 100%. However, whilst the submission Local Plan demonstrates that developers have a preference for, and ability to front load development, this early delivery of homes is at risk of not being delivered if strategic improvements to the A320 including junction 11 of the M25 are not made to facilitate growth along this key corridor. This is why, in order to address three of the fundamental challenges to fixing the Country's broken housing market, SCC needs to secure infrastructure funding to unblock barriers to growth along the A320 North of Woking corridor.
The Housing White Paper sets out the following specific proposals to support growth. A response has been provided to each explaining how the A320 North of Woking scheme will support the Government’s ambitions for housing:

- **we need to plan for the right homes in the right places:** The Runnymede Local Plan has identified the most sustainable locations to deliver significant housing growth in its Borough up to 2030. Following detailed site selection work, allocations have been recommended, seven of which are located along the A320 corridor. The wider corridor links Guildford to Staines (2 major centres in the sub region) and provides a strategic access point on to the M25 at junction 11. However, this important corridor already suffers from significant congestion. To boost the delivery of homes quickly in Runnymede along this important corridor, investment is required to improve the capacity of key junctions to avoid severe highway impacts. This position is supported by robust infrastructure evidence base which has been produced in support of the preparation of the Runnymede 2030 Local Plan including Strategic Highway Assessment Report and A320 Corridor Feasibility Study (see attachments 51 and 1).

- **we need to build homes faster supported by the right infrastructure:** RBC has identified opportunities to boost the supply of new housing in Runnymede in the short term. The supporting letters submitted with this bid from the developers promoting the allocations along the A320 corridor demonstrate their commitment to commence development. However, to increase the pace of housing delivery in Runnymede in the short term requires forward funding of strategic infrastructure improvements along the A320 corridor. Without forward funding, a piecemeal approach will be taken through securing the necessary funding to improve the junctions along the route with a circa £30m funding gap. This will significantly reduce the ability of the Council to build homes in Runnymede faster.

- **we will diversify the housing market, opening it up to smaller builders including those who wish to build their own home:** The 2030 Local Plan contains a commitment to provide self/custom build plots as part of the wider housing mix to meet the need identified on the Council’s Custom and Self Build Register. More specifically, and of relevance to this bid, the proposed allocation at Longcross Garden Village requires, as part of the wider housing mix on the site, ‘Up to a maximum of 5% of non-specialist housing to be delivered by SMEs and/or as serviced custom plots and/or self-build plots’. This strategic site which is expected to deliver at least 1700 new homes, and which can only be delivered if the A320 improvements take place, offers the opportunity to support the Government’s ambitions for this type of housing.

- **Making more land available for homes in the right places, by maximising the contribution from various sources including surplus public land:** Delivering improvements along the A320 corridor will allow the consented scheme on the western part of the St Peters Hospital campus (surplus public land) to deliver 475 new homes. In addition, the Local Plan proposes the allocation of surplus public land owned by DEFRA (policy SL11) to deliver 152 new homes. Delivery of both sites is reliant on improvements being made along the A320 corridor.

- **Ensuring infrastructure is provided in the right place at the right time by coordinating Government investment and through HIF:** This bid is seeking to respond to this proposal in the Housing White Paper; applying for monies for forward funding of critical infrastructure in a specific location to ensure that it is delivered at the earliest opportunity to support a step change in housing growth.

- **Encouraging the development of housing that meets the needs of our future population.** The housing to be provided through the Runnymede 2030 Local Plan seeks to meet the identified housing needs set out in the Council’s SHMA (attachments 26 and 27) including the delivery of a greater number of homes than Runnymede has historically delivered to improve affordability. The Local Plan seeks to provide the mix of homes required to meet the needs of the future population (policy SL19), secure homes which meet the definition of affordable housing (policy SL20), and secure self and custom build homes and other forms of specialist housing to respond to need/demand (policies SL22, 23 and 24). As set out elsewhere in this response, 3,415 of the new homes planned up to 2030 (approximately 45% of the total planned) are dependent on the necessary improvements along the A320 north corridor being delivered. As such, the ability to meet the future needs of Runnymede’s population will be delayed/curtailed if the improvements along the A320 corridor are not delivered.
2.4 Scheme Objectives

2.4.1 What are the overarching objectives of the project? Objectives should be SMART – Specific, Measurable, Achievable, Relevant and Time constrained.

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitate the development of 3,687 homes across the seven identified sites by 2030</td>
<td>Enable delivery of 1,188 new affordable homes to meet the recognised housing demand by 2030</td>
</tr>
<tr>
<td>Ensure the timely delivery of Longcross Garden Village and its enterprise zone by 2030</td>
<td>Enable delivery of market housing on St Peter’s Hospital site, facilitating capital investment in the hospital and improved access by 2024</td>
</tr>
<tr>
<td>Increase capacity at the eight identified junctions and links along the A320 corridor to address the anticipated increase in traffic volume to 2030, to provide a safe and balanced level of provision for all road users by 2024</td>
<td></td>
</tr>
</tbody>
</table>

2.4.2 Please list the criteria (critical success factors – CSFs) against which you will assess the successful delivery of the project and the evaluation of options.

<table>
<thead>
<tr>
<th>Key CSFs</th>
<th>Criteria to be used to assess project delivery and options evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic fit and need</td>
<td>• Extent to which the project supports the adoption of Runnymede Borough Council’s Local Plan 2030</td>
</tr>
<tr>
<td></td>
<td>• Total numbers of homes to be delivered as a result of the project</td>
</tr>
<tr>
<td></td>
<td>• Proportion of affordable homes to be delivered as a result of the project</td>
</tr>
<tr>
<td></td>
<td>• Change in congestion experienced along the A320 North of Woking as a result of the project</td>
</tr>
<tr>
<td></td>
<td>• Change in sustainable travel modes along the A320 North of Woking as a result of the project</td>
</tr>
<tr>
<td>Value for money</td>
<td>• Predicted return on required investment</td>
</tr>
<tr>
<td></td>
<td>• Programme for recovery and recycling of contributions from developers as schemes progress</td>
</tr>
<tr>
<td></td>
<td>• Maximising release of public land</td>
</tr>
<tr>
<td>Potential achievability</td>
<td>• Track record of delivery of similar projects / options</td>
</tr>
<tr>
<td></td>
<td>• Project can be delivered within the required HIF timescales</td>
</tr>
<tr>
<td></td>
<td>• Resource availability to deliver the project / option at RBC and SCC</td>
</tr>
<tr>
<td></td>
<td>• Are there any planning risks associated with the project</td>
</tr>
<tr>
<td>Supply-side capacity and capability</td>
<td>• Professional team availability and capacity to deliver the project</td>
</tr>
<tr>
<td></td>
<td>• Contractor availability and capacity to deliver the project</td>
</tr>
<tr>
<td>Potential affordability</td>
<td>• Accuracy of the project / option cost estimate</td>
</tr>
<tr>
<td></td>
<td>• Identification of additional funding sources</td>
</tr>
</tbody>
</table>

2.5 Rationale for Intervention

2.5.1 What is the market failure being addressed? Please provide a detailed account of why the existing arrangements, both financial and delivery, are not sufficient to deliver the scheme and the rationale for government intervention (HIF funding).

New highway infrastructure is required along the A320 North of Woking in Surrey before further land can be released for primarily residential development. The scale and necessary coordination of activity of the strategic infrastructure to enable this development requires public sector forward funding. In order to enable the market to meet local demand, it is important not only to spend public money to ameliorate the negative externalities of private development, but also to commit to a spending programme that provides certainty over which areas will be suitable for development, when and at what scale. Developers will then be able to continue to plan and act to ready sites and deliver housing growth. The certainty provided by the advance infrastructure will enable developers to commit to housing schemes that will support significant developer contributions towards the strategic infrastructure [remaining] and indeed and more local infrastructure needs of the area.
There is currently no mechanism in place in Surrey for securing contributions towards strategic transport infrastructure, especially of the scale required to enable the development along the A320 North of Woking. As the area is not in the control of a single developer, coordinating additional financial contributions would be a complex and uncertain process. Each developer’s ability to make such contributions would be spread over decades, which is not compatible with the need to forward fund infrastructure. The time horizon for the build out of the area adds a degree of uncertainty that further deters upfront contributions. In addition to this, third parties will inevitably benefit from the strategic transport infrastructure, reducing the incentive for developers to find a means of cooperating. These co-ordination and information problems are the market failures that are preventing the provision of new housing along the A320 North of Woking.

The planning system is able to secure funding for elements of the infrastructure required to mitigate the impacts of large-scale development in Runnymede. There is insufficient potential funding, however, to deliver the key highways improvement works. £44.14m of central government funding is therefore sought to deliver the infrastructure necessary to achieve the housing ambitions along the A320 North of Woking. This investment will return a net benefit to society over the long term through a number of channels. This is described in detail in the Economic Case.

With this HIF funding, RBC and SCC will be able to work with Highways England to modify Junction 11 of the M25 and deliver various improvements to four junctions and four links along the A320 North of Woking. This will provide sufficient highways capacity to accommodate the forecast increase in movements from the development of the A320 North of Woking. The Local Planning Authority will then be able to permit new residential developments in Runnymede, delivering 3,687 new homes over the long-term.

Alignment with the Housing Infrastructure Fund

The purpose of the Housing Infrastructure Fund is to deliver new infrastructure to make more land available for housing in high demand areas. The Forward Fund specifically seeks to support high impact infrastructure schemes with upfront investment to give investors the certainty required to contribute further match funding. Without HIF funding, the A320 North of Woking scheme cannot be delivered. Without this new infrastructure, the housing output from the Runnymede area will be an order of magnitude lower and developers will not be able to deliver large amounts of new housing in the area. Even accounting for potential appeals against this, the limits of the existing infrastructure will prevent any new development in the area by the early 2020s.

The need for HIF funding in particular arises from an inherent co-ordination failure amongst the private sector interests, as well as that the scale of the investment required exceeds the local authorities’ own funding capacity. The HIF investment will co-fund large-scale strategic transport infrastructure, including the reconfiguration of Junction 11 of the M25 and walking and cycling improvements along the A320 North of Woking. If the strategic transport works are not completed, it will not be possible to develop the area either during the plan period or in the long term as the impact of large-scale housing delivery will not be acceptable in planning terms. The transport and wider impacts on existing and future communities cannot be sufficiently mitigated without the proposed infrastructure. In the near-term, this would have a substantial impact on Runnymede Borough Council’s ability to meet local housing need. This scenario would exacerbate the area’s housing pressures, creating problems for the future – all of the present development constraints will only become more apparent with time. Opportunities for economic and housing growth will be permanently lost if new infrastructure is not provided, as only minor sequential development will be permissible. This will reduce the available supply of labour to local businesses and potentially over-burden local infrastructure. This would negatively impact productivity and result in lost potential output.

The Housing Infrastructure Fund specifically aims to avoid such scenarios by supporting large-scale infrastructure provision through upfront financial contributions. The A320 North of Working scheme is working to address the housing challenges articulated in local and national policy by delivering a comprehensive transport solution aimed at enabling large-scale private sector development. The scheme is doing this through meeting the Housing Infrastructure Fund’s aims of encouraging: (1) effective working between key partners – Runnymede Borough Council and Surrey County Council; (2) collaboration with developers – including Crest Nicholson, Aviva, Richborough Estates and Taylor Wimpey; and, (3) engagement with the local community. This is directly in line with HIF’s objective of supporting ambitious local authorities to achieve large scale growth (including indeed a new Garden Village). Through supporting the infrastructure requirements set out in the draft Local Plan, there is a clear link between delivering new infrastructure and delivering new homes. The development of sites within Runnymede cannot commence due to highways constraints and the award of HIF funding will address this.
2.6 Additional Information

2.6.1 If you have any further information to support your strategic case, which has not already been captured in the above, please include this here.

A full list of the attachments referenced as part of the Strategic Case is listed below (all attached to responses above):

1a. A320 Corridor Feasibility Study - Main Report
1b. A320 Corridor Feasibility Study - Appendices A to D
1c. A320 Corridor Feasibility Study - Appendix E
20. Runnymede 2030 Submission Local Plan
24. Influencing Strategic Transport in the South East
26. Strategic Housing Market Assessment 2015
27. Strategic Housing Market Assessment Partial Update 2018
28. Site Selection Methodology and Assessment (SSMA)
29. Letter from Local MP: Rt Hon Philip Hammond MP
30. Letter of Support from Ottershaw Society
31. Letter of Support from Local Enterprise Partnership EM3
32. Letter of Support from Surrey County Council
33. Letter of Support from Runnymede Borough Council
34a. Letter of Support from Surrey Heath Borough Council
34b. Letter of Support from Woking Borough Council
35. Letter of Support from Surrey Chambers of Commerce
36. Letter of Support from Business Runnymede
37. Email from Highways England
38. Letter of Support - St Peter's Hospital
51. Transport Annex 10 Runnymede Draft Local Plan Strategic Highway Assessment Report
59. Letter from Crest Nicholson – Longcross Garden Village
60. Letter from Nexus Planning on behalf of Chertsey Parklands LLP – Chertsey Bittams D
61. Letter from Richborough Estates – Ottershaw East
62. Letter from Carter Planning on behalf of the Gribble Family – Pycroft Road
3. Options Appraisal

3.1 Outline of Options

3.1.1 Please provide a summary of all the options considered during co-development related to the extent of HIF funding required. Please set out the rationale for why these options were discounted in favour of the preferred option.

The A320 Corridor Study: Feasibility Study Final Report published in April 2018 (attachment 1) evaluated the need to undertake improvement works at 15 junctions along the A320 from Chertsey in the north to Woking in the south to enable the projected housing delivery within the area. Link analysis was also undertaken of the stretches of road between each junction. The full list of junctions evaluated is listed below:

1. Chilsey Green Road / St Ann’s Road / B388 Thorpe Road / Staines Road – currently an unsignalised roundabout
2. Pyrcroft Road / Cowley Avenue / Chilsey Green Road – currently a priority junction
3. Pyrcroft Road / Bell Bridge Road / Cowley Lane – currently an unsignalised roundabout
4. Guildford Road / Bell Bridge Road – currently a left in, left out priority junction
5. Guildford Road / The Knoll / Bell Bridge Road – currently an unsignalised roundabout
6. Guildford Road / Holloway Hill and Guildford Road / Green Lane – currently an unsignalised double roundabout
7. Guildford Road / Little Green Lane – currently a priority junction
8. Guildford Road / Hillswood Drive / Bittams Lane – currently an unsignalised roundabout
9. Guildford Road / A320 St Peter’s Way – currently a roundabout with part-time signals
10. Guildford Road / Murray Road / Chobham Road – currently an unsignalised roundabout
11. Guildford Road / Brox Road – currently a priority junction
12. Chertsey Road / Martyrs Lane – currently an unsignalised roundabout
13. Chertsey Road / Monument Road / Woodham Road – currently an unsignalised roundabout
14. Victoria Way / A320 Chertsey Road – currently an unsignalised roundabout
15. M25 Junction 11, excluding M25 mainline – currently a part-signalised roundabout

Initial transport modelling resulted in no issues being identified at the following junctions and no further action taken:

- Junction 2: Pyrcroft Road / Cowley Avenue / Chilsey Green Road
- Junction 7: Guildford Road / Little Green Lane
- Junction 9: Guildford Road / A320 St Peter’s Way

Options for the remaining junctions were identified and assessed to understand the impact on housing delivery and feasibility of delivery including through initial design work and high-level cost estimates as summarised below:

Junction 1
- Option 1: Widen entries and exits. Two lane circulatory carriageway
- Option 2: New larger roundabout

Junction 3
- Option 1: New signal controlled junction

Junctions 4 and 5
• Option 1: New signal controlled junction

Junction 6a and 6b:
• Option 1: Widen entries and exits to Green Lane roundabout
• Option 2: New larger roundabout
• Option 3: New signal controlled junctions with bypass lane

Junction 8
• Option 1: New larger roundabout
• Option 2: Signalise existing roundabout

Junction 10
• Option 1: Widen entries and exits
• Option 2: New larger roundabout

Junction 11
• Option 1: Carriageway widening to create right turn pocket

Junction 12
• Option 1: Widen entries and exits. Two lane circulatory carriageway

Junction 13
• Option 1: Widen exit on Chertsey Road north. Two lane circulatory carriageway
• Option 2: New larger roundabout

Junction 14
• Option 1: Dedicated northbound lane from Victoria Way to A320 Chertsey Road

Junction 15 (M25 Junction 11)
• Option 1: Three lane circulatory carriageway at Junction 11
• Option 2: Direct links: East to North and West to South and dedicated left turn lane from St Peter’s Way (east) to M25 south
• Option 3: New junction on M25 and/or M3

Link 1 (Junction 5 to 6)
• Option 1: Carriageway widening to allow free flow of traffic and parking

Link 2 (Junction 6 to 8)
• Option 1: Carriageway widening to provide additional lane and wider shared use footway/cycleway

Link 3 (Junction 8 to 10)
• Option 1: Carriageway widening to create standard lane widths

Link 4 (Junction 9 to 15)
• Option 1: Widen St Peter’s Way to three lanes eastbound
The feasibility study found that the following junctions did not require further work at this stage and should be monitored to understand whether works are required later:

- Junction 3: Pycroft Road / Bell Bridge Road / Cowley Lane
- Junctions 4 and 5: Guildford Road / Bell Bridge Road and Guildford Road / The Knoll / Bell Bridge Road

A decision was taken in collaboration with neighbouring local authorities to focus the HIF bid on the improvement works directly affecting the delivery of 3,687 homes across seven sites within Runnymede which resulted in the following final list of junction and link improvements which together make up Option 1 and the requested HIF bid:

- Junction 1: Option 1 – Widen entries and exits. Two lane circulatory carriageway
- Junction 6a and 6b: Option 4 – Large signal controlled crossroads (new option following assessment of options 1-3 above)
- Junction 8: Option 3 – Widen entries and exits (new option following assessment of options 1-2 above)
- Junction 10: Option 3 – Large conventional roundabout with dedicated left turn from Chobham Road to Guildford Road (new option following assessment of options 1-2 above)
- Link 1: Option 1 – Carriageway widening to allow free flow of traffic and parking
- Link 2: Option 1 – Carriageway widening to provide additional lane and wider shared use footway/cycleway
- Link 3: Option 1 – Carriageway widening to create standard lane widths
- Link 4 and M25 Junction 11 (Junction 15 above): Option 1 to signalize all arms of the junction and widen St Peter’s Way to three lanes eastbound

Option 2 for a reduced amount of HIF funding was developed by looking at how the proposed works along the A320 North of Woking could be phased in order to still deliver a number of homes within Runnymede. The Runnymede 2030 A320 Topic Paper identified three potential phases as follows:

Phase 1 comprising:
- Junction 6a and 6b
- Junction 8
- Link 1
- Link 2

Phase 2 comprising:
- Junction 10
- Link 3
- Junction 11 (subsequently removed from the HIF bid)

Phase 3 comprising:
- Junction 1

The priority placed by Highways England on making improvements to the M25 Junction 11 and St Peter’s Way (Link 4) resulted in it being included within Phase 1 as no housing delivery could be achieved without those works being completed. For efficiency, Phases 2 and 3 were combined to create a single second phase of work. Analysis of the amount of housing deliverable against each phase has been completed and a total of 2,380 homes can be delivered by delivering the following A320 highways improvements:

- Junction 6a and 6b
- Junction 8
- Link 1
- Link 2
- Link 4 and M25 Junction 11
Option 3 is the do nothing option without HIF funding and the number of homes deliverable in that option has been analysed to be 272. A summary of the homes deliverable across the seven sites in each of the three options is provided below:

Hanworth Lane
- Option 1: 225
- Option 2: 180
- Option 3: 15

Longcross Garden Village
- Option 1: 1,725
- Option 2: 1,208
- Option 3: 110

St Peter’s Hospital
- Option 1: 475
- Option 2: 428
- Option 3: 147

Parcels A to E Chertsey Bittams
- Option 1: 628
- Option 2: 565
- Option 3: 0

Ottershaw East
- Option 1: 202
- Option 2: 0
- Option 3: 0

Parcel B Vet Labs
- Option 1: 152
- Option 2: 0
- Option 3: 0

Pycroft Road
- Option 1: 280
- Option 2: 0
- Option 3: 0

Total
- Option 1: 3,687
- Option 2: 2,380
- Option 3: 272
3.1.2 Please summarise shortlisted options considered how these meet the required objectives of the scheme detailed earlier in the Business Case. As a minimum should include:

- **Option 1: With requested HIF funding**
- **Option 2: With a reduced amount of HIF funding**
- **Option 3: Do nothing (no HIF funding)**

**Option 1: With requested HIF funding**

Option 1 alone provides the necessary infrastructure to unlock 7 sites and deliver 3,687 new homes within the Runnymede area. This option fully meets the overall scheme objectives as is the only option that comprehensively addresses the current market failure. Without full funding, a range of economic benefits will not be realised. An analysis of the extent to which Option 1 meets the objectives is set out below with a rating of red, amber or green (red meaning the objective is not met, amber=partially met and green=fully met):

1. Facilitate the development of 3,687 homes across the seven identified sites by 2030
   GREEN: Option 1 will enable the delivery of 3,687 homes across the seven sites by 2030

2. Enable delivery of 1,188 new affordable homes to meet the recognised housing demand by 2030
   GREEN: Option 1 will enable the delivery of 1,188 new affordable homes by 2030

3. Ensure the timely delivery of Longcross Garden Village and its enterprise zone by 2030
   GREEN: Option 1 will enable the delivery of 1,725 homes at Longcross Garden Village and the delivery of its enterprise zone by 2030

4. Enable delivery of market housing on St Peter’s Hospital site, facilitating capital investment in the hospital and improved access by 2024
   GREEN: Option 1 will enable the delivery of 475 homes on the St Peter’s Hospital site by 2024 thereby enabling capital investment in the hospital and improved access, in particular for emergency vehicles

5. Increase capacity at the eight identified junctions and links along the A320 corridor to address the anticipated increase in traffic volume to 2030, to provide a safe and balanced level of provision for all road users
   GREEN: Option 1 will deliver the comprehensive highways solution to increase capacity at the eight identified junctions and links by 2024, delivering a balanced provision for all road users through significant investment in new cycle/pedestrian routes and improvements in road safety in response to collision analysis

**Option 2: With a reduced amount of HIF funding**

Option 2 delivers improvements to a smaller scheme covering five junctions and links along the A320 North of Woking. This reduced scheme only partially meets the scheme objectives as analysed below:

1. Facilitate the development of 3,687 homes across the seven identified sites by 2030
   AMBER: Option 2 will enable the delivery of up to 2,380 homes across four sites by 2030 – a minimum loss of 1,307 homes compared to Option 1

2. Enable delivery of 1,188 new affordable homes to meet the recognised housing demand by 2030
   AMBER: Option 2 will enable the delivery of up to 665 new affordable homes by 2030 – a minimum loss of 523 homes compared to Option 1
3. Ensure the timely delivery of Longcross Garden Village and its enterprise zone by 2030
   RED: Option 2 will enable the delivery of up to 1,208 homes at Longcross Garden Village – a minimum loss of 517 homes compared to Option 1 - and partial delivery of its enterprise zone by 2030

4. Enable delivery of market housing on St Peter’s Hospital site, facilitating capital investment in the hospital and improved access by 2024
   AMBER: Option 2 will enable the delivery of 428 homes on the St Peter’s Hospital site by 2024 – a minimum loss of 47 homes compared to Option 1 – thereby enabling some capital investment in the hospital and improved access, in particular for emergency vehicles

5. Increase capacity at the eight identified junctions and links along the A320 corridor to address the anticipated increase in traffic volume to 2030, to provide a safe and balanced level of provision for all road users
   AMBER: Option 2 will partially deliver the highways solution to increase capacity at five identified junctions and links by 2024, delivering some level of provision for all road users through investment in new cycle and pedestrian routes and some improvements in road safety in response to collision analysis along the A320 corridor, although does not address Junction 1 where a fatal collision was recorded

**Option 3: Do nothing (no HIF funding)**

With no funding, the highways improvements will not go ahead and only 272 new homes will come forward. Grampian conditions are in place for the scheme which have already progressed through the planning system and will be included within future planning consents for schemes along the A320 North of Woking. A copy of the Grampian condition is included at attachment 18. The analysis of this option against the scheme objectives is set out below:

1. Facilitate the development of 3,687 homes across the seven identified sites by 2030
   RED: Option 3 will enable the delivery of 272 homes across four sites by 2030 – a loss of 3,415 homes compared to Option 1

2. Enable delivery of 1,188 new affordable homes to meet the recognised housing demand by 2030
   RED: Option 3 will enable the delivery of up to 69 new affordable homes by 2030 – a minimum loss of 1,119 homes compared to Option 1

3. Ensure the timely delivery of Longcross Garden Village and its enterprise zone by 2030
   RED: 110 homes can be delivered at Longcross Garden Village in Option 3 – a minimum loss of 1,615 homes compared to Option 1, preventing the delivery of the Garden Village

4. Enable delivery of market housing on St Peter’s Hospital site, facilitating capital investment in the hospital and improved access by 2024
   RED: Only 147 homes can be delivered on the St Peter’s Hospital site in Option 3 – a minimum loss of 328 compared to Options 1 and 2 – thereby reducing the amount to be invested in hospital facilities with no improvements to access for emergency vehicles

5. Increase capacity at the eight identified junctions and links along the A320 corridor to address the anticipated increase in traffic volume to 2030, to provide a safe and balanced level of provision for all road users
   RED: Option 3 will deliver no highways improvements by 2024 due to the market failure described in the Strategic Case
3.1.3 Please provide the following key metrics for all options:

<table>
<thead>
<tr>
<th></th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIF funding required</td>
<td>£44,136,922</td>
<td>£27,808,899</td>
<td>£0</td>
</tr>
<tr>
<td>Total scheme cost</td>
<td>£44,136,922</td>
<td>£27,808,899</td>
<td>£0</td>
</tr>
<tr>
<td>Housing units delivered</td>
<td>3,687</td>
<td>2,380</td>
<td>272</td>
</tr>
<tr>
<td>Estimated % affordable</td>
<td>32%</td>
<td>28%</td>
<td>25%</td>
</tr>
<tr>
<td>Units started up to 2022</td>
<td>272</td>
<td>272</td>
<td>272</td>
</tr>
<tr>
<td>Units started 2023-2025</td>
<td>2,298</td>
<td>1,661</td>
<td>0</td>
</tr>
<tr>
<td>Units started 2026-2030</td>
<td>1,117</td>
<td>447</td>
<td>0</td>
</tr>
<tr>
<td>Units started 2031-2035</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Units started in future years</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Amount of other Central Govt. Funding</td>
<td>£0</td>
<td>£0</td>
<td>£0</td>
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<tr>
<td>Amount of LA funding (inc. LGF)</td>
<td>£0</td>
<td>£0</td>
<td>£0</td>
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<tr>
<td>Amount of private sector funding</td>
<td>£0</td>
<td>£0</td>
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3.2 Options Analysis

3.2.1 What strategic risks do the shortlisted options carry? Please outline strategic risk / likelihood and impact of the shortlisted options.

<table>
<thead>
<tr>
<th>Opt</th>
<th>Strategic Risk</th>
<th>Likelihood</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The accelerated pace of delivery required to achieve improvements to eight junctions and links along the A320 by the end of financial year 2023/24 to enable new home occupation beyond that date is ambitious but achievable. Developers are actively progressing with plans for the identified sites. Feasibility studies, outline design work and cost plans have been prepared with a clear programme and procurement strategy established for delivery at the required pace. A number of the highways improvements are dependent on the acquisition of land to deliver the schemes, although detailed design work may identify opportunities for reduction in necessary land. The project would be subject to the usual risks associated with complex projects such</td>
<td>Medium Low</td>
<td>Medium High</td>
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as market downturns, cost overruns and delays all of which will be mitigated through robust project management.

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<tbody>
<tr>
<td><strong>2</strong></td>
<td>Delivery of a reduced scheme along the A320 North of Working limits the ability of Runnymede Borough Council to deliver the identified housing need in the area and only partially unlocks four of the seven identified development sites for housing. The reduced scheme does not address the junction where a fatal collision occurred (junction 1).</td>
<td>Medium High</td>
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<tr>
<td><strong>3</strong></td>
<td>Delivery of the scheme if highly uncertain without public sector intervention. Adoption of the Runnymede Borough Council Local Plan will be at risk without a commitment to the delivery of highways improvements along the A320 North of Woking. Highways England has objected to the scale of development set out in the Local Plan and will not withdraw its objection without appropriate mitigation works to the A320 Link 4 and M25 Junction 11. The ability of Runnymede Borough Council to meet its identified housing need will be at risk with Grampian conditions in place or to be imposed on identified development sites along the A320 corridor.</td>
<td>High</td>
</tr>
</tbody>
</table>
3.2.2 What are the constraints related to the shortlisted options?

<table>
<thead>
<tr>
<th>Option</th>
<th>Constraints</th>
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</thead>
</table>
| 1      | There are a number of constraints to be managed. These include:  
(a) the requirement to acquire land outside the highway boundary to deliver a number of the improvements  
(b) The need to ensure that traffic can continue to use the A320 throughout the project delivery period with minimal disruption and delay  
(c) The need to ensure that the improvements to Junction 10 (the Ottershaw Roundabout section) does not worsen severance with the village shops and community hall.  
(d) The need to ensure that St Peter’s Hospital and the Ambulance Centre continue to operate as present without any adverse impacts caused by the project delivery works  
(e) Any works undertaken will need to consider the requirement that A320 also serves as a Highways England strategic diversion route.  
A full constraints appraisal will be undertaken at Project Execution Plan stage. |
| 2      | Partial funding will continue to impose constraints on Runnymede Borough Council’s ability to deliver the required number of homes to meet identified market and affordable housing need. Grampian conditions have been imposed on consented development and will be included in future planning consents granted. The constraints identified against option 1 above apply (except c relating to Junction 10 which is not included within Option 2) |
| 3      | No HIF funding will severely constrain the delivery of housing along the A320 North of Woking as the market failure will persist. The A320 North of Woking is already operating over capacity meaning that without intervention both infrastructure and housing constraints will continue. |

3.2.3 Please provide details of any inter-dependencies related to the shortlisted options.

<table>
<thead>
<tr>
<th>Option</th>
<th>Inter-dependencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Each section of the proposed highways and junction improvements can be delivered independently of the next. However, the works needs to be phased and sequenced such that any traffic disruption will be minimised. Topographical surveys and utility enquiries will be undertaken as part of the next stage of work and any constraints identified at that stage will require stakeholders to collaborate proactively in order not to delay delivery of the highways improvements. A full interdependency appraisal will be undertaken at Project Execution Plan Stage.</td>
</tr>
<tr>
<td>2</td>
<td>Although this is a much-reduced version of Option 1, the interdependencies are consistent with those identified above.</td>
</tr>
<tr>
<td>3</td>
<td>There are no interdependencies associated with this option as no schemes will progress.</td>
</tr>
</tbody>
</table>

3.2.4 Please provide details of the exit strategy for the shortlisted options.

<table>
<thead>
<tr>
<th>Option</th>
<th>Exit Strategy (1,000 characters each)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>On completion of the highways improvement works, responsibility for the majority of the ongoing maintenance will pass in the normal way to the relevant Surrey County Council team. Maintenance of the signals at the M25 Junction 11 will pass to Connect Plus.</td>
</tr>
<tr>
<td>2</td>
<td>As per Option 1.</td>
</tr>
<tr>
<td>3</td>
<td>Not applicable.</td>
</tr>
</tbody>
</table>
3.2.5 Please summarise any economic appraisal conducted for the shortlisted options, relative to the do nothing (no HIF funding) option.

For the preferred option, the full economic appraisal should be outlined in the Economic Case.

<table>
<thead>
<tr>
<th>Option</th>
<th>Summary Economic appraisal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>An indicative assessment has been made of the gross residential land value uplift achievable under a reduced-HIF option, on the basis of the delivery profile of a total of 2,380 units by 2030. Estimates of residual land value per unit and current land value are the same as detailed in the full economic appraisal of Option 1 (see Economic Case) and on this basis, it is estimated that the Reduced HIF Option could support a gross residential land value uplift of around £230m. Based on a gross HIF request of £23.4m, this would also give a gross BCR of around 10:1, again inferring excellent return potential.</td>
</tr>
<tr>
<td>3</td>
<td>The ‘No-HIF’ Reference Case option is not expected to support any additional economic benefits over and above those which would already be achieved. A full assessment of the deadweight land value uplift position is outlined in the Economic Case and, based on the delivery of 272 new units by 2021, this is forecast to bring around £13m of gross uplifts in residential land values irrespective of any HIF investment.</td>
</tr>
</tbody>
</table>

3.3 Options Summary

3.3.1 Please summarise why the preferred option, with the requested HIF funding, has been chosen and why the other shortlisted options have been discounted – this should make reference to advantages and disadvantages of the options in relation to scheme objectives and CSFs.

Surrey County Council, in collaboration with Runnymede Borough Council, is committed to enabling the delivery of thousands of much-needed homes within the area. The need for new, affordable homes in Runnymede is acute as demonstrated by the latest affordability ratio data (ratio of median house price to median gross annual earnings) showing that Runnymede is one of the least affordable places to live in England and Wales with a ratio of 12.15 in 2017, coming 40th out of the 348 local authorities listed and 9th in the South East. The A320 North of Woking is already congested, therefore, to minimise the impact of development on existing communities, any new development must be preceded by improvement works along this key route. A commitment to delivering improvements along the A320 North of Woking is crucial to the progress of Runnymede Borough Council’s emerging Local Plan, where Grampian conditions have been and will continue to be applied to development dependent on the corridor until such time as the highways works have been completed.

It is against this backdrop that Option 1 has been selected as the preferred option with a total funding requirement of £44,136,922. The analysis of each option against the scheme objectives in response to question 3.1.2 clearly demonstrates the advantages of Option 1 over the much-reduced Option 2 and the no scheme Option 3. Further analysis of the three options against the Critical Success Factors (CSF) identified in the Strategic Case also shows a compelling argument for selecting Option 1:

CSF 1: Strategic Fit and Need

CSF1a: Extent to which the project supports the adoption of Runnymede Borough Council’s Local Plan 2030
- Option 1: GREEN - Supports the adoption of RBC’s Local Plan as both address Highways England’s objection to pressure placed on M25 Junction 11
- Option 2: GREEN - As option 1
- Option 3: RED - Does not support the adoption of RBC’s Local Plan

CSF1b: Total numbers of homes to be delivered as a result of the project
• Option 1: GREEN - 3,687 homes
• Option 2: AMBER - 2,380 homes
• Option 3: RED - 272 homes

CSF1c: Number of affordable homes to be delivered as a result of the project
• Option 1: GREEN - 1,188 homes
• Option 2: AMBER - 710 homes
• Option 3: RED - 69 homes

CSF1d: Change in congestion experienced along the A320 North of Woking as a result of the project
• Option 1: GREEN - Significant reduction journey time during peak
• Option 2: AMBER - Partial reduction in journey time on part of the network
• Option 3: RED - No change achievable

CSF1e: Change in sustainable travel modes along the A320 North of Woking as a result of the project
• Option 1: GREEN - Opportunities for mode shift to sustainable methods by introducing more attractive cycling and pedestrian facilities
• Option 2: GREEN - As option 1
• Option 3: RED - No change achievable

CSF 2: Value for Money
CSF2a: Predicted return on required investment
• Option 1: GREEN - Represents best value for money with 3,687 homes delivered including Longcross Garden Village for £44.14m
• Option 2: AMBER - Less attractive than Option 2 with 2,380 homes to be delivered for £27.81m and a partial Garden Village
• Option 3: Not applicable

CSF2b. Programme for recovery and recycling of contributions from developers as schemes progress
• Option 1: GREEN - £10.57m to be recovered and recycled from developers
• Option 2: AMBER - Up to £8.82m recoverable to be recycled from developers
• Option 3: Not applicable

CSF2c. Maximising release of public land
• Option 1: GREEN - Optimal release of public sector land for housing delivery at St Peter’s Hospital and Parcel B Vet Labs
• Option 2: AMBER - Public sector land released for housing at St Peter’s Hospital but not Parcel B Vet Labs
• Option 3: RED - Limited public sector land released for housing at St Peter’s Hospital and none at Parcel B Vet Labs

CSF 3: Potential Achievability
CSF3a: Track record of delivery of similar projects
• Option 1: GREEN - SCC has extensive experience of delivering similarly complex highways schemes
• Option 2: GREEN - As option 1
• Option 3: Not applicable

CSF3b: Project can be delivered within the required HIF timescales
• Option 1: GREEN - Can be delivered by the end of financial year 2023/24
Option 2: GREEN - As option 1
Option 3: Not applicable

CSF3c: Resource availability to deliver the project at RBC and SCC
- Option 1: GREEN - Resources have been identified to deliver the project within SCC and RBC
- Option 2: GREEN - As option 1
- Option 3: Not applicable

CSF3d. Are there any planning risks associated with the project
- Option 1: GREEN - There are no unusual planning risks.
- Option 2: GREEN - As option 1
- Option 3: Not applicable

CSF 4: Supply-side Capacity and Capability

CSF4a: Professional team availability and capacity to deliver the project
- Option 1: GREEN - There is professional team availability and capacity to deliver the project where needed
- Option 2: GREEN - As option 1
- Option 3: Not applicable

CSF4b: Contractor availability and capacity to deliver the project
- Option 1: GREEN - SCC has access to already established frameworks with experienced contractors
- Option 2: GREEN - As option 1
- Option 3: Not applicable

CSF 5: Potential Affordability

CSF5a: Accuracy of the project cost estimate
- Option 1: GREEN - The project has been costed as accurately as possible for the level of design available using benchmark cost data for similar schemes
- Option 2: GREEN - As option 1
- Option 3: Not applicable

CSF5b: Identification of additional funding sources
- Option 1: GREEN - No further funding sources necessary
- Option 2: AMBER - To deliver the remaining junctions and link not covered by Option 2 would require additional public sector funding or rely on recycling developer contributions once secured
- Option 3: Not applicable

Option 1 ensures the full benefits associated with works to the A320 North of Woking can be realised. Delivery of Longcross Garden Village will be secured with 1,725 new homes enabled and the planned Enterprise Zone within it; release of surplus public sector land for 475 new homes on the St Peter’s Hospital site, enabling the capital programme of works to the hospital to progress and development of a total of 3,687 new homes within Runnymede, of which a third will be affordable.
3.3.2 **Please provide a summary of the impact should funding not be received.**

In the event that HIF funding is not awarded for the A320 North of Woking scheme, the impact on housing delivery in the Runnymede area will be severe. The opportunity to deliver new, affordable homes to meet identified housing need will be curtailed and limited to fewer than 300, compared to the 3,687 homes which can be delivered with HIF funding. With housing demand continuing to outpace supply, it is likely that the affordability ratio in Runnymede will grow even higher and the area will continue to become less affordable for current and future residents. Without funding, Longcross Garden Village will fail to be delivered, with only a further 110 homes achievable before works to the A320 North of Woking must be completed. The value of surplus land at St Peter’s Hospital will only partially be realised with 147 homes achievable and no development will be possible on the Parcel B Vet Labs site owned by DEFRA. At St Peter’s Hospital, reduced development will severely limit funding of the hospital’s capital programme which is dependent on the realisation of value from the sale of market housing on the site.

From a transport perspective, the A320 North of Woking suffers from significant congestion and there will be no improvement if no HIF funding is received.

3.4 **Additional Information**

3.4.1 **If you have any further information to support your options appraisal, which has not already been captured in the above, please include this here.**

The following attachments are referenced as part of responses to the Options Appraisal section and attached below:

1. A320 Corridor Feasibility Study
18. Grampian condition text
4. Economic Case

4.1 Net Present Value (NPV) of housing benefits.

4.1.1 Please provide the estimated NPV (in 2018/19 prices) of the additional housing benefits (as monetised using land value uplift) of the preferred option relative to the do-nothing option.

4.1.2 Please provide the estimated NPV (in 2018/19 prices) of the current use land value for the scheme overall (before additionality adjustments).

4.1.3 Please provide the estimated NPV (in 2018/19 prices) of the site specific residential land value for the scheme overall (before additionality adjustments).

4.1.4 Please provide the following details of residential land value calculation across all sites.

Assumptions should be consistent with the guidance for completing the HIF economic case.

- GDV (compliant with the Economic Case guidance)
- Build costs
- Externals
- Professional fees
- Sales costs
- Finance costs
- Contingencies
- Developer profit

4.1.5 Please provide the additionality % assumed for the scheme

81%

4.1.6 Please provide a detailed explanation of the method and assumptions underlying the estimates above, as outlined in the Economic Case guidance.

Deadweight Effects and the Reference Case Position—HIF Housing

Assumptions regarding deadweight in housing Land Value Uplifts (LVU’s) achieved across 7 development opportunities, including at the nationally important Longcross Garden Village opportunity, have been developed based on an understanding the number of dwellings that could be delivered without the HIF investment.

The starting point has been to understand the current planning position. Through local planning, there are existing Grampian conditions placed on two of the seven development opportunities (Hanworth Lane and St Peter’s Hospital) and these conditions restrict their occupation until elements of the HIF scheme are completed.

The five remaining development opportunities are allocated in the submission draft 2030 Local Plan (currently at Examination), but across these sites, there has either been no planning application submitted to date or a planning application is yet to be determined.

These five opportunities will however be subject to similar Grampian conditions, as set out in Local Plan Policy SD6: Infrastructure Provision and Timing.

In particular Policy SD6 states that ‘Development proposals which are dependent on the delivery of critical infrastructure projects will not be permitted prior to completion of that project or where appropriate, a phase of
that project which has been identified as necessary for the development to proceed. Dependent on the timing of critical infrastructure projects the Council may instead grant permission with conditions or planning obligations restricting full or partial occupation until completion of critical infrastructure projects or phases of projects.

On this basis, and based on the Local Plan position, confirmed and validated through transport modelling described below, the deadweight ‘No HIF’ position is that 272 further units could be delivered without HIF investment – representing around 7% of the overall opportunity for 3,649 new units enabled in the Preferred Option.

The table below shows the overall dwellings capacity of each of the 7 housing opportunities, alongside the current planning status and scale and forecast delivery timeframes for the ‘deadweight’ permissible development.

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Total Capacity (Units)</th>
<th>Planning Status / References</th>
<th>Evidence for Deadweight position / link to HIF Infrastructure</th>
<th>Deadweight Capacity and Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hanworth Lane</td>
<td>225</td>
<td>Resolution subject to S106 Full for 130 units (RU.15/0855, RU.16/1198) Outline for 52 units</td>
<td>130 units under construction (15 to complete). Policy SD6 will prevent future planning approvals.</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(RU.18/0443 application) Granted for 158 units with Grampian conditions (RU.18/1280)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Longcross</td>
<td>1,715</td>
<td>Allocated, Emerging Local Plan Policy SD10, RU.13/0856, Partial Outline Permission.</td>
<td>Outline granted on Longcross North office, data centre and 200 new homes. Longcross South (1,300 homes) and Longcross Barracks are allocated for housing in the emerging Local Plan. Policy SD6 will prevent future planning approvals.</td>
<td>110</td>
</tr>
<tr>
<td>St Peters Hospital</td>
<td>475</td>
<td>Allocation, Emerging Local Plan Policy SL13, Outline Permission subject to S106.</td>
<td>Planning permission has been resolved to be granted subject to a s106 agreement to provide for contributions to the A320 improvements (the HIF project). Policy SD6 will prevent future planning approvals.</td>
<td>147</td>
</tr>
<tr>
<td>Bittams (A-E)</td>
<td>609</td>
<td>Allocated, Emerging Local Plan Policy SL14 to 18</td>
<td>Policy SD6 will prevent future planning approvals.</td>
<td>None</td>
</tr>
<tr>
<td>Ottershaw East</td>
<td>200</td>
<td>Allocated, Emerging Local Plan Policy SL12</td>
<td>Policy SD6 will prevent future planning approvals.</td>
<td>None</td>
</tr>
<tr>
<td>Vet Labs</td>
<td>150</td>
<td>Allocated, Emerging Local Plan Policy SL11</td>
<td>Policy SD6 will prevent future planning approvals.</td>
<td>None</td>
</tr>
<tr>
<td>Pycroft Road</td>
<td>275</td>
<td>Allocated, Emerging Local Plan Policy SL6 Pre-application discussions have recently commenced.</td>
<td>Policy SD6 will prevent future planning approvals.</td>
<td>None</td>
</tr>
<tr>
<td>Total Units</td>
<td>3,649 units</td>
<td></td>
<td></td>
<td>272 units</td>
</tr>
</tbody>
</table>
Background to the Local Plan Position and Scenario Q Testing and Validation

The Local Plan position has itself been informed by a Strategic Highway Assessment Report (SHAR) undertaken to assess the potential impact of the draft Local Plan on the highway network, and the subsequently commissioned A320 Study. The Strategic Highway Assessment was undertaken using the Surrey County Council’s county model, SINTRAM72.

In summary, this identified the potential for severe impact along the A320 corridor due to congestion and access being impaired to the major Accident and Emergency unit of the adjacent St Peter’s Hospital.

As a result, Runnymede Borough Council commissioned the A320 Study to be undertaken by Arcadis. This A320 Study took the SHAR work further and specifically reviewed junctions within the A320 corridor. A growth factor from SINTRAM72 was used to calculate the percentage increase in flow from the base year of 2014. This growth factor has been applied to the observed distribution of turning movements, and the forecast flows at the A320 junctions have been modelled using bespoke junction model software, including ARCADY and LinSig.

The junction modelling produced results that are presented in the A320 Study report. The maximum Ratio of Flow to Capacity (RFC) values extracted for the junctions and links which form part of the HIF scheme along the A320 corridor are listed in the table below. RFC values greater than 1 are in bold, inferring that these junctions will exceed capacity.

As can be seen, in the Local Plan forecast nearly all junctions will be operating at over capacity (RFC greater than 1) during both the assessed weekday AM and PM peak hour time periods and those that are below have an RFC greater than 0.85, inferring that these junctions will be approaching theoretical capacity.

<table>
<thead>
<tr>
<th>Junction Ref.</th>
<th>Description</th>
<th>2017</th>
<th>Local Plan Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A320/ B388 Thorpe Rd roundabout</td>
<td>1.11 0.91</td>
<td>1.37 0.95</td>
</tr>
<tr>
<td>6a</td>
<td>A320/Green Lane roundabout</td>
<td>1.29 0.88</td>
<td>2.24 1.14</td>
</tr>
<tr>
<td>Link 1</td>
<td>J6a Link: A320 Guildford Road North</td>
<td>0.84 0.88</td>
<td>2.24 1.14</td>
</tr>
<tr>
<td>6b</td>
<td>A320/Holloway Hill roundabout</td>
<td>1.07 1.13</td>
<td>1.86 1.47</td>
</tr>
<tr>
<td>8</td>
<td>A320/Hillswood Drive/Bittams Lane roundabout</td>
<td>1.47 1.03</td>
<td>2.54 1.27</td>
</tr>
<tr>
<td>Link 2</td>
<td>J8 Link: A320 Holloway Hill to Bittams Lane</td>
<td>0.97 1.03</td>
<td>1.33 1.27</td>
</tr>
<tr>
<td>10</td>
<td>A320/Murray Road/Chobham Road roundabout</td>
<td>0.94 1.24</td>
<td>2.32 2.71</td>
</tr>
<tr>
<td>Link 3</td>
<td>J10 Link: A320 St Peter's Way to Chobham Road</td>
<td>0.86 0.80</td>
<td>0.86 0.86</td>
</tr>
<tr>
<td>15</td>
<td>J11 M25</td>
<td>0.85 0.97</td>
<td>1.11 1.09</td>
</tr>
<tr>
<td>Link 4</td>
<td>J15 Link: A320 St Peter's Way</td>
<td>0.72 0.83</td>
<td>1.11 0.94</td>
</tr>
</tbody>
</table>

Given these assessments of operating capacity within the corridor, the default planning position is that any future proposed new development on all identified sites which access the A320 corridor will not be permissible. Besides some early phase development which has already progressed through planning and is being delivered, it is considered that the full delivery of these seven sites, including the nationally recognised Garden Village opportunity, will be fully dependent on the delivery of HIF infrastructure.

To test the continued validity of the current planning position in advance of this submission, this assumption of dependency has been further verified with the assessment of the 2030 Scenario Q, summarised below with a full description contained in Section 4.12 of the appended Transport Annex 1 Transport Model Technical Report. Scenario Q contains all forecasted trips, including dependencies, on the 2030 transport network without the HIF scheme and Ratio of flow to capacity (RFC) analysis for the AM, Inter and PM peak hours.

The Scenario Q analysis has identified that all of the junctions that will benefit from HIF investment would operate above their theoretical capacities (RFC >1) during the AM peak hour, at least at one arm of each junction. In the PM peak hour this is also the case, except for Junction 1 (A320 Chilsey Green Road roundabout junction with B388 Thorpe Road) which contains an RFC greater than 0.85. As can be expected,
the situation is not as severe during the inter peak. However, junctions 15 (M25 Junction 11), 8 (A320 Guildford Road roundabout junction with Bittams Lane) and 6 (A320 Guildford Road roundabout with Holloway Hill) still contain an approach which is operating above their theoretical capacity.

As described in the US Highway Capacity Manual, an RFC value above 1 relates to the worst Level of Service which is ‘forced or breakdown of flow’ whereby ‘every vehicle moves in lockstep with the vehicle in front of it, with frequent slowing required. Travel Time cannot be predicted, with generally more demand than capacity’.

**Displacement Effects – HIF Housing**

Estimates for the levels of displacement among residential LVU’s has drawn on local housing market evidence. Whilst the delivery of HIF dependent housing may ‘crowd out’ other private sector investment in housing locally, it is known that is significant demand for new housing in Runnymede.

In the year ending to June 2018, average median house prices in Runnymede (£408,000 per dwelling) were 73% higher than the national average (£235,995 per dwelling, England) and ever-rising affordability pressures in Runnymede has meant that there has been significantly higher than national growth in the levels of overcrowding locally – +41% in Runnymede compared to +32% in England (Census, 2001 and 2011).

The above has been a key factor in the emerging Local Plan ambition for delivering higher than typical levels of low-cost affordable housing provision as follows:

- Market Housing – 65%
- Low-cost home ownership – 10%
- Social/affordable rents – 25%

Developed to inform the new Local Plan process, the Runnymede Strategic Housing Market Assessment (SHMA Update, GL Hearn, January 2018) identifies the levels of Objectivity Assessed Need (OAN) for market and affordable households (ownership and rents) between 2016 and 2036, as highlighted on the table below.

<table>
<thead>
<tr>
<th>Objectivity Assessed Need (OAN) in Runnymede, SHMA January 2018</th>
<th>OAN to 2030</th>
<th>OAN to 2036</th>
<th>Need per year (from 2016, both scenarios)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>+4,339 households</td>
<td>+6,198 households</td>
<td>+310 households pa</td>
</tr>
<tr>
<td>Low-cost home ownership</td>
<td>+667 households</td>
<td>+954 households</td>
<td>+48 households pa</td>
</tr>
<tr>
<td>Social / affordable rents</td>
<td>+1,669 households</td>
<td>+2,384 households</td>
<td>+119 households pa</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>+6,675 households</strong></td>
<td><strong>+9,536 households</strong></td>
<td><strong>+477 households pa</strong></td>
</tr>
</tbody>
</table>

On this basis, there is an overall OAN for delivering 310 market and 167 affordable households (+477 households) per year over the new Local Plan period to 2030 and beyond, but Annual Monitoring Report (AMR, 2016/17) infers that the supply of new housing over the past 10 years (2006-2016) has fallen well short of this OAN – at 216 units per year, or a 55% shortfall on the recently assessed OAN.

Each of the seven housing development opportunities, including Longcross Garden Village, are allocated within the emerging Local Plan, and will therefore contribute towards meeting local housing needs and it is for this reason that Runnymede Borough Council alongside Surrey County Council are activity seeking to promote the housing opportunities through local planning and Garden Village status.

Since the introduction of the 2016 DCLG Appraisal Guide and the LVU approach, Homes England has established a methodology for assessing levels of displacement based upon these considerations.

1. Housing need: all affordable housing is considered to be 100% additional as the property market would not otherwise deliver an affordable housing product of its own accord;
2. Housing demand: new build housing in areas of high demand (as reflected in price signals) is considered more likely to be additional, whilst in areas of suppressed demand, new housing is more likely to displace demand and investment; and,
3. Housing supply targets and policy ambition: where a local authority is actively seeking to increase the net supply of housing through local planning.

The Homes England methodology has been used to calculate the displacement deduction as outlined in the table and described in further detail below:
### Calculation of displacement adjustment

<table>
<thead>
<tr>
<th>Adjustment</th>
<th>Displacement</th>
<th>Rationale</th>
<th>Evidence</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% displacement</td>
<td>0%</td>
<td>-100%</td>
<td>All LVU displaced (national) from site-to-site</td>
<td>Start by assuming 100% displacement</td>
</tr>
<tr>
<td>Adjust displacement for % affordable</td>
<td>35%</td>
<td>-65%</td>
<td>Local provision of affordable housing is 100% additional</td>
<td>Deduct 35% affordable housing provision from 100% displacement</td>
</tr>
<tr>
<td>Adjust displacement to reflect housing market demand</td>
<td>50%</td>
<td>-33%</td>
<td>Housing to meet evidenced local demand (price signals) is considered up to 50% additional</td>
<td>Runnymede is in the 2nd decile therefore 50% adjustment (1st and 2nd = -50%, 3rd = -40% etc.)</td>
</tr>
<tr>
<td>Adjust displacement to reflect local and national policy ambition</td>
<td>50%</td>
<td>-16%</td>
<td>Local Plan and national policy seeking to increase housing supply is considered 40% additional</td>
<td>Historic undersupply of housing locally compared to OAN. All 7 opportunities promoted through local planning, incl. national Garden Village status.</td>
</tr>
</tbody>
</table>

**Overall displacement**  
-16%

On this basis, displacement effects among LVU’s achieved is set at -16%, inferring High (75%+) levels of additionality.

#### 4.1.7 Please provide a detailed explanation of the method and assumptions underlying the estimates of NPV of residential land value, NPV of current use value, and NPV of additional housing benefits above, as outlined in the Economic Case guidance.

**Introduction**

A primary impact of the Preferred Option will be in the potential of the HIF investment to enable development on currently dependent development sites in Runnymede, Surrey.

The assessment of gross and net uplifts in residential land values achieved in the Preferred Option is based on the full delivery of each of the seven relevant housing development opportunities being promoted through the emerging Runnymede Local Plan (out for examination).

In the Preferred Option the modelling first considers the gross uplifts in residential land values achieved through the delivery of 3,649 new dwellings (3,601 units and 48 extra care units) across the seven development opportunities by 2029/30, the trajectories for which have been informed through current planning evidence and market expectations for delivery. Modelling of current land values has been based on Ready Reckoner evidence from VOA data (MHCLG, May 2018) and estimates for future gross land values are based on development appraisal evidence, completed by Arcadis.

In the Reference Case, the modelling follows the same approach and considers the same impacts on residential land values through the delivery of 272 new ‘non-HIF dependent’ dwellings on three of the seven relevant sites by 2020/21. The delivery of the non-HIF dependent ‘deadweight’ housing, has also been established through current planning conditions, with Grampian Conditions setting an absolute limit of permissible development owing to local highways challenges. The current planning position has been informed by transport assessment evidence informed by the Strategic Highways Assessment and A320 Study reports and the continued validity of this advice has been tested and verified through WebTag modelling in line with Unit A2.2 (Scenario Q).

In both options, and in line with MHCLG advice and the Appraisal Guide, a real terms growth increase is applied to gross land values in both the Preferred Option and the Reference Case. This is a purely notional
'economic' adjustment and is therefore not reflected in the Gross Development Values (GDVs). Set at 5% per year based on Appraisal Guide evidence, this reflects the nominal change in house prices excluding inflation. This annual increase is applied to both current and future land use values, accepting proportions of the development opportunities which are currently in agricultural use may not see the same levels of real term growth as developed land.

Deductions of current land values from future land values in both the Preferred Option and the Reference Case has then enabled estimates of gross Land Value Uplifts (LVUs) and adjustments for displacement have then enabled net LVU estimates in both scenarios.

Finally, deductions of the net LVU’s achieved in the Reference Case from the net LVU’s achieved in the Preferred Option has then established the overall additionality of the HIF Preferred Option investment to be understood.

All values are in 2018/19 prices and all forecasts employ the HM Treasury discount factor in order to present uplifts in values achieved in Net Present Value (NPV) terms. The supporting Economic Impact Model developed is appended to the Business Case.

The following sections describe the approach to modelling residential LVUs in the Preferred Option and the Reference Case scenarios, the results in each scenario and an overview of the overall additionality of the HIF Preferred Option investment.

**Housing Land Value Uplifts - Preferred Option**

The Preferred Option will enable 3,649 new dwellings on development site opportunities being promoted in Runnymede, alongside, 38 planned gypsy and traveller pitches, ancillary infrastructure and new commercial development with capacity to support around 670 Full Time Equivalent (FTE) jobs.

At present around a third of the 98 ha of housing development land is in greenfield / agricultural use with the remaining 64 ha being brownfield land. To estimate current land values, VOA benchmark evidence contained within the Land Value Estimates for Policy Appraisal Guidance (MHCLG, May 2018) has been used. For the 34 ha of greenfield land, application of an average agricultural land value for the Enterprise M3 area (23,415 per ha in 2018/19 prices) has been applied and for the remaining 64 ha of brownfield land, a ready reckoner of £1.56m per ha of industrial land (in 2018/19 prices, proxy for Basildon) has been used to estimate current land values.

In applying the above benchmarks, the current value of the greenfield and brownfield land is estimated at £96.5m, £109.7m at NPV when applying the HM Treasury Discount at 3.5% (3.0% from year 30 onwards) and the nominal real term growth factor.

The assessment of future residual land values that could be achieved on completion of the Preferred Option is based on Arcadis estimates of the GDVs achieved on each of the seven housing opportunities. Development Appraisal evidence is based on investment evidence from similar schemes delivered elsewhere locally and deductions for all development costs and an allowance for developer's profit on costs has enabled residual land values for the new housing units post-completion to be estimated.

As per MHCLG guidelines, the Development Appraisals used to inform the Economic Case exclude provision for affordable dwellings, Section 106 costs and other 'offsite' s278 contributions to access roads. As these abnormal costs will be incurred to the private developers, they have been excluded from the modelling to reflect 'real' economic value.

It is considered that the timing of the LVUs achieved will be in line with the forecast delivery for the 3,649 new houses achieved in the Preferred Option and on this basis, it is estimated that the gross residual value of the 98 ha of housing development land in the Preferred Option will be in the order of [***] at NPV when discounted and with the growth factor applied.

On this basis, the gross LVU in the Preferred Option is estimated at [***] at NPV when applying the discount and real growth factors.

To determine the net additionality of the gross uplift in land values, an adjustment to account for displacement (-16%) has been made, reflecting local housing market conditions described in 4.1.6 and inferring high levels of additionality. This adjustment reflects the fact that the HIF scheme is being designed to create capacity to meet unmet demand for housing locally whilst accepting that there will be some land values will inevitably be displaced.

With adjustments for displacement, it is estimated that the Preferred Option has potential to deliver a net LVU of [***] at NPV with discount and real growth factors applied.
The table below presents the NPV estimates for current and future land values in each of the seven housing development opportunities following the delivery of the Preferred Option for the scheme and estimates for the overall gross and net uplifts in land values achieved.

### Housing Land Value Estimates – Preferred Option

<table>
<thead>
<tr>
<th></th>
<th>Current Land Value (NPV)</th>
<th>Future Land Value (NPV)</th>
<th>Gross Land Value Uplift (LVU, NPV)</th>
<th>Net LVU (less displacement @ 16%, NPV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hanworth Lane</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Longcross GV</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St Peters Hospital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bittams (A-E)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ottershaw East</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vet Labs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pycroft Road</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total (NPV)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Housing Land Value Uplifts - Reference Case

The approach to quantifying residential LVUs in the Reference Case has followed the same methodology described in the Preferred Option. The Reference Case modelling is based on the delivery of 272 non-HIF dependent dwellings on three of the seven development opportunities under review, with an estimated gross housing development area of around 7.5 ha. For the purpose of the Reference Case modelling, it is assumed that no development would occur on the remaining 91.2 ha of housing land across the seven sites and therefore no change in land values.

In the Reference Case it is estimated that the current value of the three sites is [NPV] with discount and real growth factors applied. Post-development, it is estimated that the future gross value of the land will be [NPV]. On this basis the gross LVU is estimated at [NPV]. Following adjustments for displacement (-16%), it is estimated that the net LVU in the Reference Case will be [NPV] at NPV when discount and real growth factors are applied.

The table below presents the NPV estimates for the current and future land values for the area of land delivered in the Reference Case and estimates for the overall gross and net uplifts in land values achieved.

### Housing Land Value Estimates – Reference Case

<table>
<thead>
<tr>
<th></th>
<th>Current Land Value (NPV)</th>
<th>Future Land Value (NPV)</th>
<th>Gross LVU (NPV)</th>
<th>Net LVU (less displacement @ 16%, NPV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hanworth Lane</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Longcross GV</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St Peters Hospital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Overall HIF Additionality - Preferred Option less Reference Case

To determine the overall additionality of the HIF Preferred Option investment, the effects on land values achieved in the Reference Case have then been deducted from the Preferred Option.

On this basis, it is estimated that the delivery of the Preferred HIF Option will bring an additional [NPV] in net LVUs.

### Surrey HIF - Preferred Option Additionality - Housing Land Value Estimates

<table>
<thead>
<tr>
<th></th>
<th>Preferred Option (3,649 units)</th>
<th>Reference Case (272 units)</th>
<th>Preferred Option Additionality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross LVU (NPV)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net LVU (NPV)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.2 **NPV of external impacts of additional housing**

4.2.1 *Please provide the estimated NPV (in 2018/19 prices) of external impacts of additional housing from the preferred option relative to the do-nothing option.*

<table>
<thead>
<tr>
<th>Type</th>
<th>Summary of Impact</th>
<th>NPV of Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net HIF Housing Transport Impacts</td>
<td>Scenario R compared to Scenario S</td>
<td>£-196,006,100</td>
</tr>
<tr>
<td>Net Health Impacts</td>
<td>External Health Impact of Affordable Housing</td>
<td>£2,130,796</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>£-193,875,304</strong></td>
</tr>
</tbody>
</table>

4.2.2 *Please provide a detailed explanation of the method and assumptions underlying these estimates, as outlined in the Economic Case guidance.*

**Introduction**

Beyond estimates of LVUs achieved in the Preferred Option, it is considered that a number of other external impacts of the additional housing could be achieved over and above the Reference Case position. These impacts include the (a) transport-user impacts associated with the new housing residents making use of the local road network and (b) the impacts on residents’ health associated with the delivery of affordable housing.

The approach to monetising each impact stream in the Preferred Option is outlined in the sections below.

**HIF dependent Housing Transport User Impacts – Scenario S compared to Scenario R**

The estimated NPV of external impacts of 3,415 HIF dependent dwellings (units and traveller pitches) enabled in the Preferred Option on existing transport users has been calculated using the DfT’s TUBA (Transport User Benefit Appraisal) software version 1.9.12 and the outputs of Scenarios S and R from the Local Transport Model derived for this HIF scheme.

In line with Transport Appraisal Guidance (TAG) Unit A2.2, Scenario S contains the HIF transport scheme but no dependent development trips, whilst Scenario R is both the HIF transport scheme with the dependent development trips. These scenarios have been compared in TUBA to determine the impact of dependent development trips on existing transport users.

The Local Transport Model is described in detail within the A320 North of Woking Transport Model Technical Report (TMTR, included at Attachment 42) and, as well as detailed reporting of model results, this also provides a detailed description of the base model development, model validation, forecasting and economic evaluation approaches employed.

For reference, an overview of the TMTR content is as follows:

- Base model development is set out in Chapter 2, including the introduction of the two-tier modelling system employed;
- Model validation of both traffic flows and journey times is set out in Chapter 3;
- Model forecasting, including the SINTRAM72 variable demand model, determination of dependent development (Section 4.12), the methodology used to construct matrices for both with and without development trips (Sections 4.5-4.11, and 4.13); and forecast networks (Section 4.14) is provided in Chapter 4;
- Chapter 5 describes the transport economic evaluation using TUBA, including determination of annualisation factors (Section 5.4) and a review of warnings (Section 5.7); and;
- The final Chapter 6 describes the potential impact on the highway network, including the M25 and M3, arising from both the dependent development and HIF transport scheme.

The Economic Efficiency of the Transport System (TEE) as output from TUBA is also provided within the TMTR, and the associated TUBA input and output files are included at Attachment 49.

A summary of the results of the Scenario S and R modelling is provided in the table below. As can be seen this results in an overall impact of -£196m in 2018/19 factor costs, inferring disbenefits across the extent of the Local Transport Model.

The model itself extends across an area that is already known for high levels of congestion, incorporating the M25 and M3 motorways and the entire borough of Runnymede and a hinterland, including areas of Windsor and Maidenhead and Surrey Heath to the west, Woking to the south, Elmbridge to the east, and Spelthorne to
the north. This area of the South East abuts Greater London and considerable congestion is therefore to be expected.

It must however be noted that the A320 North of Woking scheme is not designed to compensate for potential disbenefits occurring to other transport users outside of the immediate A320 corridor and the modelling results indicate that there are cumulative disbenefits caused by dependent development trips outside of this corridor.

Effectively, the proposed infrastructure is designed to control A320 corridor traffic flows, particularly controlling access and departure to and from the M25 motorway using traffic signal controls. This will prevent both mainline queuing and control the arrival rate onto the motorway, thus ensuring sufficient approach and circulatory capacity and thereby accommodating expected increases in network users arising from HIF Preferred Option dependant development trips.

At the time of writing this business case, both Runnymede Borough and Surrey County Councils are actively engaging with Highways England. This includes both ongoing design evaluation and enhancement, using both the transport models appraised for this business case and the junction signal design tool LinSig, with the aim of mainline protection.

Further detailed analysis of impacts locally, evaluated using the Local Transport Model, is provided in Chapter 6 of the A320 North of Woking Transport Model Technical Report include at Attachment 42 and a summary of the comparison of Scenarios S and R for the forecast year 2030 is as follows:

- Dependent development trips radiate out from the dependent development sites, with increases in flow along the A320 corridor (Section 6.2);
- There are also increases in flow away from the A320 corridor; the impact of which are not being addressed as part of this business case, but their external impact to other transport users has been calculated in the NPV calculations provided here (Section 6.2).
- The largest difference in mainline motorway flow from the addition of dependent development trips is 69 vehicles per hour (vph) during the weekday AM peak hour on the M25 anticlockwise carriageway between Junction 11 and 10 (Section 6.3).
- Importantly, the model suggests that the addition of dependent development trips will not change the Level of Service (LOS) for the M25 and M3 mainline contained within the extent of the Local Model (Section 6.3).
- Greater flow changes are shown on the M25 Junction 11 slip roads, where the A320 accesses the M25. The largest increase of 80 vehicles per hour (vph) is during the AM peak hour for the on-slip joining the clockwise carriageway (Section 6.4).
- The largest increase in additional merge delay is 1.8 seconds per vehicle for the anticlockwise on-slip also during the AM Peak Hour (Section 6.4).

In light of the above, the potential for some disbenefits among wider network users is considered to be acceptable given the overriding need to deliver the nationally significant Garden Village opportunity as a mechanism to ease housing demand pressures locally.

The table below provides a summary of estimated impact of dependent development trips on existing transport users.

<table>
<thead>
<tr>
<th>Scenario S compared to Scenario R – NPV, 2018/19 values</th>
<th>Summary of Impact</th>
<th>NPV of Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse Gases</td>
<td>Disbenefit</td>
<td>£7.1m</td>
</tr>
<tr>
<td>Economic Efficiency: Consumer Users (Commuting)</td>
<td>91% of disbenefit is due to journey time changes and 9% vehicle operating costs</td>
<td>£54.9m</td>
</tr>
<tr>
<td>Economic Efficiency: Consumer Users (Others)</td>
<td>87% of disbenefit is due to journey time changes and 13% vehicle operating costs</td>
<td>£69.7m</td>
</tr>
<tr>
<td>Economic Efficiency: Business Users and Providers</td>
<td>90% of disbenefit is due to journey time changes and 10% vehicle operating costs</td>
<td>£64.3m</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>£196.0m</td>
</tr>
</tbody>
</table>

**Health Impacts – Preferred Option and Reference Case**

It is recognised that the provision of affordable housing can lead to health improvements. Whilst affordable provision is excluded in the calculation of LVU, the benefits of affordable rents provision in terms of external economic impacts are included in the wider appraisal given the specific local planning requirements.
The DCLG Appraisal Guide (December 2016) estimates that the external health impact of additional affordable housing could amount to £125 per year per new dwelling (£130 pa in 2018/19 prices). Whilst in theory health impacts could be ascribed for all affordable housing proposed in Runnymede area (35%) in both Options, the focus for the monetisation of health impacts has been on the affordable rents element (25%) only.

This is because the DCLG Appraisal Guide metric applied within the modelling is essentially monetising the NHS avoidance costs associated with reduced probability for homelessness and overcrowding. Given that those benefitting from more affordable provision are more likely to be renting that purchasing, a focus solely on affordable rents has been adopted for prudence.

In the Preferred Option, a total of 912 new affordable rents would be delivered and allowing for a small level of underoccupancy (-10%, 821 units at occupancy), at capacity it is estimated that around £107k per year in health impacts could be achieved, totalling £5.9m over the 60-year appraisal period, £2.3m at NPV.

In the Reference Case, a total of 68 affordable rents would be delivered (61 at occupancy) and around £8k of health impacts would be achieved annually once developed out, totalling £0.7m in cumulative health impacts over the appraisal period, £0.2m at NPV.

As affordable housing provision delivered in both Options will be 100% additional, no accounting for displacement effects has been made in the assessment of health impacts.

Deducting the Reference Case from the Preferred Option has then enabled the overall additionality of the HIF Preferred Option investment to be assessed, totalling £5.4m of cumulative health impacts arising through the delivery of HIF dependency affordable rents over the appraisal period, £2.1m at NPV.

The table below provides a summary of Health Impacts achieved in both Options and the estimate of HIF additionality.

<table>
<thead>
<tr>
<th>A320 North of Woking - Summary of Health Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred Option</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>Affordable Rents (25%)</td>
</tr>
<tr>
<td>Affordable Rents at occupancy</td>
</tr>
<tr>
<td>Annual Health Impact at capacity</td>
</tr>
<tr>
<td>Cumulative Health Impacts</td>
</tr>
<tr>
<td>Health Impacts at NPV</td>
</tr>
</tbody>
</table>

Attachments added:
42. Transport Annex 1: Transport Model Technical Report (Main)
49. Transport Annex 8: TUBA Scenario S versus R Input and Output Files

4.3 NPV of infrastructure impacts

4.3.1 Please provide the estimated NPV (in 2018/19 prices) of infrastructure impacts, and any other monetised impacts not captured above, from the preferred option relative to the do-nothing option.

<table>
<thead>
<tr>
<th>Type</th>
<th>Summary of Impact</th>
<th>NPV of Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Non-HIF Housing Transport Impacts</td>
<td>Scenario P compared to Scenario S</td>
<td>£99,156,937</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>£99,156,937</strong></td>
</tr>
</tbody>
</table>

4.3.2 Please provide a detailed explanation of the method and assumptions underlying these estimates, as outlined in the Economic Case guidance (including Annex A).

**Introduction**

Beyond the impacts of the HIF infrastructure arising from bringing forward new dependent housing development, the delivery of the proposed new infrastructure will also impact on wider highways network users beyond those residing in HIF dependent housing.

The approach to monetising these impacts in the Preferred Option is discussed below.
Non-HIF dependent Housing Transport User Impacts – Scenario P compared to Scenario S

Alongside transport modelling to understand the effects of HIF dependant development users on the transport network, Surrey County Council has also undertaken transport modelling to estimate the effects of the proposed Preferred Option HIF infrastructure on wider network users beyond those residing in HIF dependent housing.

Transport Options Appraisal

As discussed in section 4.6.1, years of transport assessment work predate the submission of this business case have defined the current Preferred Option transport scheme.

In 2016, the county council’s SINTRAM72 model was used to develop a Local Model of Runnymede for the transport assessment of Runnymede Borough Council’s draft submitted Local Plan. The Strategic Highway Assessment Report (Attachment 51) objective was to understand the future situation and establish the need for intervention. Its key conclusion identified the potential for severe impact along the A320 corridor due to congestion and access being impaired to the major Accident and Emergency unit of the adjacent St Peter’s Hospital.

As a result, Runnymede Borough Council commissioned Arcadis to produce the A320 Corridor Feasibility Study (2017, included at Attachment 1). The A320 Study, extended the SHAR assessment further, specifically by reviewing junction capacities within the A320 corridor. A growth factor from SINTRAM72 was used to calculate the percentage increase in flow from the base year of 2014. The growth factor was applied to the 2017 observed distribution of turning movements, and the forecast flows at the A320 junctions were then further modelled using bespoke junction model software, including ARCADY and LinSig. This work verified the need for intervention and also went on to generate options through initial sifting and development assessment of potential options.

The schemes which showed the most worth, in terms of mitigating impact and deliverability, were subsequently set out in the A320 Topic Paper (July 2018, included at Attachment 2), commissioned by Runnymede Borough Council to assist the Inspector examining its new Local Plan (out for examination).

All background reports are attached as supporting documents the schemes will continue to be developed as they move from outline to detailed design stage. For reference, a full list of relevant appended transport assessment reports is as follows:

- Attachment 1: A320 Corridor Feasibility Study, Arcadis
- Attachment 2: A320 Topic Paper
- Attachment 48: Transport Annex 7: TUBA Scenario P versus S Input and Output Files
- Attachment 49: Transport Annex 8: TUBA Scenario S versus R Input and Output Files
- Attachment 50: Transport Annex 9: TAG Worksheet TEE Tables

Attachments 43 to 47 also provide supporting evidence to Transport Annex 1.

A320 North of Woking Scheme Impacts

The estimated NPV of transport infrastructure impacts has been solely calculated using the DfT’s TUBA software version 1.9.12 and the outputs of Scenarios P and S from the Local Transport Model derived for this HIF scheme. A full outline of model development is provided in Chapter 6 of the appended TMTR.

As per Transport Appraisal Guidance (TAG) A2.2, this is estimated under fixed land use. Thus, Scenario P is the transport network without the proposed HIF transport scheme and Scenario S introduces the HIF transport scheme, but both Scenarios exclude dependent development trips.

The Economic Efficiency of the Transport System (TEE) as output from TUBA is provided in the appended TMTR and the associated TUBA input and output files are also appended to the submission at Attachment 48.

As referenced in Section 4.2.2 above, the Local Transport Model is described in detail within the A320 North of Woking Transport Model Technical Report at Attachment 42. Notably the determination of the trip matrices which exclude dependent development trips is described in detail in Section 4.13 and in total this removes up to 933 car trips from the peak hour matrices.

The impact to the highway network and especially the motorways have been evaluated using the Local Transport Model and as outlined on the table below, the total infrastructure impacts is estimated at £99.2m NPV in 2018/19 factor costs.
A summary of the comparison of Scenarios P and S for the forecast year 2030 are as follows:

- The routing effects of the transport scheme are predominantly isolated to the A320 corridor and its surrounding roads and are greatest during the weekday AM peak hour when levels of demand and congestion are at their highest (Section 6.1).
- The transport scheme leads to an increased usage of the A320, with overall reduced ‘rat running’ on less suitable minor and unclassified roads (Section 6.1).
- The transport scheme reduces total delay for the A320 Chilsey Green Road roundabout with B388 Thorpe Road (Junction 1), A320 Guildford Road roundabout with Bittams Lane (Junction 8), and the A320 double roundabouts with Holloway Hill and Green Lane (Junction 6) (Section 6.1).
- At the M25 Junction 11, the overall average vehicle delay is higher with the HIF transport scheme. This is because the junction improvements here aim to better manage traffic flow both accessing and leaving the motorway using traffic signal control, to prevent both mainline queuing and also to control the arrival rate on the motorway. As a result, the scheme removes the existing left-turn bypass roads so that all movements are signal controlled with associated red time (Section 6.1).
- Average vehicle delay is also similar at the A320 Guildford Road roundabout with Chobham Road (Junction 10), with the introduction of the HIF transport scheme. This is because the upgrading of the A320 Guildford Road north exit (Link 3) to meet current design standards increases capacity and the amount of vehicles travelling through this roundabout (Section 6.1).
- Improvements to overall junction delay for those with design improvements are limited during the assessed average Inter Peak Hour when demand is lower. This is because the junction improvements are intended to tackle peak hour congestion and better manage movements through the introduction of signal control at the M25 Junction 11 (Junction 15) and A320 roundabouts with Holloway Hill and Green Lane (Junction 6). The latter replacement of priority movements with signal control, often increases delay, or at best creates nil detriment, outside of peak times. The resulting overall delay during the average inter peak, however, is considered acceptable (Section 6.1). This also provides an opportunity to incorporate improved and more likely safer pedestrian and cycling facilities into these junction designs and encourage greater active mode share.
- The assessment of flow changes on the M25 and M3 showed minimal differences across all assessed time periods, with the introduction of the HIF transport scheme, with increases of up to 83 vehicles per hour (vph) on the M25 clockwise carriageway between Junction 11 and 12 during the average Inter Peak hour, and decreases of up to 68 vehicles per hour (vph) on the M25 anticlockwise carriageway between Junction 12 and 11 during the AM peak hour (Section 6.3).
- Notably the model suggests there will be no change in Level of Service (LOS) arising from these flow changes with the introduction of the HIF transport scheme. The transport scheme’s impact on the motorway mainline is therefore considered to minimal and differences are well within daily variability which exhibit on these sections of the M25 and M3 (Section 6.3).
- Greater flow changes are shown on the M25 Junction 11 slip roads, where the A320 accesses the M25. As with the assessment of mainline flows, there are both increases and decreases in flow. The largest increase of 102 vehicles per hour (vph) is on the clockwise on-slip during the PM peak hour. A decrease in flow is shown for the anticlockwise off-slip during all assessed time periods; the largest of which is a reduction of 55 vehicles per hour (vph) during the PM peak hour (Section 6.4).
- The only increase in additional merge delay is experienced on the clockwise carriageway during the AM peak and average Inter Peak hours only, with increase of 1.2 and 2.4 seconds respectively (Section 6.4).

As noted in Section 4.2.2 above, engagement with Highways England, and the review and enhancement of the design for M25 Junction 11 is ongoing, to ensure that the motorway mainline is protected from both the HIF transport scheme and development trips.

The table below provides a summary of estimated external impacts on wider transport users, as determined through Scenario P and S modelling.

<table>
<thead>
<tr>
<th>Scenario S compared to Scenario P – NPV, 2018/19 values</th>
<th>Summary of Impact</th>
<th>NPV of Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse Gases</td>
<td>Disbenefit</td>
<td>£1.1m</td>
</tr>
<tr>
<td>Economic Efficiency: Consumer Users (Commuting)</td>
<td>99% of benefit is due to journey time changes and only 1% vehicle operating costs</td>
<td>£41.4m</td>
</tr>
<tr>
<td>Economic Efficiency: Consumer Users (Others)</td>
<td>All the benefit is due to journey time changes</td>
<td>£29.7m</td>
</tr>
<tr>
<td>Economic Efficiency: Business Users and Providers</td>
<td>90% of benefit is due to journey time changes and 10% vehicle operating costs</td>
<td>£27.0m</td>
</tr>
<tr>
<td>Type</td>
<td>Total Nominal Amount</td>
<td>NPV (18/19 prices)</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>---------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>HIF funding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
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<tr>
<td>Revenue</td>
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</tr>
<tr>
<td>Central Government</td>
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<td>Cost</td>
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<tr>
<td>Revenue</td>
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<tr>
<td>Local Authority</td>
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<tr>
<td>Cost</td>
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<tr>
<td>Revenue</td>
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<tr>
<td>Other public Sector</td>
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</tr>
<tr>
<td>Cost</td>
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<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Sector (not developer contributions)</td>
<td></td>
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</tr>
<tr>
<td>Cost</td>
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<tr>
<td>Revenue</td>
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<tr>
<td>Private Sector (developer contributions)</td>
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<tr>
<td>Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Optimism Bias applied to Total Public Sector Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Optimism Bias applied to Total Private Sector Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| REAL NET PRESENT PUBLIC SECTOR COST       |                     |
| REAL NET PRESENT PRIVATE SECTOR COST      |                     |

### 4.4 NPV of scheme costs

**4.4.1 Please provide the estimated NPV (in 18/19 prices) of infrastructure scheme costs (and revenues) as incurred by the following groups under the preferred option relative to the do-nothing option.**

<table>
<thead>
<tr>
<th>Type</th>
<th>Total Nominal Amount</th>
<th>NPV (18/19 prices)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIF funding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Authority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other public Sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Sector (not developer contributions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Sector (developer contributions)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**4.4.2 Please provide a detailed explanation of the method and assumptions underlying all estimated costs, as outlined in the Economic Case guidance.**

Full bills of costed quantities for the HIF funded infrastructure items have been prepared by Arcadis. The cost plans appended to the financial case and the appended economic case funding model (Attachment 41) provide further details on how costs have been derived.

Capital cost estimates for health, education, SANG and SAMM and other social infrastructure provision have been taken from AECOM’s Viability Assessment for Longcross Garden Village (December 2017), scaled up to reflect likely wider infrastructure needs arising from the delivery of the remaining housing sites.

These wider infrastructure costs will be wholly met by the private sector through s106 contributions, modelled by Arcadis based on an assumption that developers would pay £15,000 in s106 contributions per unit. The private s106 costs are effectively public sector revenue streams, and deductions of these future revenues...
from HIF and Non-HIF dependent housing in the Preferred Option (Non-HIF only in the Reference Case) has enabled the total public net cost position to be understood in both scenarios.

Alongside these identified costs and revenues arising from development site delivery, transport modelling has identified that there will be some wider indirect taxation costs to the private sector (fuel tax). Again these private costs will form a future public sector revenue stream and these costs / revenues have therefore also been included within the economic case costings. For prudence, s278 costs has been excluded from the appended funding model (Attachment 41) used to inform the economic case, but these private costs will also be wholly used to fund access and enabling works for the sites.

As per WebTag Unit A1.1 Appendix B (May 2018), these costs (alongside the transport assessment impacts presented in sections 4.2 and 4.3) have been converted from market prices to factor costs, to reflect perceived costs among businesses and Government – this has been done to ensure consistency through the use of the indirect tax correction factor.

To enable ‘real economic benefits’ to be compared against ‘real economic costs’, all outturn costs have been excluded from the cost inputs into the economic case.

The table below presents the gross public and private sector costs and public sector revenues in both the Preferred Option and the Reference Case.

<table>
<thead>
<tr>
<th>Gross and net public and private costs – Preferred Option and Reference Case (£m, nominal)</th>
<th>HIF Infrastructure, including Risk allowance</th>
<th>Central Government</th>
<th>Local Government</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIF Infrastructure, including Risk allowance</td>
<td>£34.6m</td>
<td></td>
<td></td>
<td>£34.6m</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td>£9.6m</td>
<td></td>
<td>£9.6m</td>
</tr>
<tr>
<td><strong>Sub total gross public sector cost</strong></td>
<td><strong>£34.6m</strong></td>
<td><strong>£9.6m</strong></td>
<td></td>
<td><strong>£44.2m</strong></td>
</tr>
<tr>
<td>Private developer contributions (S106) – HIF Dependent</td>
<td></td>
<td></td>
<td>£51.2m</td>
<td>£51.2m</td>
</tr>
<tr>
<td>Private developer contributions (S106) – Non-HIF Dependent (deadweight)</td>
<td></td>
<td></td>
<td>£4.1m</td>
<td>£4.1m</td>
</tr>
<tr>
<td>Wider Indirect Taxation</td>
<td></td>
<td>£45.4m</td>
<td></td>
<td>£45.4m</td>
</tr>
<tr>
<td><strong>Sub-total gross private sector cost / Public revenues</strong></td>
<td>£45.4m</td>
<td></td>
<td>£55.3m</td>
<td>£100.7m</td>
</tr>
<tr>
<td>Reference Case – Total net public cost</td>
<td></td>
<td></td>
<td>(£4.1m)</td>
<td>(£4.1m)</td>
</tr>
<tr>
<td>Preferred Option - Total net public cost</td>
<td>£34.6m</td>
<td>(£35.8m)</td>
<td>(£55.3m)</td>
<td>(56.6m)</td>
</tr>
<tr>
<td>Overall net position (PO less RC)</td>
<td>£34.6m</td>
<td>(£35.8m)</td>
<td>(£51.2m)</td>
<td>(£52.4m)</td>
</tr>
</tbody>
</table>

On this basis, in the Preferred Option, the nominal revenue returns from s106 payments and wider indirect taxation (£100.7m) far outweigh the total nominal public costs associated with the HIF infrastructure (£44.2m), inferring an excellent public return on investment over the 60-year appraisal period (+£56.6m nominal). In the Reference Case, around £4.1m of s106 contribution would still be achieved, suggesting that the overall additional nominal cost of the Preferred Option would be in the order of £52.4m.

Profiling and discounting of these nominal costs / revenues has enabled an estimate of costs to be understood in NPV terms and on this basis, the overall present value in economic terms of the -£52.4m of nominal public costs in the Preferred Option (over and above those costs in the Reference Case) is estimated at -£19.8m, inferring that the costs of the HIF investment still outweigh potential returns when applying the HMT Green Book annual discount factors.

Factoring in a prudent allowance for Optimism Bias (+44%, £19.4m nominal, £16.7m NPV, see below), it is estimated that the nominal real net public cost of the scheme is -£33.0m, or -£3.0m at NPV.

**Attachments added:**
41. Funding Model – Economic Case
63. A320 North of Woking Cost Plan
64. Site Infrastructure Costs
82. AECOM Longcross Garden Village
4.5 Non-monetised impacts

4.5.1 Are there any impacts it is not feasible, or proportionate, to monetise? Yes/No?

Yes

4.5.2 If ‘Yes’, please provide details, including an indicative scale of impact and why these have not been monetised.

Monetisation of benefits in the economic appraisal has focused on the core impacts required by the HIF Forward Fund Guidance and those which is has been proportionate and timely to evaluate and measure, namely Residential LVUs, Transport User impacts, and Health Impacts.

Beyond these impacts, it is expected that the delivery of the Preferred Option will have a range of ‘non-monetised’ widespread social, environmental and economic impacts, including:

- **Delivery of two HIF dependent commercial development sites** – at Longcross South, a nationally designated Enterprise Zone, and St Peter’s Hospital, with associated potential for uplifts in commercial land values.
- **Temporary construction-related employment** – directly and within local supply chains generated through the delivery of both HIF and on-site infrastructure and new housing and commercial development.
- **Delivery of longer-term operational FTE jobs capacity** – with the delivery of new commercial space on the two HIF dependent commercial sites, with an estimated capacity to support around 670 long term gross and the delivery of some ancillary local retail provision.
- **Local productivity gains from agglomeration** – with an estimated gross GVA impact of around £34m per year when the HIF dependent commercial development is at capacity, or £335m in GVA over the first 10 years of operations.
- **Reuse of previously developed land** – around 64 ha of development of current brownfield land.
- **Reuse of public surplus sector land** - enabling the disposal of land at St Peter’s hospital and the Veterinary Laboratories (owned by DEFRA), contributes to the government intention to make public sector land available for housing and reduces the future maintenance cost for the public sector.
- **Local health and skills infrastructure enhancements** – socio-economic and health impacts associated with the delivery of new Extra Care infrastructure (48 new units) and the delivery of new GP infrastructure locally and enhancements to Runnymede existing skills infrastructure, particularly through new primary education provision.
- **Regional Health infrastructure** – the delivery of the St Peter’s hospital site allows capital funding, estimated to be around £70m-£100m, to be provided for the provision of additional acute care and other direct investment in the hospital campus funded by the sale of land for residential development.
- **Environmental benefits** – arising from the potential for a transport modal shift towards more sustainable transport options, particularly through (a) improved rail access for Longcross residents and (b) reduced travel needs for St Peters Hospital workers, the likely future residents for key worker housing at the site.
- **Amenity and wider ecosystem service benefits** – including the potential for recreational and amenity impacts associated with the delivery of new parks, structural greenspace or other new green infrastructure, including the provision of around 55 ha of Suitable Alternative Natural Greenspace (SANG), accepting that there will be some losses of currently lower value agricultural greenspace.
- **Placemaking and image value** - associated with enhanced investor perceptions of Runnymede as a location for high-quality housing, particularly given the Longcross Garden Village status.
- **Wider health and socio-economic impacts** – particularly linked to reduced housing need and associated impacts on overcrowding.

4.6 Sensitivity Analysis

4.6.1 Please describe sensitivity analysis conducted (if not covered above).

**Introduction**

A number of sensitivity tests have been carried out on the Preferred Option to reflect inevitable uncertainties in the delivery of HIF dependent development.

The main risks to the overall Value for Money position comprise:
1. **Cost risk:** reflecting the risk that the total public sector investment required to support the proposed economic benefits may vary (both higher and lower) as technical elements of the design of the complex infrastructure programme are finalised;

2. **Market risk:** reflecting the variable nature of future private sector investment and market demand which influences housing development trajectories, sales values and ultimately land value. Whilst current market evidence helps to understand investment commitment and demand, it cannot act as a guarantee of future economic outputs.

3. **Economic risk:** reflecting the potential that evidenced economic assumptions cannot guarantee the level or dynamics of economic outputs.

With this in mind, the sensitivity tests to reflect market and economic risks include the potential for housing delivery delays, reduced development outcomes, lower development end sales values achieved and the potential for higher than anticipated levels of displacement and lower levels of real term land value growth. A further test to reflect Optimism Bias (+44% as described in section 4.7) has also been included within the sensitivity tests to reflect inevitable risks of cost overruns.

These sensitivity tests have not been reflected in any adjustments to the transport modelling, although reduced development outcomes are considered likely to lead to reduced overall transport disbenefits.

Notwithstanding that the real net economic costs of the scheme are estimated at £33.0m nominal (£3.0m NPV), the total net Preferred Option HIF infrastructure cost (NPV) has been carried forward for inclusion in Benefit Cost Ratio (BCR) analysis, presented below.

Whilst these BCR tests do not provide comparisons of real economic costs against real economic returns, they nevertheless provide a useful means for demonstrating the economic return potential against the HIF investment, as well as providing a useful means for comparing the results of the scenario tests.

**Sensitivities – Preferred Option relative to the Reference Case**

Four tests have been applied throughout the modelling comprising:

1. a three-year delay in the delivery of the new dwellings.
2. a 25% reduction in the number of dwellings / future sales values achieved;
3. 10% higher than anticipated levels of displacement across impact streams;
4. a 50% reduction in real term growth factor; and,
5. allowances for Optimism Bias @ 44% across each scenario.

The results of these tests carried out on the Preferred Option are highlighted on the table below.

<table>
<thead>
<tr>
<th>Sensitivities - Net Impacts and BCR Position – Preferred Option relative to Reference Case (NPV)</th>
<th>Preferred Option</th>
<th>Scenarios 1</th>
<th>Scenarios 2</th>
<th>Scenarios 3</th>
<th>Scenarios 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HIF Housing Impacts</strong></td>
<td></td>
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<tr>
<td>Net LVU HIF Housing</td>
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<td></td>
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<tr>
<td><strong>External Impacts</strong></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Net TUBA Impacts (R vs S)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net TUBA Impacts (P vs S)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Net Health Impacts</td>
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<td></td>
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<tr>
<td><strong>Total Net Impacts (NPV)</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Total Net Cost – HIF (NPV)</td>
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<tr>
<td>Total Net Cost - HIF, incl. OB @ 44% (NPV)</td>
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<tr>
<td><strong>BCR – LVU vs Net HIF Cost</strong></td>
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<td></td>
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<tr>
<td>BCR – LVU vs Net HIF Cost with OB</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BCR – All Impacts vs Net HIF Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCR – ALL Impacts vs HIF Cost with OB</td>
<td></td>
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</tr>
</tbody>
</table>
On this basis, the Preferred HIF investment Option has potential to bring excellent returns in any scenario, notwithstanding the fact that the real net economic cost of the scheme is estimated at £33.0m, or £3.0m at NPV.

4.7 Optimism Bias

4.7.1 Please describe how optimism bias has been applied in line with HMT Green Book (and where relevant DfT WebTAG) guidance (if not covered above).

Optimism bias adjustments are made in economic appraisal to account for the systematic tendency for over-optimistic estimates of cost, benefit and deliverability. Whilst HMT Green Book (2018) suggests that an optimism bias adjustment is made to both costs and benefits, this economic appraisal considers bias and risk to costs only. This approach is in line with Housing Infrastructure Forward Fund guidance, and the DCLG Appraisal Guide (2016) which states that, when considering land value uplift as the primary economic output in appraisal, ‘when local land value data is used, …risks may, to a large extent already be accounted for in the private valuation of the land’ (p51).

In considering the level of optimism bias adjustment appropriate for the scheme, reference has been made to HMT Green Book Annex A5, which outlines categories of types of project and generic optimism bias adjustment percentages. The upper bound for capital expenditure on ‘standard civil engineering’ projects is 44%.

This upper bound adjustment has been included in both public and private gross cost estimates, although in practice it is likely that that majority of risks can be mitigated given the:

- Relative ease of procurement to be carried out through existing and well-established Surrey County Council procurement structures;
- Reasonably standard design complexities for both civil engineering works and likelihood that all supporting infrastructure will be developed to a reasonable standard design; and,
- A well-developed business case with a dedicated project management team.

Nevertheless, the total combined optimism bias adjustment on public gross costs is 44% at NPV, representing a prudent 44% adjustment to the total gross public sector cost.

For private cost, excluding fuel tax, optimism bias is also set at +44%, totalling at NPV.

4.8 Risk analysis

4.8.1 Please describe how risk has been assessed and appraised in line with HMT Green Book guidance (if not covered above).

A supporting risk register detailing the management of infrastructure and housing delivery risks is provided as part of the Management Case.

4.9 Supporting Material and Additional Economic considerations

4.9.1 Please provide any other information not covered above to support the economic case

A full list of attachments relevant to the Economic Case is as follows, documents not attached elsewhere in the Economic Case are attached below:

1. A320 Corridor Feasibility Study
2. A320 Topic Paper
18. Grampian condition text, Runnymede Borough Council
27. 2018 Strategic Housing Market Assessment – Partial Update
39. Economic Impact Model
40. Development Appraisal – Economic Case
41. Funding Model – Economic Case
42. Transport Annex 1: Transport Model Technical Report (Main)
43. Transport Annex 2: SINTRAM72 Technical Note 1 Processing Trip Ends
44. Transport Annex 3: SINTRAM72 Technical Note 2 Analysis of OD Data
45. Transport Annex 4: SINTRAM72 Technical Note 3 Base Trip Matrix Production
46. Transport Annex 5: SINTRAM72 Technical Note 4 Model Assessment and Validation
48. Transport Annex 7: TUBA Scenario P versus S Input and Output Files
49. Transport Annex 8: TUBA Scenario S versus R Input and Output Files
50. Transport Annex 9: TAG Worksheet TEE Tables
63. A320 North of Woking Cost Plan
64. Site Infrastructure Costs
82. AECOM Longcross Garden Village

4.9.2 Please attach all economic modelling done as part of the economic case.
Attachment 39 added

4.9.3 SCHEMES WITH TRANSPORT IMPACTS - For any transport modelling conducted, please refer to Annex B of the guidance and attach.
All added in response to questions earlier in the Economic Case so not re-attached here
5. Commercial Case

5.1 Market Analysis

5.1.1 Please provide details of how the proposed scheme fits with the local housing market and with local demand. Please provide supporting evidence of relevant value assumptions in the area, including:

- trends and patterns in the local housing market
- market absorption and sales rates
- average house prices and comparables
- local demographics

The A320 North of Woking project enables the delivery of 3,687 new homes in the Runnymede area, essential for meeting the identified housing need within the borough. The draft Local Plan 2030 states that:

“The spatial strategy for Runnymede is to continue to focus development in the Borough’s existing urban areas over the period of the Local Plan. Given however the significant level of housing need which exists in the Borough, as evidenced through the Runnymede-Spelthorne Strategic Housing Market Assessment (SHMA), it is evident that there needs to be a step change in housing delivery in Runnymede.”

The Viability Whole Plan Testing Report (see attachment 52) prepared in support of the Local Plan 2030 states that:

“The Borough is relatively thriving and has a buoyant housing market with high house prices which generate in turn, high land values.”

The population of Runnymede is 86,900 with an average age of 39 years. The Strategic Housing Market Assessment (see attachments 26 and 27) prepared in support of the Local Plan 2030 projects that the population will grow to 98,727 in 2030 and 102,533 in 2036.

Runnymede has a higher proportion of the population aged 18-64 at 63.8% compared to the South East and Great Britain where the figures for which are 59.5% and 60.7% respectively. The residents of that age group are well educated with higher proportions achieving NVQ1-4 and above than the figures for South East and Great Britain. Runnymede scores above the regional and national averages for most health measures including life expectancy and the proportion of people considered to be in good and very good health. Runnymede ranks the 46th least deprived out of 326 local authorities.

A low proportion of people aged 16-64 claim working age benefits (5.7%) and 78.2% of the population is economically active in employment compared to the national averages of 11% and 75% respectively.

The top occupations listed by people in Runnymede are Professional 26.3%, Associate Professional and Technical 13.7%, Managers, Directors and Senior Officials 13.0%, Administrative and secretarial 11.5%, Sales and Customer Services 9.5%, Caring, Leisure and Other Service 9.2%, Skilled Trades, Process Plant and Machine Operatives, Elementary Occupations 16.8%.

Runnymede records high earnings with the median gross weekly pay recorded as approximately £599 per week for full-time workers, compared to £596 in the South East and £552 in Great Britain. The SHMA indicates that the 2016 average household income was £51,653.

Runnymede has a strong local economy and maintains a very competitive environment for businesses (see Runnymede Borough Profile provided as attachment 53). Gross Value Add per head has grown at a rapid rate and is in the top 10 in the UK and second in the South-East. The SHMA projects that employment growth will continue and that there will be an annual increase in jobs of 794 per annum from 2016 to 2030 driven by a combination of new companies moving in to the borough and the growth of a number of international businesses. Heathrow is an important employment location for the borough with the SHMA showing 1,725 jobs taken up by Runnymede residents.

In 2016 there were 35,350 households in Runnymede, of which 69.4% either owned their own home outright or with a mortgage or loan compared to 67.6% regionally and 63.4% nationally. The SHMA projects the number of households in the area will rise to 40,508 in 2030 and 42,739 in 2036.
The demand for housing in the borough is high with the SHMA showing a median house price in 2016 of £380,000, compared to a regional price of £290,000 and national price of £212,950. The average house price by type of dwelling was analysed as follows:

<table>
<thead>
<tr>
<th></th>
<th>Detached</th>
<th>Semi-Detached</th>
<th>Terrace</th>
<th>Flat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Runnymede</td>
<td>£581,750</td>
<td>£415,000</td>
<td>£360,000</td>
<td>£250,000</td>
</tr>
<tr>
<td>Spelthorne</td>
<td>£560,000</td>
<td>£425,000</td>
<td>£380,000</td>
<td>£270,000</td>
</tr>
<tr>
<td>HMA</td>
<td>£570,000</td>
<td>£420,000</td>
<td>£367,500</td>
<td>£265,000</td>
</tr>
<tr>
<td>Surrey</td>
<td>£700,000</td>
<td>£450,000</td>
<td>£490,000</td>
<td>£297,500</td>
</tr>
<tr>
<td>South East</td>
<td>£467,725</td>
<td>£315,000</td>
<td>£260,000</td>
<td>£195,000</td>
</tr>
<tr>
<td>England &amp; Wales</td>
<td>£305,000</td>
<td>£187,000</td>
<td>£168,000</td>
<td>£197,000</td>
</tr>
</tbody>
</table>

Source: Price Paid Data (2016)

The Viability Whole Plan Testing Report published in December 2017 analysed the Runnymede housing market in further detail, summarising the sub-markets as follows:

<table>
<thead>
<tr>
<th>PCS</th>
<th>Sub Market</th>
<th>General Area in District</th>
<th>Main settlement/s</th>
<th>Other Settlements/Landmarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>GU25 4</td>
<td>Wentworth</td>
<td>West: North of M3</td>
<td>Wentworth Golf Club</td>
<td></td>
</tr>
<tr>
<td>GU25 4</td>
<td>Virginia Water</td>
<td>West: North of M3</td>
<td>Virginia Water</td>
<td>Trumps Green; St Ann’s Heath</td>
</tr>
<tr>
<td>TW20 0</td>
<td>Englefield Green</td>
<td>North: South of River</td>
<td>Englefield Green</td>
<td>Bishops Gate; Coopers Hill; Egham Wick; Oaklands Park</td>
</tr>
<tr>
<td>KT16 0</td>
<td>Ottershaw</td>
<td>South: West of M3</td>
<td>Ottershaw</td>
<td>St Peters Hospital</td>
</tr>
<tr>
<td>KT15 3</td>
<td>Woodham</td>
<td>South</td>
<td>Woodham</td>
<td>New Haw; Fulbrook</td>
</tr>
<tr>
<td>KT16 8</td>
<td>Chertsey</td>
<td>East: South of M3</td>
<td>Chertsey East</td>
<td></td>
</tr>
<tr>
<td>KT16 9</td>
<td>Mid District</td>
<td>Chertsey West</td>
<td>Housing of Guildford Road: Little Green Housing</td>
<td></td>
</tr>
<tr>
<td>TW20 9</td>
<td>Egham</td>
<td>North: West of M25</td>
<td>Egham</td>
<td>Royal Holloway</td>
</tr>
<tr>
<td>KT15 1</td>
<td>Addlestone</td>
<td>South</td>
<td>Addlestone West</td>
<td>Row Town</td>
</tr>
<tr>
<td>KT15 2</td>
<td>Addlestone</td>
<td>South East</td>
<td>Addlestone East</td>
<td></td>
</tr>
<tr>
<td>TW18 3</td>
<td>Staines Border North</td>
<td>North</td>
<td>Staines border</td>
<td></td>
</tr>
<tr>
<td>TW20 8</td>
<td>Staines Border North</td>
<td>North</td>
<td>Thorne Lea; Hythe Park</td>
<td>Thorne Industrial Estate</td>
</tr>
</tbody>
</table>

Indicative new build house prices were provided as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wentworth</td>
<td>£2,170,000</td>
<td>£1,844,000</td>
<td>£1,760,000</td>
<td>£1,603,000</td>
<td>£1,395,000</td>
<td>£1,185,000</td>
<td>£1,483,000</td>
<td>£1,289,000</td>
<td>£1,000,000</td>
<td>£1,227,000</td>
<td>£913,000</td>
</tr>
<tr>
<td>Virginia Water</td>
<td>£1,156,000</td>
<td>£994,000</td>
<td>£870,000</td>
<td>£855,000</td>
<td>£744,000</td>
<td>£631,000</td>
<td>£799,000</td>
<td>£687,000</td>
<td>£629,000</td>
<td>£591,000</td>
<td>£651,000</td>
</tr>
<tr>
<td>Englefield Green</td>
<td>£934,000</td>
<td>£794,000</td>
<td>£635,000</td>
<td>£590,000</td>
<td>£609,000</td>
<td>£510,000</td>
<td>£630,000</td>
<td>£555,000</td>
<td>£508,000</td>
<td>£388,000</td>
<td>£380,000</td>
</tr>
<tr>
<td>Ottershaw</td>
<td>£874,000</td>
<td>£745,000</td>
<td>£594,000</td>
<td>£646,000</td>
<td>£682,000</td>
<td>£677,000</td>
<td>£597,000</td>
<td>£519,000</td>
<td>£475,000</td>
<td>£534,000</td>
<td>£564,000</td>
</tr>
<tr>
<td>Woodham</td>
<td>£804,000</td>
<td>£683,000</td>
<td>£547,000</td>
<td>£594,000</td>
<td>£656,000</td>
<td>£699,000</td>
<td>£550,000</td>
<td>£477,000</td>
<td>£457,000</td>
<td>£317,000</td>
<td>£334,000</td>
</tr>
<tr>
<td>Chertsey</td>
<td>£774,000</td>
<td>£659,000</td>
<td>£526,000</td>
<td>£572,000</td>
<td>£498,000</td>
<td>£423,000</td>
<td>£529,000</td>
<td>£466,000</td>
<td>£421,000</td>
<td>£403,000</td>
<td>£422,000</td>
</tr>
<tr>
<td>Egham</td>
<td>£773,000</td>
<td>£658,000</td>
<td>£526,000</td>
<td>£571,000</td>
<td>£497,000</td>
<td>£422,000</td>
<td>£520,000</td>
<td>£469,000</td>
<td>£429,000</td>
<td>£402,000</td>
<td>£324,000</td>
</tr>
<tr>
<td>Addlestone</td>
<td>£701,000</td>
<td>£596,000</td>
<td>£476,000</td>
<td>£510,000</td>
<td>£450,000</td>
<td>£393,000</td>
<td>£478,000</td>
<td>£416,000</td>
<td>£300,000</td>
<td>£264,000</td>
<td>£291,000</td>
</tr>
<tr>
<td>Staines Border</td>
<td>£687,000</td>
<td>£584,000</td>
<td>£467,000</td>
<td>£508,000</td>
<td>£442,000</td>
<td>£375,000</td>
<td>£469,000</td>
<td>£409,000</td>
<td>£373,000</td>
<td>£358,000</td>
<td>£286,000</td>
</tr>
</tbody>
</table>

Comparables research conducted in March 2019 in preparation for this HIF funding application using Land Registry data (see attachments 54 to 57) focussed on the following sub-markets as they relate to the seven housing sites enabled by the A320 North of Working highways improvements:
### Sub-Market | Applicable Housing Sites
---|---
Virginia Water | Proximity to Longcross Garden Village
Ottershaw | Longcross Garden Village, St Peter’s Hospital, Ottershaw Parcels A to E, Chertsey Bittams
Chertsey | Hanworth Lane, Pyrcroft Road
Addlestone | Parcel B Vet Labs

The average sold prices from 7 March 2018 to 6 March 2019 across all sold prices can be summarised as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Detached</th>
<th>Average Semi-Detached</th>
<th>Average Terrace</th>
<th>Average Flat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia Water</td>
<td>£1,802,917.74</td>
<td>£874,384.62</td>
<td>£706,750.00</td>
<td>£389,785.71</td>
</tr>
<tr>
<td>Ottershaw</td>
<td>£913,367.65</td>
<td>£491,313.16</td>
<td>£533,150.00</td>
<td>£235,711.46</td>
</tr>
<tr>
<td>Chertsey</td>
<td>£581,323.70</td>
<td>£461,907.08</td>
<td>£396,087.84</td>
<td>£272,851.11</td>
</tr>
<tr>
<td>Addlestone</td>
<td>£523,284.85</td>
<td>£422,598.36</td>
<td>£372,659.18</td>
<td>£277,240.36</td>
</tr>
</tbody>
</table>

The average sold prices across all new build sold prices can be summarised as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Detached</th>
<th>Average Semi-Detached</th>
<th>Average Terrace</th>
<th>Average Flat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia Water</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
</tr>
<tr>
<td>Ottershaw</td>
<td>£1,025,147.06</td>
<td>£699,000.00</td>
<td>£606,666.67</td>
<td>No data</td>
</tr>
<tr>
<td>Chertsey</td>
<td>£617,831.67</td>
<td>£513,537.92</td>
<td>£487,780.71</td>
<td>£297,118.82</td>
</tr>
<tr>
<td>Addlestone</td>
<td>No data</td>
<td>£474,975.00</td>
<td>£599,950.00</td>
<td>£331,206.90</td>
</tr>
</tbody>
</table>

The comparables research demonstrates that values in the relevant sub-markets have remained high and that new build properties are attracting a premium compared to overall average sold values.

The SHMA shows that housing delivery prior to 2013 delivered over the Runnymede housing delivery target, even during the credit crunch and market downturn. However, since 2013 there has been a level of under-delivery each year.

Analysis of market signals in the SHMA points to house prices which are generally above the national and regional trends and worsening at a faster rate. Runnymede has particularly acute affordability issues although it is slightly better than the wider Surrey figures. Affordability pressures are demonstrated by entry level house prices (lower quartile) which are almost 12 times lower quartile earnings. There is also evidence that affordability has rapidly deteriorated over the 2013-16 period. This would indicate a degree of ‘market imbalance’.

Runnymede Borough Council (RBC) is working hard to ensure the conditions for a healthy housing market are in place, including the release of green belt land to improve the supply of land available for housing development. The A320 North of Woking project will address another of the key current constraints to development in the area allowing 3,687 homes to come forward.
5.2 Delivery strategy

5.2.1 Please provide details of who will be delivering the infrastructure.

SCC as the Highway Authority will take the Client role in delivering the highway Infrastructure element of this project. SCC is the local highway authority responsible for the A320 and local highway network outside the Highways England network. Appropriate legal agreements will be entered into to enable SCC to take control of the scheme delivery on sections within the M25 Junction11 boundary along with all associated risk.

In delivering our highway infrastructure schemes, SCC has developed robust and cost-effective work processes to manage risk and to deal with risk related issues that emerge throughout the project lifecycle. SCC place high emphasis in value engineering. This value is not limited to providing best value for money but in obtaining value in the form of efficiency of delivering the solution, minimising its impacts and also in ensuring that the original objectives and benefits of the scheme is realised. A key means of achieving this is through collaborative and inclusive working. SCC place our residents and business needs in the heart of what we do. For this reason, we adopt a consultative approach to ensure that the needs and requirements of all stakeholders are taken into account when producing the final infrastructure solution. Our stakeholder consultation is through and ensures that our proposals for improvement will enhance existing transport access and permeability while reducing risk of severance. SCC have an internal process for issue resolution. This is based on a system of escalation to ensure that issues are dealt with in a timely and coherent manner across the organisation.

It is SCC’s intention that the schemes are managed by suitably qualified professionals to ensure that they are delivered to time and to budget. Where internal resource may be limited such as in delivering multiple schemes simultaneously, SCC can call on our framework consultants to supplement internal resource.

5.3 Procurement strategy

5.3.1 Please provide details of engagement with contractors to date and the procurement strategy for delivery of the infrastructure scheme.

The A320 North of Woking project will be delivered in line with the procurement strategy below, the contract management arrangements set out later in the Commercial Case and the project management arrangements as detailed in the Management Case.

SCC is currently reviewing how it delivers major capital highway improvement works and highways maintenance works. The resulting procurement strategy may lead to the development of new routes to market in the future which are not available at the time. Hence, at this time, the procurement strategy reported in this bid is largely based on the existing procurement strategy.

Given the timescales and the need to minimise disruption along the heavily trafficked A320, the need to maintain uninterrupted access to St Peter’s Hospital (A&E) and key access routes to the M25 Junction 11, the delivery strategy is based on engaging the designer at the earliest opportunity.

SCC operates a 3-stage design process following the feasibility stage of a project:

- **Stage 1 – Outline design** (work up the feasibility layouts to enable an effective scheme) and Surveys and Investigations (including but not limited to ground investigations, topographical surveys, utility searches, land identification etc.).
- **Stage 2 – Finalise Design** – such that the design can be constructed without ‘material change’ (fix kerblines, widths, backlines) - for sign off.
- **Stage 3 – Detailed Design** (including tender preparation, detailed drawings, contract documents, BofQ, and constraints).

The strategy for the A320 North of Woking project segregates the delivery into two separate elements: the A320 corridor works (including works to Links 1 to 3 and Junctions 1 and 8), and the design and construction of the 3 major junctions (A320 Junctions 6a and 6b, 10 and M25 Junction 11).

The proposal is to appoint a professional team through SCC’s Professional Highways Consultancy Framework, who will undertake Stage 1 design work for both the A320 corridor works and the 3 major junction improvements. They will also act as the Principal Designer for the A320 link works.

Following the Stage 1 design process, the same appointed consultant will complete design stages 2 and 3 for the A320 corridor link works and hand the tender document package to SCC to tender the works for the construction phase through the frameworks available, under a NEC 3 or 4 contract.

For the 3 major junctions (A320 Junctions 6a and 6b, 10 and M25 Junction 11), following the completion of stage 1 design, the strategy is to tender, through the available frameworks, a Design and Build contract, led by the contractor under a NEC 3 or 4 contract for the Design Stages 2 and 3 and the construction phase.

This approach has a number of benefits:
- Allows early construction of the A320 corridor improvements, phased so that the sections close to each of the 3 major junctions are complete before the construction of the junction improvement works commences.
- Stage 1 design, surveys and investigations are complete as early as possible which will provide a more cost effective design and build solution for the 3 major junction improvements and shorten delivery timescales.
- Greater flexibility in constructing the highway infrastructure project, should there be any delays (design, land, access etc.) to a section of the A320 corridor improvements and/or, one or more, of the 3 major junctions.

The division of the works into separate contracts will help to reduce risk across the development phases and alleviate end pressure on the design programme.

Our overriding principle is to select the right route to market and the appropriate form of appointment which would enable us to deliver the best outcome for our residents and to achieve the best value for money. The key objective for the procurement approach is to achieve the optimum balance of risk, control and funding (Cost, Time and Quality).

The procurement strategy provides an understanding of the range of procurement options considered and assesses potential for Early Contractor Involvement (ECI) and where it would deliver best value.

The objective for the procurement approach is to achieve the optimum balance of risk, control and costs.

The key constraints taken into consideration in the procurement strategy are:
- The wish to minimise disruption to residents, businesses and travelling public, being mindful of the proximity of St. Peter’s Hospital with A&E department and M25 Junction 11 to the section of the works requiring undisrupted access.
- The wish to minimise disruption to residents, businesses and travelling public along built up areas along the A320 corridor specifically at Ottershaw.
- Implications of timescales for resolving ownership of land within the area of the proposed works and the proposed phasing to enable each phase progress without delay.
- Maximise efficiency opportunities in regards to phasing and amount of concurrent works and number of contractors appointed to deliver the scheme.

**Procurement Options**

For the appointment of a multi-disciplinary design consultant the following options have been considered:
- Direct appointment of Atkins Ltd from SCC’s Professional Highways Consultancy Services Framework Agreement which is a single provider framework.
- Direct appointment of WSP UK Ltd from West Sussex County Council’s Framework for Highway Projects Lot 1 which is a single provider framework.
- Mini-competition under the Orbis Professional and Technical Services Framework with multiple providers.
For main works contracts, the following procurement options have been considered to determine suitability against the key elements of the infrastructure delivery. The options are:

- Traditional Contract with Bill of Quantities
- Design & Build (single stage tender)
- Collaborative Two Stage Design and Build with Early Contractor Engagement

**Improvement works to the links along the A320 corridor (including works to Junctions 1 and 8)**

Traditional Contract is a preferred option as the scheme will be fully designed by our multi-disciplinary design consultant. As such, a traditional tender with multiple framework contractors should offer the best value for money.

For the appointment of contractors we will consider the following routes:

- Gen3-2 and Gen3-3 Frameworks for Civil Engineering, Highways and Transportation Infrastructure Works or their successors
- OJEU tender
- Other frameworks or contracts which will be available

**Improvement works to the major junctions (A320 Junctions 6a and 6b, 10 and M25 Junction11)**

- Develop and Construct - Two Stage Design and Build with Early Contractor Engagement – preferred option.
- Traditional Contract with Bill of Quantities: discounted mainly due to the implications of land ownership on and adjacent to the proposed work sites, which may impact on phasing and programme, and for this reason the traditional contract may not offer sufficient flexibility to deal with a delay of one of the phases.
- Design & Build (single stage tender): discounted due to potential loss of design control through RIBA Stages 3-4 which would be led by the Contractor. Also due to the high value of the main contract, contractors may be less keen to engage in a full single stage tender preparation due to the high level of resources and cost to implement such a bid.

A legal agreement may be required with Highways England to enable works on M25 Junction 11 to be undertaken by SCC on behalf of Highways England. Highways England will require their conditions for undertaking work on the motorway network to be complied with and may constraint the choice of the contractor who can be commissioned to deliver the works.

In order to achieve the best fit solution to the drivers and of achieving the above objectives, the preferred option would be to follow ECI once the initial investigative work and feasibility study has been completed by our multi-disciplinary design consultant.

Where appropriate, we will explore opportunities for bundling together work packages from across different projects should geographical proximity, timescales and nature of the works offer such efficiency opportunities.

**Managing Quality**

Design and quality will be defined at point of contact, retaining the means of controlling the design and checking on quality, together with the control of discharging any planning constraints. High quality often requires successful collaboration between designers, constructors and sub-contractors to resolve best technical details and specifications. Also controlling complex logistics of retaining access to a busy urban area and providing practical, safe and unimpeded access to traffic, pedestrians and services.

**Managing Risk**

A preference to transfer delivery risk e.g. completion of design, site conditions, utility providers, weather etc. Risks should be passed to the party best able to arrange them, subject to value for money.
5.3.2 Please outline the procurement strategy to ensure build out of the wider housing scheme, including engagement with development partners to date and use of SPVs, other joint ventures and legal proposals to bring forward homes.

A phasing and programme strategy has been considered for the housing delivery. The key constraints taken into consideration are:

- In the interests of economy, the procurement strategy should optimise the amount of concurrent works on site at any one time.
- Phased construction delivery has knock-on implications to the design release and procurement programme for appointing contractors.
- Ensuring that the delivery of sites for housing developments can be expedited.

All of the housing sites included in the bid are private sector led and have developer interest to ensure delivery. All are allocations within the emerging Local Plan and on a couple of sites development has already started.

The Management Case provides further details of how RBC has engaged to date and continues to engage with development partners to secure delivery of homes.

In support of this bid, letters of support have been received from the following developers who are promoting sites along the A320 corridor:

- Crest Nicholson who are promoting the Longcross Garden Village site. This site is proposed for allocation in the submission Runnymede 2030 Local Plan for the delivery of a new mixed use settlement including a minimum of 1700 new homes (see attachment 59)
- Chertsey Parklands LLP who are promoting the Chertsey Bittams D site. The letter of support received has been submitted on their behalf by their planning agent Nexus Planning. This site is proposed for allocation in the submission Runnymede 2030 Local Plan for between 125 and 200 units. There is a live planning at the site for 200 units (RU.17/1749) (see attachment 60).
- Richborough Estates who are promoting the Ottershaw East site. This site is proposed for allocation in the submission Runnymede 2030 Local Plan for a minimum of 202 homes, a GP surgery and a SANG (see attachment 61).
- Carter Planning on behalf of [company name] who are promoting the Pyrcroft Road site in Chertsey. This site is proposed for allocation in the submission Runnymede 2030 Local Plan for the delivery of a minimum of 280 new homes (see attachment 62).

5.3.3 Please attach any supporting evidence from contractors / developers which support your proposal.

59. Letter from Crest Nicholson – Longcross Garden Village
60. Letter from Nexus Planning on behalf of Chertsey Parklands LLP – Chertsey Bittams D
61. Letter from Richborough Estates – Ottershaw East
62. Letter from Carter Planning on behalf of [company name] – Pyrcroft Road

5.4 Implementation Timescales

5.4.1 Please provide an overview of the implementation timescales for your procurement strategy.

SCC will undertake separate procurement exercises for the improvement works to the 3 major junctions: A320 Junctions 6a and 6b, 10 and M25 Junction 11 and for works to the links along the A320 corridor (including Junctions 1 and 8).

Assuming that HIF funding confirmation is given in May 2018, SCC will commence with the appointment of the multi-disciplinary design consultant within 3 months of securing funding. For both schemes, the proposed procurement schedule is:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2019</td>
<td>Appointment of multi-disciplinary design consultant</td>
</tr>
<tr>
<td>July 2019 – Aug 2020</td>
<td>Scheme Design</td>
</tr>
<tr>
<td>Aug 2020</td>
<td>Approved scheme for construction</td>
</tr>
<tr>
<td>May/June 2020</td>
<td>Public Consultation of proposed schemes</td>
</tr>
<tr>
<td>Sept 2020 – Dec 2020</td>
<td>Tender document preparation</td>
</tr>
<tr>
<td>Jan 2021</td>
<td>Start tender (risk of delay due to land acquisition constraints)</td>
</tr>
<tr>
<td>Oct 2021</td>
<td>Tender award for construction works</td>
</tr>
</tbody>
</table>
5.4.2 Please provide an overview of your phasing and implementation strategy for the wider scheme.

SCC plan to undertake the design and implementation works in 2 separate phases of work to minimise inconvenience to motorists and other road users travelling on the A320. Consideration will be made to undertake the works that require road closures at night hours to minimise traffic congestion and diversion of traffic during the works. The 2 phases are:

- Phase 1 - improvement works to the 3 major junctions: A320 Junctions 6a and 6b, 10 and M25 Junction 11
- Phase 2 - Improvement works to the links along the A320 corridor (including Junctions 1 and 8).

### Phase 1 Works
- Nov 2021: Enabling Works starts
- Jan 2022: Main Construction Works starts
- Mar 2023: Completion of Works

### Phase 2 Works
- Nov 2022: Enabling Works starts
- Jan 2023: Main Construction Works starts
- Mar 2024: Completion of Works

The construction works phasing strategy will be developed as part of the tender procurement stage.

5.5 Contract Management Approach

5.5.1 Please provide details of your approach to contract management and any details of any arrangements already in place – this should include charging mechanisms.

SCC has a proven track record in successfully managing the design and delivery of similar projects, both within time and budget through value engineering and cost-effective management, as well as ensuring the project objectives were met. These include the recent delivery of the £7m Runnymede Roundabout major improvement project (which also involved the Highways England network at Junction 13 of the M25), and the £5 million improvements at the A331 / A30 Meadows gyratory in Camberley.

Equally SCC have successfully managed similar size major strategic link improvements across the County, through similar design and construction delivery routes and frameworks and under NEC contracts. In 2014 SCC successfully completed the delivery of the award winning £30m ‘New A244 Walton Bridge project’, under a NEC ‘Design and Build’ contract, funded by the Department of Transport. The highly effective management of this scheme during the design and delivery stages was recognised by the Secretary of State for Transport, who stated “This magnificent new bridge was also constructed both on time and to budget, a fact the project team should be exceptionally proud of”.

The successful delivery of the infrastructure in terms of managing the project throughout the duration will be undertaken by an appointed team led by either one of SCC’s Project Managers or an appointed external Project Manager.

Performance of both the respective Consultants and Contractors in delivering the infrastructure for this project will be monitored against the KPIs and operation performance reports as laid down in the specific overall frameworks from where they have been procured.

It is proposed that there will be two Project Managers working closely and in co-ordination for the design and delivery of the overall Infrastructure project; one Project Manager managing Phase 1 the A320 corridor link (including Junctions 1 and 8), and one managing the Phase 2 design and build of the three major junction improvements (A320 Junctions 6a and 6b, 10 and M25 Junction 11). These will be supported by, and be working closely with, a team of both internal staff and external consultants, including contract, quantity surveying, engineering resource, and contract management specialists.

The approach is that there will be two separate ‘Engineers for the Works’ (‘Project Manager’ under NEC) for the overall Infrastructure project, one for the Phase 1 A320 corridor links (including Junctions 1 and 8), and one for the Phase 2 major junction improvement works. These will be supported by up to four site teams, depending upon timing of the works, to administer the delivery stages through the NEC contracts. These site
teams, consisting of both SCC and externally appointed engineering staff, will include a separate ‘Resident Engineer’ (‘Supervisor’ under NEC) and a team of Site Engineers and Quantity Surveyors.

Highways Infrastructure
Design services will be contracted using SCC standard Professional Services Contracts. The form of Contract will likely be a standard form used by SCC for commissioning consultancy and engineering design works.

Construction Contracts
Potential works contracts have been identified in the Procurement Strategy which sets out the considered best procurement route(s) for each of the construction contracts. The contracts will be drawn up and implemented using standard contract forms e.g. NEC3 Engineering and Construction Contract.

The projects will be managed and administered using SCC project management processes during construction as follows:

- initial project meeting and start on site ensuring all relevant documentation issued for construction, all roles and responsibilities are clearly set out, and all points of contact are established.
- regular and specific site inspections regarding progress and quality, issue of timely and clear instructions and to generally attend to all issues that arise.
- payments (periodic – monthly) by monthly assessment of applications and recommendation and financial control, early warnings, compensation events and variations, together with cost reporting and issue of payment notices and certificates.
- compensation events (NEC3) being dealt with in line with time limits set out in the contract which leads to final price and outturn available at the end of the contract.
- regular site/progress meetings and client reporting meetings including issue of minutes and actions lists; addressing quality issues and programme issues.
- reports and review of documentation including change control procedures and contract instructions, completion certificates and snagging and defects issues and rectification.
- monitoring and managing the risk register; carrying out risk reduction meetings to deal with early warnings and changes.
- contractor performance reports and dealing with contractual claims in a timely fashion and to minimise dispute resolution.
- dealing with health and safety matters; adherence to and reporting.
- post completion reviews to continually improve the services provided.
- charging and payment mechanisms are available within the various forms of contract and are based on the price for work done to date by way of a priced activity schedule or priced bills of quantities with rates.
- to assist the employer to budget the funding / funding drawdown, cashflow forecasts will be prepared by the cost manager so that funds can be managed for payment purposes. The cashflow will be regularly updated as funds are drawn.
- payments would normally be periodic (e.g. monthly) and payment application dates can be scheduled beforehand and in accordance with the contract particulars or option clauses.

5.5.2 Please provide details of the proposed key contractual clauses.

SCC’s NEC contracts exist as a whole and are made up of a series of clauses and core clauses can be summarised and set out as follows:

- General: identified actions, defined terms and communications, early warning, ambiguities and inconsistencies.
- Contractor’s Main Responsibilities: providing the works, contractor’s design and design of equipment, working with others and sub-contracting.
- Amendments or modifications to the contract conditions (‘Z clauses’ under NEC3) will be prepared by the Employer (or on the Employer’s behalf) and included in the tender documentation and incorporation into each contract.
- Time: starting, completion and key dates, the programme and revising the programme; access to and use of the site; instructions; acceleration.
- Testing and Defects: when and where they are to be done, by whom and who provides materials, facilities and samples, objectives, procedures etc. searching and notifying of defects, correction of defects and uncorrected defects.
- Payment: payment mechanisms will generally be as a priced activity or price based on bills of quantities with rates; assessing the amount due and making the payment.
• Compensation events: entitlement for changes or variations to the works; notification of events, quotation, assessments and implementing.
• Risks and Insurances: Employer’s and Contractors risks, indemnity, insurance cover and policies; if the contractor does not insure and insurance by the Employer.
• Termination: rights of Employer and Contractor to terminate the Contractor’s employment, reasons for termination and payment on termination.
• Break Clauses for sectional completions of work or work stages and within the ‘Design and Build’ contract.
• Dispute Resolution: method of dealing with including adjudication procedures and if necessary, arbitration.

Optional clauses or contract particulars will also be used to suit the nature of the works and the contract. Examples of these are:
• Price adjustment for inflation.
• Changes in the law.
• Sectional completion.
• Liquidated damages (Delays).
• Performance or parent guarantee bonds.
• Advanced payment.
• Retention.

5.6 Additional Information

5.6.1 If you have any further information to support the Commercial Case for your project, which has not already been captured in the above, please include this here.

A complete list of the attachments referenced as part of the Commercial Case is provided below:

26. Strategic Housing Market Assessment 2015
27. Strategic Housing Market Assessment Partial Update 2018
52. Viability Whole Plan Testing Report
53. Runnymede Borough Profile
54. Land Registry Comparables Research Addlestone
55. Land Registry Comparables Research Chertsey
56. Land Registry Comparables Research Ottershaw
57. Land Registry Comparables Research Virginia Water
59. Letter from Crest Nicholson – Longcross Garden Village
60. Letter from Nexus Planning on behalf of Chertsey Parklands LLP – Chertsey Bittams D
61. Letter from Richborough Estates – Ottershaw East
62. Letter from Carter Planning on behalf of — Pycroft Road
6. Financial Case

6.1 Scheme Costs and Cost Plan

6.1.1 What are the total scheme costs?
£44,136,922

6.1.2 Will the infrastructure costs be 100% funded through HIF? Yes/No
Yes

6.1.3 Please provide a summary of the total infrastructure costs of the project. If you would wish to provide a further breakdown (i.e. by site / by phase) this can be included in 6.1.4.

To note: You should complete a line for each individual cost. If your infrastructure scheme is fully funded by HIF you will only need to complete the 'funded through HIF' column in the table.
Under 'type' you should choose from the following categories: Sunk Costs / Land (exc. Sunk costs) / Infrastructure / Construction / Abnormals / Professional fees / Finance Costs / Contingency / Preparation costs (design and planning) / Allowance for developer profit / Other

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
<th>HIF Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>Site clearance</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Drainage and service ducts</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Earthworks</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Pavements</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Kerbs, footways and paved areas</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Traffic signs and road markings</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Road lighting columns, brackets and CCTV masts</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Landscape and ecology</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Service alterations</td>
<td></td>
</tr>
<tr>
<td>Preparation costs</td>
<td>Unmeasured items / design development</td>
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</tr>
<tr>
<td>Preparation costs</td>
<td>Preliminaries – main contractor</td>
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</tr>
<tr>
<td>Construction</td>
<td>Onsite builders works</td>
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<td>Construction</td>
<td>Utilities (payments to statutory authorities)</td>
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<tr>
<td>Construction</td>
<td>Supervision</td>
<td></td>
</tr>
<tr>
<td>Professional fees</td>
<td>Design and planning fees</td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>CPO costs and legal fees</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>Risk contingency</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Commuted sums for maintenance</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Client fees</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Inflation</td>
<td></td>
</tr>
</tbody>
</table>

| £44,136,922 |

6.1.4 Please provide a summary evidencing how you have assumed these costs. Please include details of any consultancy advice, cost plans, feasibility studies or comparables used to provide these assumptions.

Arcadis’ specialist infrastructure cost management team were engaged to provide cost advice. An outline estimate has been produced utilising the plans and information provided to establish a schedule of quantities for the infrastructure works (see attachment 63).

Arcadis were able to bring knowledge and insight from an extensive portfolio of existing projects, based on a proven track record of delivering exceptional and sustainable outcomes for our housebuilder, local authority and developer clients. Arcadis are currently involved with over £2bn of infrastructure schemes related to large residential developments and have been able to bring insight from these activities to the A320 infrastructure scheme, thus enabling robust cost assumptions to be made.

On the A320 scheme, benchmark rates have been used and costs derived from schemes similar in nature to the proposed A320 North of Woking scheme. These rates have then been applied to establish the estimated value of each cost element.
As the infrastructure is not at detailed design stage, it has not been possible to establish the quantities of all cost components and we have therefore included an allowance for minor items including design development, which are typically incurred on projects of this of this size and nature.

In order to assess the estimated cost of the proposed works, a number of informed assumptions have been made in respect of the works. We have liaised with the design team where appropriate. The major assumptions are:

- Where a road or carriageway is realigned, the construction will be replaced in a like for like manor (including Drainage, Kerb type, Lighting, Signage etc).
- New highway construction will consist of the following make up:
  - 40mm Surface Course
  - 70mm Binder Course
  - 100mm Base Course
  - 225mm Sub-base
  - 600mm Capping
- Allowances have been made for excavation in hard and soft dig. All materials arising are assumed to be inert and non-hazardous.
- Allowances have been made for alteration of utilities identified in the area of construction works.

The following General allowances have been made for:

- Engineering design fees @ 8% of construction costs
- Topographical surveys fees based on 2% of works
- Ground investigations fees based on 2% of works
- Utility searches fees based on 0.5% of works
- Land definition based on 0.5% of works
- Archaeology based on 0.5% of works
- Environment/ecology/noise based on 0.5% of works
- Utilities assessment & diversions, etc. Based on 0.5% of works
- UXO survey & assessment based on 0.5% of works
- Land purchase costs and legal fees (assumed compulsory purchase)
- Client Fees (client procurement fees, Management, Infrastructure site supervision and administration, Project management fees and other Local authority fees)

A contingency risk allowance has been included at 40% of the estimated construction cost.

We have assumed that an infrastructure contractor will be employed to deliver the infrastructure components of the scheme and therefore have included a preliminary cost to each of the measured works sections. This is in the form of a percentage of the capital costs and is valued at 30% for onsite works and for off-site works.

The rates were cross checked further against an estimate for a similar highway improvement scheme at Runnymede Roundabout in Surrey provided by Surrey County Council. Arcadis were able to re index the 2016 scheme and carried out a like for like comparison against the benchmarked rates used.

6.1.5 Can you provide detailed costing for the housing element of the wider project that form part of your total scheme costs? Yes/No

No

6.1.6 If No, please explain why these are not currently available and when you expect them to be more developed.

The A320 North of Woking project will deliver the necessary infrastructure to enable the development of 3,687 homes across seven sites within the Runnymede area. Each site will be developed by private developers on a case by case basis. Landowner information is provided in the Project Details section of the bid and Developer can be summarised as follows (full details of landowners and developers are in the Housing Site Details documents provided as attachments 3 to 9):

Hanworth Lane:
- Bellway Homes North London
- Pretoria Road Property Ltd
- Ashill Land Ltd
Explore Living

Longcross Garden Village:
  - Crest Nicholson Pretoria Road Property Ltd

St Peter’s Hospital:
  - Optivo housing
  - Developer partner being sought

Parcels A to E Chertsey Bittams:
  - Taylor Wimpey
  - Chertsey Parklands LLP
  - Bellway Homes

Ottershaw East:
  - Richborough Estates

Parcel B Vet Labs:
  - Unknown

Pycroft Road:
  - Unknown

For the purposes of the HIF application, a high level cost plan has been developed for each site’s infrastructure costs using publicly available information and benchmark data from similar schemes which is provided as attachment 64. The housing construction costs have been calculated using industry standard Building Cost Information Service (BCIS) – Woking Q1 2019 data.

6.1.7 **If yes, please provide a summary of the costs related to the housing. If you would wish to provide a further breakdown (i.e. by site / by phase) this can be included in 6.1.8.**

*To note: You should complete a line for each individual cost. Under ‘type’ you should choose from the following categories: Sunk Costs / Land (exc. Sunk costs) / Infrastructure / Construction / Abnormals / Professional fees / Finance Costs / Contingency / Preparation costs (design and planning) / Allowance for developer profit / Other*

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Description of cost 1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Description of cost 2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Description of cost 3 etc.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

6.1.8 **Please provide a summary evidencing how you have assumed these costs. Please include details of any consultancy advice, cost plans, feasibility studies or comparables used to provide these assumptions.**

8,000 characters

Attachments can be added

6.1.9 **Please provide a detailed cost plan for the scheme proposed to be fully or part funded by HIF. If you have included the housing costs above, please include these.**

This should include any costs associated with land assembly or access, design costs and professional fees, financing costs, construction costs, and contingency.
6.1.10 Please provide detail on how the Land Cost, included in your scheme costs, has been arrived at and the basis of this assumption (if you have included these costs in either your infrastructure or housing costs).
An assessment of the land outside of the control of Surrey County Council likely to be required to deliver the A320 improvement works has been undertaken as shown in the plans provided at attachments 65 to 68. A calculation of the amount of land has been completed and the current Government benchmark land value based on Valuation Office Agency data applied at a greenfield rate of £23,415 per hectare. A summary of the costs associated with the relevant junction are provided below:

Highways scheme: Junction 6a and 6b
Estimated area:
Estimated cost:

Highways scheme: Junction 8
Estimated area:
Estimated cost:

Highways scheme: Junction 10
Estimated area:
Estimated cost:

Highways scheme: Junction 11
Estimated area:
Estimated cost:

Given the level of design work completed, contingency and optimism bias have been applied to these numbers as further design work is required prior to confirming exactly the land take required for the A320 North of Woking highways improvement works.

6.1.11 Please attach any evidence to support how the Land Cost has been assumed.
Attachments 65 to 68

6.2 Funding and Financing Sources
6.2.1 Have you applied for, or received, any other public funding or financing for the scheme?
Yes

6.2.2 If yes, what type of public funding or financing has been secured and /or applied for and please provide details.
An Expression of Interest to support mitigation works on the A320 North was submitted to the EM3 LEP for funding under the Local Growth Fund. Although supportive of the works, the LEP was not able to support this bid as the scale of funding required was outside the remit of the fund.
6.2.3 **What are the overall funding sources for the infrastructure scheme? If you would wish to provide a breakdown (i.e. by site / by infra) this can be included in 6.2.4.**

You will need to provide the total amount of funding against each funding source, how much of this has been secured and when the funding is expected to be spent. For any other public sector funding please provide description of type and amount for each.

<table>
<thead>
<tr>
<th>Source</th>
<th>Total Amount</th>
<th>Amount Secured</th>
<th>Amount to secure</th>
<th>2018/19</th>
<th>2019/20</th>
<th>2020/21</th>
<th>2021/22</th>
<th>2022/23</th>
<th>2023/24</th>
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<tr>
<td>HIF (this bid)</td>
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<td>0</td>
<td>£44,136,922</td>
<td>0</td>
<td>£1,721,872</td>
<td>£4,226,293</td>
<td>£2,533,151</td>
<td>£19,468,447</td>
<td>£16,187,159</td>
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<tr>
<td>Total</td>
<td>£44,136,922</td>
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<td>£44,136,922</td>
<td>0</td>
<td>£1,721,872</td>
<td>£4,226,293</td>
<td>£2,533,151</td>
<td>£19,468,447</td>
<td>£16,187,159</td>
</tr>
</tbody>
</table>

6.2.4 **What is the proposed funding and financing strategy for the infrastructure scheme? If funding sources have not been secured you should also provide commentary of how this is expected to be secured and progress against this – please reference the above table in your answer.**

The traditional delivery mechanism for critical infrastructure which arises from development, as recognised in the Runnymede Borough Council emerging Local Plan policy SD6 (see attachment 20), is through the imposition on conditions on the relevant planning permissions or through the use of planning obligations linking the delivery of infrastructure to the occupation or realisation of new growth. While site specific Transport Assessments at the application stage will examine the direct impacts in further detail, the Council is satisfied that obliging relevant development to support the delivery of necessary mitigation along the A320 in a proportionate way will clearly satisfy the policy test for planning obligations laid out in the NPPF, that they are:

- necessary to make the development acceptable in planning terms
- directly related to the development
- fairly and reasonably related in scale and kind to the development

The link between relevant site delivery and the bringing forward the necessary infrastructure improvements on the A320 is discussed in paragraph 5.40 of the emerging Local Plan which states:

“The delivery of a number of allocations around the A320 are contingent on the delivery of infrastructure improvements in this area of the Borough. This is clearly stated in the phasing information provided for the relevant sites. These allocations could be delivered earlier in the plan period than stated should the necessary infrastructure improvements on the A320 to enable their release come forward earlier than anticipated.”

The relevant allocations that Runnymede Borough Council is of the opinion are likely to have some impact on the A320 corridor are detailed within emerging policy SD3 and the relevant Housing Allocations policies including SD10 concerning Longcross Garden Village, SL6 Pyrcroft Road, SL12 Ottershaw East, SL13 St Peter’s Hospital and SL14 to 18 Parcels A to E Chertsey Bittams.

The Runnymede 2030 A320 Topic Paper in attachment 2 shows the allocations along the A320 corridor in the Runnymede Local Plan which are expected to have some impact on traffic movements along the corridor (including their scale and proposed phasing), the junctions which Runnymede Borough Council and Surrey County Council are of the view are likely to be impacted on by different developments (this has since been explored further and will be analysed in detail in the individual Transport Assessments submitted with the planning applications at each allocation) and an estimate of funding that could be secured for transport infrastructure improvements from each allocation. Runnymede Borough Council has identified that if it relies on S106 funding and match funding alone to fund the required mitigation along the A320, the delivery of some of the mitigation schemes in a timely manner could be at risk with associated risks for housing delivery. The A320 Topic Paper therefore anticipates that there will be funding to progress all of the necessary mitigation schemes in 2019, predicated on Housing Infrastructure Fund monies being secured to forward fund the delivery of the mitigation.

A summary of the contributions which it is anticipated could be recovered from each of the seven development sites dependent on works to the A320 North of Woking is set out as follows:

Hanworth Lane
In the event that HIF funding is not awarded, other funding streams which could fund improvements along the A320 will be considered and, in accordance with normal practice, receipt of section 106 funding would be utilised to unlock match funding from such funding streams. Surrey County Council has committed to working in partnership with Runnymede Borough Council, as has been done for this HIF funding application, through a Statement of Common Ground (see attachment 69) to deliver the necessary highways improvements to support sustainable growth. Alternative funding sources to be explored might include funds available from Transport for the South East, Highways England and LEP funding.

If you answered yes to Q. 0 please answer the below:

6.2.5 What are the funding sources for the housing scheme? If you would wish to provide a breakdown (i.e. by site / by infra) this can be included in 6.2.6.

You will need to provide the total amount of funding against each funding source, how much of this has been secured and when the funding is expected to be spent.

For any other public sector funding please provide description of type and amount for each.

<table>
<thead>
<tr>
<th>Source</th>
<th>Total Amount</th>
<th>Amount Secured</th>
<th>Amount to secure</th>
<th>2018/19</th>
<th>2019/20</th>
<th>2020/21</th>
<th>2021/22</th>
<th>2022/23</th>
<th>Future Years</th>
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<td>PWLB</td>
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<td></td>
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</tr>
</tbody>
</table>
6.2.6 **What is the proposed funding and financing strategy for the housing scheme?** If funding sources have not been secured you should also provide commentary of how this is expected to be secured and progress against this.

12,000 characters

6.3 **Gross Development Value**

6.3.1 **How much is the assumed Gross Development Value (GDV) for the scheme?**

This should be the actual GDV estimated for the scheme (as opposed to the GDV given in the Economic Case – please see guidance)

6.3.2 **Please provide a breakdown of the assumed GDV of the scheme in relation to the below:**

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sale</td>
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<tr>
<td>Rental income</td>
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<tr>
<td>Affordable sales income</td>
<td></td>
</tr>
<tr>
<td>Commercial income</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(adds up to total scheme costs)</td>
</tr>
</tbody>
</table>

6.3.3 **Please provide a summary evidencing how you have assumed the GDV subject to this bid.**

Please include details of any consultancy advice, cost plans, feasibility studies or comparables used to provide these assumptions.

The GDV has been calculated based on the accommodation and income assumptions as provided in attachment 71 and the summary development appraisals are provided at attachment 70.

Attachment 71 added

6.4 **Cashflow**

6.4.1 **Please provide a cash flow for both the infrastructure and the overall development or housing scheme (if available). Please provide details on any growth and inflation assumptions made.**

Please refer to guidance.

Attachment 72
6.5 Recovery Expectations

6.5.1 Do you aim to recover any of the HIF funding (to be retained locally)? Yes / No
Yes

6.5.2 If no, please explain why you think recovery is not possible.

6.5.3 If yes, please provide the following:
- assumed profile of recovery

<table>
<thead>
<tr>
<th>Up to 2020</th>
<th>2020-2025</th>
<th>2025-2030</th>
<th>2030-2035</th>
<th>Future years</th>
</tr>
</thead>
</table>

- explanation of how funding will be recovered
It is anticipated that will be recovered through developer contributions from the seven sites with housing delivery dependent on works to the A320 North of Woking. The recovery of the monies is likely to be aligned to the completion of the final home on each site and therefore the profile would be as follows on current projections:

Hanworth Lane:
- 2020-2025:

Longcross Garden Village:
- 2020-2025:
- 2025-2030:

St Peter’s Hospital:
- 2020-2025:

Parcels A to E Chertsey Bittams:
- 2020-2025:

Ottershaw East:
- 2025-2030:

Parcel B Vet Labs:
- 2020-2025:

Pycroft Road:
- 2025-2030:

- how you intend to use recycling to support future housing delivery in your area
Two schemes have been identified for potential recycled HIF funding: Addlestone Town Centre and Staines Bridge, a summary of each is provided below:

Staines Bridge – circa £25m
Staines-upon-Thames was identified as a Step-up Town in the Enterprise M3 Strategic Economic Plan (SEP) published in March 2014. Step-Up towns are ‘areas of latent economic potential experiencing barriers to growth that impact on the overall performance of the EM3 area.’ Investing in transport infrastructure, such as Staines Bridge, to alleviate congestion is expected to catalyse town centre regeneration and unlock economic growth of the wider LEP area.

Approximately £25m is required to widen Staines bridge to create three lanes of vehicular traffic across it (two north; one south), increasing flow and reducing congestion. A new segregated pedestrian and cycle crossing is also proposed by either widening the existing bridge or building a dedicated crossing alongside the existing structure. The bridge, is a major bottleneck and congestion hotspot in Spelthorne, impacting routes to Staines from the M25 and Egham, as well as strategic access to Heathrow. The Causeway (A308) provides western access to the bridge and is a major employment corridor in Runnymede. Improvement to this key arterial route between Runnymede and Spelthorne is crucial to the local economy and will help enable further growth in Staines-upon-Thames. The consultation on the Spelthorne Borough Council Issues and Options Consultation Paper identified that the preferred option of the majority of respondents was for future new development opportunities for the Borough to be focused in Staines-upon-Thames.

**Addlestone Town Centre – circa £3.5m**

Through the provision of approximately 700 additional residential units and 17,000 sq.m of commercial and related floorspace, Addlestone represents a node of significant growth to complement the strategic growth and step up towns. Both Phase One and Two are being developed through private/public partnership maximising the use of public sector land. The Addlestone Town Centre enhancements will transform the vitality and viability of the town centre by improving the environment, the retail and service offer, and residential offer. By providing an excellent environment and quality of life for surrounding communities and by providing housing and business accommodation to facilitate the growing economic base in the strategic key sectors and beyond, these enhancements will support one of the key aims of the EM3 LEP SEP. In addition, Phase Two of Addlestone Town Centre regeneration will deliver both direct and indirect jobs building on the estimated 300-400 construction jobs and 367 FTE direct retail and service jobs resulting from Addlestone One.

Approximately £3.5m is required to bring in signal improvements as well as increase capacity at the A318/B3121 junction to facilitate further growth in Addlestone Town Centre including delivery of the Addlestone West Opportunity Area allocated in Policy IE8 of the emerging local plan for a net additional 70 homes plus approximately 500sq.m of retail.

6.6 **Additional Information**

6.6.1 *If you have any further information to support the Financial Case for your project, which has not already been captured in the above, please include this here.*

The following attachments have been referenced as part of the Financial Case and those not previously attached are provided below:

2. A320 Topic Paper
20. Emerging Runnymede 2030 Local Plan
52. Viability Whole Plan Testing Report
63. A320 North of Woking Cost Plan
64. Site Infrastructure Costs
65. Site Infrastructure Costs
66. Site Infrastructure Costs
67. Site Infrastructure Costs
68. Site Infrastructure Costs
69. Surrey County Council and Runnymede Borough Council Statement of Common Ground
70. Development Appraisals
71. Development Appraisal Assumptions
72. A320 North of Woking Cash Flow
7. Management Case

7.1 Project Dependencies

7.1.1 Please outline any project dependencies.

*Please include details of how many are critical and ones which are outside of your direct control*

<table>
<thead>
<tr>
<th>Description</th>
<th>Critical</th>
<th>Outside Direct Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of the land required for highway and junction improvement works along the works corridor.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Infrastructure funding availability</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Proposed designs are satisfy the expected highway improvements and be implementable</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Authorisation from SCC Highways authority to undertake road works</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Secure development partners to enter into formal agreements to deliver housing sites to the scale and speed required.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Utilities providers to undertake works and to collaborate in a timely fashion.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

7.2 Project Governance, Organisation Structure and Roles

7.2.1 Please outline the authority’s approach to governance and oversight of the delivery of the proposal. This should include how you will work with any other key delivery partners (such as other landowners).

SCC are the Highway Authority who will be delivering the proposed highway and junction improvements. SCC and RBC are currently working together to produce the Runnymede Local Plan and are committed to deliver the plan in short and medium term. The governance structures and oversight have been set up based on SCC existing major highway schemes being delivered in joint working with Boroughs as in Camberley, Woking and Guildford town centres will be largely the same for this scheme.

The Project Organogram and Governance Structure are provided in attachments 73 and 74.

Project organisation structure

This project will be managed in PRINCE2. Applying PRINCE2 methodology there will be independent levels of organisation management for the project; Project Board, the Programme Management Team, Project Management Team and the Project Delivery Team.

The first level of the organisation is the corporate management for SCC as the delivery organisation. SCC will commission this project and appoint the Board to take overall responsibility for the project.

The Board will have the overall decision making power for the project and overall responsibility for the project achieving the objectives outlined in the business case. The Project Board will responsible for delivering the project with SCC acting in capacity as the project sponsor. The Board’s tasks will include:

- Approving all the key project documentation including the business case, the project execution plan, the project plan and the risk register.
- Approving all plans and specifications for the outputs of the project.
- Communicating with corporate management and/or programme management at the various organisations involved in the project to ensure that they are updated on the progress of the project.
- Providing assurance and oversight throughout the project.
- Giving the final sign off that the aims of the project have been achieved and that the project can close.
The Board will be supported by the Programme Management Team who will be responsible for the strategic management of the project and ensure that the project is delivered according to the agreed programme set by the Board. The Programme Management Team will also be responsible for:

- Approving change requests to the plans and specifications that exceed the tolerances given to the Project Manager.
- Conducting stage boundary reviews
- After a stage boundary review, confirming that the next stage can begin and approve the plans for that stage.
- Reviewing the risk register and identify new risks. Assist in agreeing mitigating action when corporate support is needed or mitigating action falls outside of the project team’s tolerances.
- Providing information of project progress to the Board at the end of each stage so that they can conduct the stage boundary review.
- Creating detailed plans for each stage of the project Board can approve commencement of the next stage and to ensure that the stage can be delivered effectively.

Members of the Programme Management Team will also attend Board meetings to ensure the Board are fully informed of progress on the project, or any issues.

The Project Management Team will report to the Programme Manager and will have the following responsibility:

- Creating the key project documentation including the business case, the project execution plan, the project plan and the risk register.
- Ensuring that the project sponsor (for more information on internal monitoring see the response to question 7.6.2) and the Board are fully updated on the progress of the project.
- Ensuring that the project is being delivered to specification, within budget and on schedule.
- Approving changes to the project within agreed tolerances.
- Reporting anything that exceeds tolerances to the sponsor and the Board.
- Maintaining the risk register. Identify new risks and ensure that these are analysed, prioritised and appropriate mitigating action agreed and carried out. The Board will assist in agreeing mitigating action when corporate support is needed or mitigating action falls outside of the project team’s tolerances. (For further details on Risk Management procedures, see response to question 7.7.2).

The project manager will be a SCC staff with Prince 2 accreditation and extensive experience of successfully delivering major highway schemes. Project documentation will be created in accordance to SCC major scheme projects. The remainder of the Project Management Team will be appointed following a tender process.

The Project Delivery Team will be led by the SCC Works Delivery Manager who will appoint contractors to deliver the highway and junction improvements. Their responsibilities will be to:

- Deliver the transport infrastructure to the agreed specifications on time and on budget.
- Ensure that the Project Management Team is fully updated on the progress of delivering each element of the project.
- Provide assurance of the specifications and project documents produced by the project management team to ensure that delivery is achievable.
- Report any issues or risks identified to the Project Management Team.
- Review any changes requested by the Project Management Team and provide guidance on how this will affect the budget, schedule or quality of the elements being delivered.

The various contractors that will comprise the Project Delivery Team will be appointed following a tender process.

**Key roles and responsibilities**

SCC, as the Highway Authority will act as clients on the project, having ultimate say in what the aims and objectives of the project will be and how they will be achieved, both for the highway and junction improvements.
The Highways Portfolio Holder (PH) at SCC will take the role of client lead and will be the ultimate decision maker for the project. The Highways PH will be the ultimate decision maker on any decision made by the Project Board.

SCC will provide the role of Project Sponsor. The Project Sponsor will be the Head of Highways & Transport at SCC and will have overall responsibility for the project and will ensure that corporate management are updated on the progress of the project. The Project Sponsor will be responsible for the day to day decision making for the project, whenever a decision is needed that goes beyond the project manager’s agreed tolerances. The Project Sponsor will also sit on the Project Board.

In addition to the sponsors and the client representative, there will also be a representative of Runnymede Borough Council on the Board. This will be essential to ensure seamless and co-ordinated delivery of the highways works with housing.

The Project Manager will be appointed from SCC staff and will manage the project on a day to day basis with assistance from the project team. They will have a detailed knowledge of the project and will be responsible for monitoring the progress of the project and ensuring that the Programme Manager and Project Sponsor is fully updated on the project. The Project Manager will attend Board meetings to provide an update on the project to the Board as a whole.

There will be a Project Manager from Highways England to oversee the coordination of the local highway network with the Highways England network and to manage works that take place on the Highways England network within the project. While they will have responsibility for the day to day management of works undertaken on the Highways England network, they will report to the SCC Project Manager, and will work with the overall project manager and the project management team to ensure co-ordinated and seamless implementation of the proposed improvements.

Decision making and oversight

Decision making and oversight for the project will centre on the Project Board. The Project Board will meet as and when necessary as required by the Programme Manager. The Programme Management Team will meet monthly and the majority of decisions on the project will be taken at that meeting. There will be a process for dealing with urgent and unexpected issues that will be detailed later in this response.

The Project Board will agree all the key project documentation, including the business case, specification and project plan, thereby determining the detail of what the project will be and how it will be delivered. Any significant deviations from this documentation will need to be referred to the Board for approval. The Board will also determine what will be considered as a significant deviation by setting tolerances for the project management team, the project manager and the sponsor to work within. These tolerances will be set per stage, and for the project as a whole. These will include, but will not be limited to, a tolerance level for: costs, schedule, level of disruption caused and quality of infrastructure delivered.

Stage boundary reviews will give the Board effective oversight of the project to ensure that it is delivering against the business case. As part of the creation of the project plan, the project will be broken up into clear delivery stages. The project will then be managed in those stages. At the end of each stage a review will be carried out by the Board to determine if the stage has been successful and to what extent, whether the project can continue to the next stage, and whether any adjustments need to be made to the plan for the next stage to ensure that the project delivers the objectives.

The Programme Manager and Project Manager, along with representatives from all delivery partners responsible for that stage of the project, will provide the relevant information to enable the board to complete the review.

At the start of each stage the project plan will be reviewed and updated as necessary to ensure that the elements of the project included in the stage are clearly defined. The specific objectives of the stage will be documented, along with the products that will be delivered, the criteria for successful completion of those products and the timescales for delivering each of the outputs of the stage. All of this information will be compiled by the Programme Manager and Project Manager and approved by the Board. This information will allow the Board to provide effective oversight of the stage, and to conduct the stage boundary review at the end of the stage, by ensuring that what will be delivered and how is clearly documented.

The Programme Management Team will review the progress of the project at their monthly meeting. This will include a review of project progress accompanied by a progress report compiled by the project management team, a financial update, a review of project risks, contractor performance and project communications, amongst anything else that is needed.
Change control

If the Board wish to make a change to the project as outline in the business case, the project execution plan, the project plan or specifications of the project deliverables, the following process will be followed:

1. The Project Sponsor will inform the Programme Manager as a potential scope change.
2. The Programme Manager and Project Manager will then estimate what the impact and cost of investigating the scope change will be.
3. If the Board would still like the change to be considered then the project management team will work with the delivery team to estimate the impact of the change. This will be in terms of cost and schedule, but also risk, disruption, health and safety or anything else that will change as a result of the scope change.
4. If the Board would then like to make the scope change, then the change is agreed.
5. Once the change is fully agreed, the project management team will update the relevant project documentation to reflect the change, clearly recording that this is a change, and the date and reason that the change is made.
6. The Board will then review the updated documentation and give final approval of the change.
7. The project management team will then liaise with the delivery team to ensure that that change is built into the project.

This process is based on a process being used successfully in delivering SCC major highway schemes.

Managing by exception

If anyone involved in the project becomes aware of any issue that could affect the delivery of the business case, then the following process should be followed:

1. Early warning notice (EWN) is issued by whoever first becomes aware of the issue. This can be raised by any of the contractors on the delivery team, the project management team or the Board.
2. An early warning meeting will be held between the team that raised the EWN, representatives from the project management team and any representatives of any relevant contractors from the delivery team. At the meeting they will determine if the issue can be resolved with no additional cost, schedule increase or other significant impact to the project.
3. If that is not possible, the relevant contractors will investigate the issue and report back with a recommended resolution, including the estimated cost and project delay, within 48 hours.
4. It will then be determined who has the authority to agree the resolution based on the agreed tolerances for the stage. The Project Manager will have a certain amount of tolerance to make a decision without having to refer the issue to the sponsor, the sponsor will then have a certain amount of tolerance to make a decision before having to refer it to the Board.
5. The person with the correct level of tolerance will then review the resolution and instruct the contractors whether to implement the resolution or not.
6. The Project Management Team will ensure that the resolution is implemented correctly.
7. If the resolution requires a change to any of the key project documentation, then steps 5 and 6 in the change control process outlined above will be followed.

This process is based on a process being used successfully in delivering SCC major highway schemes.

7.2.2 Please provide details of the authority’s resourcing for the proposal.

The resourcing for this project will be using SCC staff and, as required Highways England staff with the support of external professionals bringing the expertise needed to design and to deliver the project. This is the same approach that has been applied for other major highway schemes that SCC has successfully delivered in the past on SCC Highway sections that are linked into the Highways England motorway network.

SCC has recently delivered the £9m Runnymede Roundabout major scheme and the £5m Meadows Gyratory major scheme is due for completion in May 2019. SCC will be able to utilise resources and the experience from both these projects on this HIF scheme. The timing of this works well in that the availability of the experienced resources from the completed major highway schemes will coincide with the planning stage of the HIF works. The means that the experienced project and professional SCC major scheme team, and external consultants/contractors, will be freed up and can move on to the delivery of this scheme if required.
The Project Sponsor, with overall responsibility for the project, will be a role from within Surrey County Council. The sponsor will sit on the Project Board, which will include representatives from Homes England, DfT, SCC Highways PH and Runnymede Borough Council who will fulfil the role of clients on the board. The Board will have decision making responsibility for the project.

The Programme Manager will be a SCC senior manager with high level strategic major scheme delivery responsibility. The Project Manager, with responsibility for the day to day running of the project, will be a SCC employee. The Project Manager will have considerable experience of delivering major highway projects. The Project Manager will be supported by SCC Specialist Teams including Procurement, Legal, Contract Management and Highways. The Project Manager and these services provided by SCC will make up the Project Management Team.

As part of the Project Management Team, external stakeholder communication, as outlined in detail in the response to question 7.5.2, will be provided by SCC Works Communications teams at SCC. The SCC Works Communication team currently lead on all communication, public liaison and engagement activities for major highway schemes delivered by SCC. Support on working with businesses that may be affected by the proposed improvements will also be provided by the RBC Economic Development team.

The Project Delivery Team will be responsible for procuring and managing the contractors that will work on the proposed highway and junction improvements. They will appoint a highways contractor, traffic management contractor and civil engineers through a competitive tender process.

It is the intention of this project that all improvements be delivered by SCC as a single delivery organisation. However, sections of the highways and junction improvements within the Highways England network could be undertaken by Highways England. Highways England will appoint contractors to complete this work using their own procurement processes. However, the project manager and the project management team will, as required, feed into the procurement process, and the overall delivery of the improvements on the HE network, to ensure it is built to the agreed design specifications and aligns with the overall project.

SCC will appoint the relevant design consultants and external advisory team to design and to support the project delivery.

7.2.3 Please attach an organogram depicting the governance structure and/or roles and responsibilities within the authority.

Attachment 73

7.3 Project Management Arrangements and Project Plan

7.3.1 Please provide details of the overall project management delivery arrangements for the project, including any challenges or constraints to delivery of the project.

SCC adopt a proven End to End (E2E) process chart which covers the stages of project identification, producing the business case and scheme delivery and monitoring (see attachment 75). The E2E chart sets out the stages of works that are undertaken in sequence and enables effective monitoring of progress against the delivery schedule.

A high-level infrastructure delivery programme has been produced (see attachment 58) for the delivery of the highways and junction improvement components of this scheme. The plan covers the following:

- The deliverables that will be produced
- The activities that are required to deliver them
- The time needed to deliver activities
- The critical path i.e. dependencies between each activity/task and
- Scheduling against each activity, including procurement and preliminary stages.

Individuals or contractors cannot be allocated to the activities until they have been appointed as part of the procurement exercise. A timetable of the delivery of each housing development site, which is based on ongoing discussions with each developer, is provided within the programme at attachment 58 showing the full life cycle of each development, from submission of planning application, to consent, to commencement of build and through to completion.
In terms of land ownership considerations for the highway land acquisition required, the biggest risk/constraint is probability of not being able to acquire the within an acceptable time frame. The delivery of the highway and junction improvement is well within SCC’s expertise as the local highway authority. Using current good practice and experience of delivering major highway schemes across the County, robust project management procedures will be deployed to support Stakeholder Management, Project Assurance and Project Monitoring (See other response within the Management Case).

Project Constraints
There are a number of constraints that have been identified and need to be managed throughout the scheme delivery. These include:

1. The need to ensure that traffic can continue to use the A320 throughout the project delivery period with minimal disruption and delay.
2. The need to ensure that the improvements to the Ottershaw Roundabout section does not worsen severance with the village shops and community hall.
3. The need to ensure that St Peter’s Hospital and the Ambulance Centre continue to operate as present without any adverse impacts caused by the project delivery works.
4. Any works undertaken will need to consider requirement that A320 also serves as a Highways England strategic diversion route.

A full constraint appraisal will be undertaken at Project Execution Plan stage.

Project Interdependencies
Each section of the proposed highways and junction improvements can be delivered independently of the next. However, the works needs to be phased and sequenced such that any traffic disruption will be minimised. The benefits of the highway and junction improvements will only be realised upon the full completion of the scheme.

7.3.2 Please summarise your project delivery plan to deliver the infrastructure, this should include your anticipated land ownership/control strategy.

SCC and RBC will enter into a Section 278 agreement under the Highways Act. This agreement will cover the whole area of the proposed scheme and will allow SCC to deliver the proposed highway scheme and carry out works on and within the existing highway. This legal agreement is also the legal vehicle through which RBC can dedicate highway rights to SCC on any land in their ownership that forms part of the new highway scheme.

7.3.3 Please provide details of your project delivery plan to deliver the homes unlocked by the infrastructure. Please detail any expected controls or levers you will put in place to ensure the delivery of housing on the sites.

The project delivery plan to deliver the homes unlocked by the A320 North scheme (assuming that funding is secured through the HIF process) is set out in the programme in attachment 58. All of these homes which would be unlocked are located in Runnymede Borough.

Runnymede Borough Council (RBC) as the Local Planning Authority will be working positively and proactively to facilitate the delivery of housing largely through their Development Management functions which include controls and levers as described below.

RBC has an existing (temporary) Major Projects Team within its Development Management function which has a primary focus on the delivery of new high-quality homes; creating new and building on existing communities. The Team coordinates the pre application process for major development schemes which come forward in the Borough. In its current form this involves close and ongoing working with site promoters and negotiation of Planning Performance Agreements. The Major Projects Team oversees the planning application process for major developments; ensuring that applications are processed as efficiently as possible through providing additional support to planning case officers and working collaboratively with applicants and statutory consultees to unblock problems quickly. The Council is of the view that this team has
been instrumental in helping the Council determine 96% of its major planning applications within agreed time limits over the past 2 years, substantially above the Government target of 60%.

It is acknowledged that 7 of the site allocations within the emerging Local Plan (accounting for 3,687 homes) is reliant on the improvements to the A320. The focus of the Team, working alongside Planning Policy and SCC is to focus on unlocking and enabling the delivery of homes on these sites. In relation to the sites which are to be unlocked, the Council already has a number of planning applications either approved (subject to A320 related highway works), in the system or at pre-application stage. Site promoters have expressed a desire to deliver homes as quickly as possible and this is reflected within the Council’s housing trajectory.

In relation to the status of the allocations along the A320 corridor, the Major Projects team ‘sites tracker’ is a live document kept by the Council which shows the stage that each site is at in the pre application/planning application process as well as showing future expected milestones and whether a PPA is in place for each site. This assists in identifying recourse requirements, potential blockages to be identified and solutions found to enable applications to come forward and decisions to be issued as swiftly as possible.

RBC has recently approved the permanent retention and expansion of the Major Projects team and agreed to refocus the team’s duties from 1st April 2019 on delivery (see relevant committee report at attachment 76). From this date, the team will be known as the Major Projects Delivery and Compliance team. The size of the team will almost double from 3 to 5 officers.

It is the Government’s increased emphasis on housing delivery which has led RBC to take proactive steps to enhance and expand the remit of its Major Projects team. Specifically, RBC recognises that a new emphasis on housing ‘delivery’ as compared to housing permissions or allocations has been embedded in the 2019 NPPF. RBC has taken the view that this new direction needs to be facilitated by Runnymede at the same time that a number of other changes and pressures need to be responded to. These include introducing the Community Infrastructure Levy (CIL) following the adoption of the new Local Plan; and increased demands on Planning Enforcement; and a significant increase in planning applications, including strategic scale allocations, reflecting the fact that housing delivery is expected to double as the new plan is implemented.

The Major Projects Delivery and Compliance team (which builds on the existing team) will contain skilled staff with a greater understanding of development viability and finance and will have a greater emphasis on relationship management with housebuilders to closely track the delivery of new homes. This proactive working will need to be accompanied by site inspections and negotiations to help housebuilders identify legitimate impediments to delivery post-permission and work to define and offer solutions to increase the pace of delivery.

Those skills and work streams will cut across the necessary work to monitor development and administer a CIL system and will be entwined with proactive planning enforcement compliance work to ensure planning conditions are discharged and any necessary amendments to planning permissions are identified earlier to enable consideration by the Planning Authority or amendment of the construction work on site. It is also felt that application service efficiencies can be achieved through this team to deal with the increased workload expected as the Runnymede 2030 Local Plan approaches adoption.

In addition to the above, there are specific controls and levers that the Development Major Projects Compliance and Delivery Team will be proactively exploring to ensure the delivery of homes on the sites which would be unlocked by the funding of the A320 North scheme. These measures can be summarised as follows:

**Putting additional resource into pre application discussions on allocated sites:**

The benefits of the Major Projects Team together have been described above. The provision of pre-application advice is encouraged, and expectations and timescales can be set out through a PPA including identification of engagement requirements with other stakeholders and associated meetings. The pre-application process is key for major schemes and has and continues to result in added quality ensuring high community satisfaction to deliver homes for people.

Through the Design Quality Award fund, RBC has appointed Design South East to provide design support ensuring development schemes meet the Council’s expectations to deliver high quality homes. For the major schemes and site allocations a Design Review Panel is encouraged. The Council is also in the process of developing a Design Guide which will provide developers with greater clarity as to the Council’s expectations so that new development is of consistent high quality and is delivered at the right time and in the right place, with the planning process undertaken in the most efficient way.

In relation to the sites dependant on the A320 for delivery, the pre-application process has enabled early dialogue with key stakeholders including both internal and external consultees, to identify and actively resolve potential blockages (where possible) which will assist developers to move through the planning process in a smooth and efficient way. This includes the early consideration of conditions and S106 requirements to
ensure that planning decisions are not delayed through the finalising of legal agreements and that conditions do unduly hold back the delivery of sites and are constructed to work with the proposed phasing of development.

Planning Performance Agreements:
Planning Performance Agreements are encouraged for major developments which assists in bringing additional resourcing into the planning team to help meet developers’ timescales and expectations, and oversee the resolution of any blockages, including those identified by consultees. To ensure each developer has the appropriate agreement to help the development through the planning system as smoothly and efficiently as possible, PPAs are tailored to the requirements of specific schemes and can include not just pre-application and planning application stages but also to cover post approval amendments and conditions, which assists developers in early delivery of new homes.

Reduction in the length of time between the grant of planning permission and commencement of development: Currently, RBC requires new developments to be commenced within a 3-year period from the date of a decision notice being issued. The Council is actively considering reducing this period on certain schemes (including those along the A320 corridor) to ensure that their delivery is not delayed. This will be discussed on a case by case basis with site promoters.

Carefully considering the structure of planning conditions and keeping the number (especially pre commencement conditions) to a minimum: Linked to above, and to allow development to commence on the sites unlocked by HIF funding quickly, relevant planning conditions attached to new consents will be minimised wherever possible, particularly pre commencement conditions in line with paragraph 55 of the NPPF. Carefully considering the structure of any conditions imposed is also considered important. This is not simply a question of minimising pre-commencement conditions, but also by way of minimising the number of conditions generally, avoiding conditions that duplicate one another, avoiding unduly onerous consenting stages (post-Outline consent) that might precede reserved matters submissions. Pre-application negotiation is therefore focused upon negotiating as much advanced detail as may be reasonably possible at the Outline approval stage, for example design codes and character area masterplans. In this way, the Council can understand any barriers to delivery and bring forward positive solutions to remove these barriers.

By the same token, where certain information is clearly not going to be available in time for submission of a major application, the use of conditions to defer such details for approval at an appropriate later stage will also be negotiated with the developer. The incorporation of mechanisms for the submission of amendments to approved details are also applied to critical conditions (e.g. in relation to site phasing) to minimise or avoid the need for s.73 applications and the potential for significant delay that can arise from this, for example the need for Deed of Variation to any s106 Agreement. In addition, if certain ‘compliance’ conditions can be applied that reference mitigation strategies included in the submitted Environmental Statement (for example) or standards stipulated in the Masterplan document, these can remain in force for the lifetime of the development and represent a useful fallback position when determining reserved matters applications - ie. this reduces the need for applying further conditions are the reserved matters stage. The standardisation of s106 agreements and planning conditions will assist the understanding of developers at the earliest stage in order that infrastructure is at the forefront of a developer’s scheme.

As a specific case study, in attachment 77, RBC has set out below how, through its Major Projects Team it is looking at innovative solutions with the promoters at the Longcross Garden Village site with the aim of the ensuring efficient delivery of homes post the issue of development consent. This approach will be adopted for all major schemes (where the approach is not Garden Village specific).

7.3.4 Please summarise your maintenance strategy for the scheme.

SCC will maintain the completed highways and junction infrastructure element of the scheme as set out in its Maintenance Strategies. These are based on the following:

- Highway Prioritisation Policy and Criteria.
- Highway Safety Inspection Policy.
- Road maintenance strategy are prioritised using a number of criteria including:
  - Risk to the public - this is calculated using data such as past insurance claims and the number of small repairs carried out.
  - Condition of the road - this includes an engineer’s assessment carried out at regular intervals as set out in the Inspections Policy.
  - Road priority - greater priority is given to roads with the greatest usage or need. Road class (A, B, C and D), speed limits and daily traffic are all factors in this. As the A320 North of Woking highway corridor forms part of Surrey’s Strategic Road network it will have the highest priority.
The above criteria ensure that the available funding is used on the roads and pavements that are in greatest need of treatment in a fair and consistent manner across the county. Ongoing maintenance and / or repairs as identified will be carried out by our term contractor.

Highways England have their own maintenance strategy for their motorway network and junctions.

7.4 Project Milestones

7.4.1 Please provide actual or estimated dates for achieving the following infrastructure delivery milestones for your project:

- **First infrastructure planning permission granted** 04/04/2022
- **Last infrastructure planning permission granted** 04/04/2022
- **All land assembly completed (if required)** n/a
- **Project infrastructure works started** 04/04/2022
- **Project infrastructure works completed** 29/03/2024

7.4.2 Please provide actual or estimated dates for the following housing delivery milestones:

- **First residential units commenced** 04/04/2022
- **Last residential units commenced** 03/04/2028
- **First residential completion** 29/03/2024
- **Last residential completion** 29/03/2020

7.4.3 Please attach an outline delivery programme for your proposal and the key milestones required to achieve it.

*Please see guidance for what this should include.*

Attachment 58

7.4.4 Please list planning references for the infrastructure works.

*If application is not yet submitted, please provide further details on planning progress*

Not applicable as all works can be completed under permitted development

7.4.5 Please list all statutory powers or consents required and already obtained to deliver the HIF works. Please include details of any challenge period, date of expiry and conditions attached to them.

The proposed highways and junction improvements will be undertaken within the SCC highway corridor. Where land acquisition is required, this will be undertaken as per standard SCC and RBC procedures. This arrangement will be finalised during detailed design work. This has been logged in the risk register and is being managed accordingly.

Consultation and approval for any relevant Traffic Regulation Orders (TROs) will be undertaken in tandem with detailed design in order to keep lead times to a minimum.

7.5 Stakeholder Management

7.5.1 Please summarise how the key delivery partners will work together effectively.

RBC and SCC have a shared vision for the future of the A230 corridor and Surrey in general. In order to achieve this aim, a considerable number of homes need to be built, and in order for this to happen the transport infrastructure on the A320 needs to be improved. So both RBC and SCC have a considerable commitment to this scheme and are invested in its successful delivery.

RBC and SCC have demonstrated a strong ability to work together, at political and officer level, in the ongoing delivery of critical infrastructure and development in Addlestone town centre and the Longcross Garden Village. In order to achieve these ambitious projects, affective governance and project management procedures have been put in place. These same procedures will be used for to ensure that SCC and RBC continue to work together successfully.
Clear governance structures (see attachments 73 and 74) will ensure that all major stakeholders are represented in the decision-making process for the project. SCC will provide a sponsor for the project.

The governance structures also show a clear chain of command for the project and outline who has decision making powers within certain tolerances, which will be set by the Project Board. This means that there will be no doubt as to who can make decisions, and the project will be able to progress without having to get third party approval for small decisions.

There is a change control process in place for this project (outlined in detail earlier in the Management Case). The change control process for this project has been taken from the one already being successfully used to deliver major highway schemes at SCC.

Many members of the project team for this project from SCC and RBC have already been working together for several years on Addlestone town centre and Longcross Garden Village. This means that affective working relationships have been developed across the organisations.

Highways England and SCC have established a good working relationship, most recently on improvements to M25 Junction 10 and on the M3 widening works and are working with SCC and RBC to ensure the successful delivery of the proposed improvements at M25 Junction 11.

The Project Manager for the scheme will be appointed from SCC, but a clearly documented part of that role will be to keep the Project Board and key stakeholders informed of progress on the project. This will happen at least on a weekly basis, but more often if there are any significant issues, risks or decisions that need to be addressed. The sponsor, in turn, will have the responsibility for keeping the Project Board informed on progress of the project.

These various channels of communication will be formalised into a communication strategy so that everyone is fully aware of how the key partners will communicate. This will include the roles of the project manager and sponsor in keeping stakeholder organisations informed and the role of Board, Project Management and Project Delivery teams as a communication tool within the project.

HE will be fully incorporated into the communication strategy and project procedures outlined above. They will have a representative on the Project Management team, who will be able to ensure that HE’s interests are met and delivered in a co-ordinated manner.

7.5.2 Please summarise how you will work with other key stakeholders to ensure project success (i.e. Local residents / businesses / landowners).

Any major highway and infrastructure improvement work has the potential to be disruptive for anyone making use of the area. It is therefore vital that we work with stakeholders effectively to ensure that the project is as beneficial to them as possible, that disruption to the them is minimised and they are kept fully informed of the project both in terms of any potential disruption, and to highlight future benefits of the scheme.

SCC have a track record of engaging and working with residents and businesses to minimise the impacts of our highways works. RBC Economic Development team works closely with businesses and will use these strong relationships to ensure that the project minimises disruption to businesses that are affected by the highway works.

SCC have commenced with the stakeholder engagement process at the bid preparation stage by holding meetings with resident groups at Ottershaw.

Property owners adjacent to the A320 corridor face the most potential disruption where land may need to be acquired to allow the highway and junction improvements to take place.

A detailed communications strategy will be developed to ensure a co-ordinated approach to internal and external communications so that affected stakeholder, residents and are informed about the project during its construction. The strategy will also include details of working with residents and resident groups that are adversely affected by the project. This strategy will be viewed in conjunction with SCC’s highway-specific communications strategy/plan.

This communications strategy will be highly detailed, with specific information on communications activities including costing and dates. While this level of detail cannot be developed at this stage in the project, we have developed the guiding principles that we will use to develop the detailed strategy. We have identified several key objectives that will be used to inform communications throughout the project:

- Ensure that all key audiences are communicated with in a clear, timely manner before any disruption to the highway network is caused.
• Inform audiences of the highways works and what these will entail.
• Ensure that audiences are aware of the reasons behind the project.
• Ensure that residents and visitors know that the A320 highway corridor remains passable during peak traffic periods.
• Support businesses directly affected by highways works.
• Mitigate negative reaction to construction works throughout the project by regular and effective communications highlighting works that may impact on them.
• Signpost people to find more information and ask questions.
• Communicate the wider vision of the HIF scheme including the increased housing and retail opportunities that the project affords, to ensure maximum positive media coverage and reduce the risk of negative coverage.

The stakeholders relevant to the scheme are summarised below, detailing primary stakeholders who are directly affected, secondary stakeholders who have a professional or practical interest in the scheme and tertiary stakeholders who are groups with a general interest in the scheme:

Primary Stakeholders:
• RBC
• Highways England
• Land Owners
• Direct Businesses
• Direct Residents
• All Road Users
• Bus Operators
• Surrey Police
• St Peter’s Hospital and the NHS Ambulance Centre

Secondary Stakeholders
• Elected Members
• Emergency Services
• Statutory Undertakers
• Neighbouring Local Authorities
• Environment Agency

Tertiary Stakeholders
• Residents Associations
• Business Associations
• Community groups
• Cycling and walking groups
• Indirect Residents
• Indirect Businesses
There will be several key messages that we will communicate with these stakeholders:

- These multi-million pound highway and junction improvements will significantly improve the local highways network which is already operating at capacity
- The project will improve access along the A320 and M25 Junction 11
- Improved highway environment in and around Ottershaw Roundabout and St Peter’s Hospital will improve pedestrian and cyclist access.
- Project will allow significant amount of additional homes to be built
- We recognise that the highway works will cause disruption to local residents and businesses and would like to apologise for any inconvenience caused. We are fully committed to keeping disruption to a minimum in order to bring about significant highways improvements that will benefit all drivers travelling along the A320 highway corridor

A range of different strategies will be used to communicate these messages. These will be selected in the detailed communications strategy to ensure that the most appropriate mediums are chosen to deliver a particular message and that all stakeholders are kept informed. These strategies are:

- Letters to businesses and residents directly affected: letters will set out about what is happening, when and why, and will signpost people for further information for any queries. The letter will also promote the public exhibition.
- Face-to-face meetings with residents and businesses: to fully understand their concerns. It will ensure that SCC is listening to these concerns and efforts will be made to work with stakeholders to ensure that the designed scheme considers all issues affecting them.
- Dedicated webpages on corporate site: the focus will be on the overall project but feature day-to-day updates and information about highways and traffic impacts.
- Dedicated contact details for enquiries: there will be a dedicated phone line and email address for the project with queries responded to in 24 hours. Contact details will be communicated through the website, letter and newsletter.
- Public exhibition: will focus on the bigger picture vision, but also provide an indicative timeline and details of particular highways and traffic changes.
- Quarterly update newsletter: a simple, electronic newsletter will be produced every month providing details of forthcoming works and updates on progress.
- Signage: provision of information signage as and when required. Strategically positioned signage can also assist with informing all road users of changes and disruptions.
- Social media: will be used to keep members of the public instantly informed as and when appropriate.
- Local Authority Magazine: articles will give a wider update on projects on a regular basis.

SCC has considerable experience working with stakeholders on major highways and transport infrastructure projects. The SCC Stakeholder Matrix (provided at attachment 78) stratifies these stakeholder by the level of interest against the level of influence and sets out to categorise the level of engagement required under the headings Keep Informed, Manage Closely, Monitor and Keep Satisfied. These guiding principles for the communications strategy have been derived from the communications strategy that has been used to facilitate thorough communication and successful working with stakeholders throughout the delivery stage of major highway schemes. We will also have the opportunity to incorporate any lessons learned into the detailed communications strategy from successfully delivered major highway schemes.
7.6 Project Assurance

7.6.1 What are your project assurance processes, such as gateway reviews, to ensure project delivery against the business case?

To ensure the project is delivered against the business case, PRINCE2 project management methodology will be applied throughout the project by all key delivery partners. Project assurance processes will be designed to comply with PRINCE2.

Defining the business case

Firstly, in order to measure that the project is delivering, several documents have been created, or will be created, to define the scope and the objectives of the project. These documents will be agreed by all relevant delivery partners so that partners are fully aware of what the project is expected to achieve.

- The first document is a clearly defined business case, agreed by all delivery partners, that defines the purpose, the scope, objectives and what will be achieved through the project. The project will be regularly assessed against this document to confirm that it is delivering against the business case. The details of this assurance process will be outlined later in this response.
- The project execution plan (PEP) which will expand on the business case to address the specific requirements of the project, the objectives and a developed brief.
- Product descriptions will also be created to show what the project outputs will be and what criteria they will meet. These product descriptions may be in the form of plans for the highway and junction infrastructure improvements as well as descriptions. These product descriptions will be agreed by SCC and any other partners responsible for the delivery of that particular element of the project, or any related elements.
- The project plan has been created to determine the process for achieving the project objectives, and so that deadlines for reaching project milestones are clearly defined. Project progress can then be measured against these deadlines to ensure that the project is delivering to the agreed timescale.

These documents will then be used to carry out project assurance to ensure that the project is delivering against the business case.

Managing in stages and stage boundary reviews

Project assurance will primarily be achieved by managing the project through stages with reviews between each stage. During the creation of the project plan the project will be divided into stages. Management in stages is a Principle of PRINCE2 methodology and, amongst other benefits, it ensures that there are clearly defined points in the project plan where the project board will have an opportunity to review whether or not the project to date has delivered against the business case.

At the start of each stage the project plan will be reviewed and updated as necessary to ensure that the elements of the project included in the stage are clearly defined. The specific objectives of the stage will be documented, along with the products that will be delivered, the criteria for successful completion of those products and the timescales for delivering each of the outputs of the stage. All of this information will be created by the project manager in reference to the documentation listed above to ensure that the objectives of the stage coincide with the objectives of the project as a whole. This information will be agreed by SCC, RBC and HE and any other delivery partners involved in the stage to ensure that everyone is aware and in agreement on what is needed to complete the stage successfully.

At the end of each stage a review will be carried out to determine if the stage has been successful and to what extent, whether the project can continue to the next stage, and whether any adjustments need to be made to the plan for the next stage to ensure that the project delivers against the business case.

Reviews are carried out by the project board, with the project manager, along with representatives from all delivery partners responsible for that stage of the project, providing the relevant information to enable the board to complete the review.

At each review the progress of the previous stage of the project will be reviewed to ensure the project is delivering against the business case. Each of the documents listed above will be referred to in order to make
this assessment, alongside the document created just prior to the start of the stage outlining the plan, objectives and products to be delivered for the stage. The assessment will determine if the stage has achieved the objectives and the project outputs have been created to the required standard. If that is the case then the project can proceed to the next stage. If that isn't the case then action will need to be taken by the board to ensure that the issues are rectified and the business case still delivered. This could include making some changes to the project plan for the next stage or subsequent stages, or delaying the end of the current stage, while ensuring that the business case can still be delivered.

Prior to the start of the next stage all the documents listed above will be review to see if any changes need to be made. It is in compliance with PRINCE2 methodology to regularly update all documents, including the business case. However, this should be done in light of new information to better achieve the objectives and realise the benefits of the project.

After this the next stage can begin, ensuring that again the specific objectives of the stage are documented, along with the products that will be delivered, the criteria for successful completion of those products and the timescales for delivering each of the outputs of the stage.

**Project assurance within a stage**

Project assurance processes will also take place within each stage of the project. The project team that will be delivering the project will be led by experienced SCC officers. This team will have a system of monthly meetings set up for the project management team to discuss the project with the project board. At these monthly meetings a progress report is always provided. This allows the project team an opportunity to take stock of the progress of the project against the business case, and for the project board to assess if the project is performing as planned. This project assurance process allows for early intervention from the project management team and the project board to address any issues that have arisen and take suitable action to ensure the business case continues to be delivered.

For more urgent issues and risks that arise during a stage, a process will be in place for the Project Manager or the contractor to escalate any risks or issues they think could impact on the delivery of the project against the business case. This will be based on the process that is already in place for SCC major highway schemes and working successfully. The process allows the contractors or SCC to raise an Early Warning Notice of any issues or risks that could impact the delivery of the project. There are then clear steps that the team will follow to address this issue and ensure that the project will continue to meet the business case. These steps are:

1. Meet to discuss the issue or risk to determine if it can be dealt with at no additional cost or impact to the project.
2. If so, then work will be taken to address the issue or risk.
3. If there will be an additional cost or impact, contractors will issue a compensation event (CE) with the estimates cost and programme delay within 48 hours.
4. Project management team or board (depending on the severity of the issue) will issue a project managers instruction (PMI) to accept the CE and request a quotation.
5. The contractor will issue a quotation.
6. The project management team will issue a PMI to implement the quotation.

This will allow any issues or risks to be dealt with as they arise during a stage. There will be thresholds to determine who can raise the PMI, i.e. if below a certain cost can be issued by the project manager, if above a certain cost will be issued by the sponsor, this is detailed in the response to question 7.2.1.

**Benefits realisation programme**

A benefits realisation programme will be developed to determine if the objectives and the benefits of the project have been realised.

Prior to the project commencing key performance indicators will be agreed to allow the success of the project to be objectively measured. Each KPI will detail what is being measured, how this relates to the project objectives and benefits detailed in the business case, the overall target for the KPI, the date that the overall target will be achieved, and any applicable interim targets with deadlines. These will be agreed in detail before the project starts, but will include, but is not limited to:
Do the highways and junction improvements result in journey time savings?
Has the highways and junctions been widened?
Have improved cycling and pedestrian provision been put in place?
How many homes have been delivered?
Has emissions generated by motorised vehicles reduced along the A320 corridor as a result of reduced congestion?

Before the project begins a base line measure will be taken of any indicators so that we are fully aware of the current performance of each indicator. These indicators will then be measured at the end of the project, and every year after completion of the project until whenever the latest target end date is on the last indicator to be realised. This will be fully determined when the full benefits realisation programme has been developed.

This benefits realisation programme will be the ultimate measure of whether the project has achieved against the business case, but the other processes outlined above will ensure that the project can achieve the business case while project delivery is ongoing.

External project assurance
In addition to this internal project assurance, the project will also interface with the reporting requirements set out by the Ministry for Housing, Communities and Local Government (MHCLG) as part of the conditions of any grant awarded. This external project assurance will be greatly appreciated and is seen by the project team as a valuable opportunity to strengthen the project plan and project delivery by benefiting from MHCLG’s experience in aiding local government to deliver similar schemes.

For the SCC major highways schemes in Camberley, Woking and Guildford Boroughs, project external project assurance has been provided by EM3, who have invested more than £15 million into the infrastructure improvements. EM3 review the project every quarter to look at, amongst other things, milestones, cash flow, budget and match funding agreements. This has always been considered by the project team to be a useful chance to receive external validation on the progress and future plans of the project.

7.6.2 Please provide details of your proposed internal monitoring approach for the scheme.

The longer-term monitoring and evaluation of this scheme to be undertaken by SCC 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. This will be proportionately prepared in accordance with Department of Transport guidelines contained in the Monitoring and Evaluation Framework for Local Authority Major Schemes. SCC would monitor this scheme's progress against these measures:

- Scheme build
- Delivered transport scheme
- New homes delivered
- Costs
- Scheme objectives
- Travel times and reliability of travel times
- Impact on the economy
- Carbon impact

These measures will be reported in the ‘One Year After’ evaluation report and the ‘Final’ evaluation report. Monitoring of project benefits will continue to be reported yearly for three years post-delivery completion to evaluate the project as a whole.

The day to day project monitoring will be undertaken by SCC. The project will be assigned a Project Manager who will be directly involved in the day to day running of the project. This will mean that they will have a detailed knowledge of the project and will be responsible for monitoring the progress of the project and ensuring that the Programme Manager and Project Sponsor is fully updated on the project; including details of any risks, issues, whether the project is on schedule and on budget, and whether the infrastructure is being delivered to the agreed criteria. The Project Manager will meet with the sponsor on a weekly basis, at the least, to keep them informed about the progress of the project. They will be able to meet more regularly if there are any urgent matters that the project manager needs to bring to the sponsors attention.
The Project Sponsor, who will sit on the Project Board and attend the monthly Project Board meetings, will have overall responsibility for the project internally and will ensure that SCC corporate management are updated on the progress of the project. This meeting will provide a regular forum to discuss any issues or concerns and the Sponsor will be able to feedback anything agreed by corporate management to the Programme Manager and Project Manager.

To assist in monitoring the project, the project will be added to SCC’s project management system that performance of projects based on four key performance indicators: budget (spend against budget), schedule (time taken against time planned), risk (severity and probability of risk) and issues (significance of issues). It is assigned a RAG flag status of red, amber or green for each of these indicators based on these criteria:

**Budget:**
- Green if project is within budget and is expected to remain within budget.
- Amber if project is expected to overspend but remain within the tolerance in Financial Regulations (FR) of not overspending by the greater of £10,000 or 5%.
- Red if project is expected to overspend by more than the FR tolerance of overspending by the greater of £10,000 or 5%. Action required as per FR.

**Schedule:**
- Green if project is within timescale and expected to remain within timescale.
- Amber if project is expected to go over timescale but remain within 25% of total project timescale.
- Red if project is expected to go over original timescale by more than 25%.

**Risk:**
- Green if risks have need identified and successfully mitigated against.
- Amber if risks have been identified but mitigation action is still required on some risks, but risks are not severe enough to stop the project or cause it to fail to deliver the business case.
- Red if there is a significant risk has been identified that could stop the project or cause the project to fail to deliver the business case, but appropriate corrective action has not yet been identified or implemented.

**Issues**
- Green if issues are being successfully mitigated against.
- Amber if mitigation action is still required on some issues, but issues are not severe enough to stop the project or cause it to fail to deliver the business case.
- Red if there is an issue that could stop the project or cause the project to fail to deliver the business case, but appropriate corrective action has not yet been identified or implemented.

The budget and schedule RAG flags are set automatically based on the schedule and spend but can be adjusted to take into account a project that is projected to be over budget or over schedule. The risk and issues RAG flags are set by the project manager based on their knowledge of the project. In addition to the RAG flags, the project manager can also fill in a description for each of the indicators that are viewable by the sponsor, and anyone else with an interest in the project.

The four indicators are combined into one overview indicator, which is always given the RAG flag colour of the worst performing indicator. This indicator is then displayed, along with other key data about the project, on the manager and sponsors personal dashboard. This allows for quick and easy monitoring of the overall performance of the project, but all of the indicators, and other key information on the project, are available on the project management system for anyone working on the project and corporate management to view.
These same RAG flags are used to create a quarterly report on the progress of projects. This report is monitored by SCC Senior Management and Councillors providing an independent monitoring of progress against deliverables.

### 7.7 Risk Management Strategy

#### 7.7.1 Please outline key risks to delivery and mitigations including known delivery constraints and blockages.

*For likelihood and impact please use categories: High / Medium High / Medium Low / Low*

<table>
<thead>
<tr>
<th>Delivery Risk</th>
<th>Risk description</th>
<th>Likelihood</th>
<th>Impact</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Southampton to London Pipeline conflict of works (North of Hardwick farm) currently planned for early 2021</td>
<td>Medium High</td>
<td>Medium High</td>
<td>Schedule coordination meetings with schemes and other stakeholders at project outset and plan in the programme</td>
</tr>
<tr>
<td>2</td>
<td>Scheme does not deliver the desired housing as outlined in the bid</td>
<td>Medium Low</td>
<td>Medium High</td>
<td>The package objectives will be referred back to regularly at the Project Board to ensure schemes are focussed on achieving this.</td>
</tr>
<tr>
<td>3</td>
<td>Procurement takes longer than expected</td>
<td>Medium Low</td>
<td>Medium High</td>
<td>Procurement will be closely monitored through the Procurement Strategy</td>
</tr>
<tr>
<td>4</td>
<td>Delays and cost increases during detailed design work</td>
<td>Medium Low</td>
<td>Medium High</td>
<td>Appropriate % applied to costs planned in the bid due to design being at feasibility</td>
</tr>
<tr>
<td>5</td>
<td>Uncertainty or change of strategy due to Brexit results</td>
<td>Medium Low</td>
<td>Medium High</td>
<td>Conduct review of project strategy following Brexit results to enable early decision making</td>
</tr>
<tr>
<td>6</td>
<td>Scheme interruption due to unplanned utility works or diversions (particularly Heathrow &amp; Heathrow Southern Rail)</td>
<td>Medium Low</td>
<td>Medium High</td>
<td>Schedule coordination meetings with schemes and other stakeholders at project outset and plan in the programme</td>
</tr>
<tr>
<td>7</td>
<td>Selected Contractor going into administration</td>
<td>Medium Low</td>
<td>Medium High</td>
<td>Programme to include sufficient contingency (time) to allow for secondary procurement route</td>
</tr>
</tbody>
</table>

#### 7.7.2 Please outline your approach to managing risk.

Risk management is an essential tool for delivering an effective project and has therefore been considered throughout every aspect of the project planning process.

**Overall approach**
Our risk management strategy involves a 5-stage cycle to risk management, with the key stages being to:

1. Identify risks,
2. Analyse to determine the likelihood and severity of the risk,
3. Prioritise according to severity and likelihood,
4. Manage risks to reduce their potential impact,
5. Monitor risks as the project goes forward.

Risk management begins by identifying all of the obstacles and weaknesses that exist that may stop or hinder the successful delivery of the project. In order to ensure all risks are identified, a holistic approach has been taken with all elements of the project considered in order to capture all possible obstacles. We have also considered that risk management is also about making the most of opportunities; these are also identified at this stage.

The risks are then analysed into risk scenarios to provide a clear, shared understanding and to ensure that the root cause of the risk is clarified. Risk scenarios also illustrate the possible consequences of the risk if it occurs so that its full impact can be assessed.

Once the obstacles have been analysed, the next stage is to prioritise them to identify the key risks to the project moving forward. This prioritisation is determined by the likelihood of the risk occurring and the severity of the issues that would be caused if the risk did occur. How severe any issue would be will be determined by considering the affect the issue would have on the project’s ability to deliver the business case.

Once prioritised it is essential that steps are then taken to effectively manage those key obstacles/risks. If this approach is followed, the result is that major obstacles or blockages that exist within the project can be mitigated to provide a greater chance of achieve the project objectives.

Risks need to continue to be monitored once they’ve been identified to see if the changing situation has had any affect to the risk score or how the risk should be managed. The five stages listed above are a cycle that will be repeated throughout the project to ensure any new risks are identified, analysed and then dealt with appropriately.

Risk register, and deciding and assigning mitigating actions

A project risk register (attachment 79) has been created to capture all risks, prioritise them and record details of how the risks are being managed. The risk register will be maintained throughout the project, with the project manager taking responsibility for ensuring that the risk register is up to date.

Each risk that has been identified is analysed and entered into the register. The risk is then assigned two scores; one for the probability and one for severity. Each score will be out as per the Business Case guidance, i.e. 4; 1 for low probability or severity, 2 for medium low, 3 for medium high and 4 for high.

These two scores will then be multiplied together to give an overall risk score. This score will be used to prioritise the risks; the higher the score, the higher the priority. A risk score of 1 to 4 is considered low risk, 5 to 9 is medium and 10 to 16 is high risk.

After this analysis has been completed, consideration is given to how the risk should be managed. The possible options are:

- **Terminate:** Stop activity altogether. As all aspects of the project are needed to unlock additional housing, it is very unlikely that this will ever be selected as a viable option.
- **Transfer:** Pass all or part of the risk to the party best placed to manage it - this could be to a third party or through insurance. It is important to note, however, that although risk ownership may be transferred, accountability and/or reputational impacts associated with the risk rarely can and this will be considered when re-evaluating the risk in light this action being taken.
- **Treat:** Take action to control the likelihood and/or impact of risks. This is often the preferred option and is where the bulk of our risk management action will fall. All risks over the tolerance threshold (12 or above) should be treated to manage down the risk.
- **Tolerate:** Accept the risk. This applies to risks within the tolerance threshold or those where the costs of treatment far outweigh the benefits. The project tolerance level is 12, no risks with this risk score or above can be tolerated; action must be taken to reduce the likelihood, severity, or both. Any tolerated risk should be backed up by appropriate contingency plans as appropriate.
The option that will be selected will depend on the severity and likelihood of the risk, and our ability to mitigate the risk. Details of exactly what action will be carried out to achieve the options above will be detailed on the risk register. The risk will then be re-evaluated to determine if the severity or likelihood of the risk has changed in light of the actions taken. These scores will then be multiplied to give a revised risk score. With any risk with an initial risk score of 12 or above, we will ensure that we are taking at least enough action to reduce the revised risk score to 10 or below.

Each risk will be assigned with a risk owner. This risk owner will take overall responsibility for the risk; ensuring any mitigating actions are carried out, and that the risk is monitored to see if anything has changed that could alter the likelihood and severity of the risk. It will be the risk owner’s responsibility to report progress on carrying out mitigating actions and any changes to the risk to the project manager, who will then ensure that the risk register is kept up to date.

**Process for ensuring risks are managed**

The processes for ensuring that risks are being managed effectively will be the same as the process that is currently being successfully used by SCC to deliver major highway schemes. There will be a standard item on the monthly Programme Management meeting to discuss project risks. This will ensure that the risks are being regularly monitored, that the register is up to date and that actions to mitigate risks are being undertaken. It will also give an opportunity for the project manager and other key members of staff to get a steer on possible ways of managing risks that may require decisions from the board. At the meeting several things will be discussed:

1. Progress taken since the last meeting to mitigate risks.
2. Action to take place prior to the next meeting.
3. Any risks where the severity or likelihood of the risk has changed. Any further action needed to mitigate the risk in light of these changes.
4. New actions that have been added, the analysis of the risks undertaken, the risk score and mitigating action identified.
5. Any risks that have been identified by the board that need to be added to the risk register.

This will result in a plan of action for mitigating risks over the month that will be managed by the risk owner. The risk owner will report progress on these actions to the Project Manager on a regular basis. Anyone involved in the project will be responsible for making the Project Manager aware of any risks they identify, so that these risks can be escalated to the project manager.

There will be a procedure to escalate significant risks to the Project Manager. This will happen whenever a risk is identified or a risk changes that it is thought likely to have an impact on the project delivering against the business case. The Project Manager will analyse the risk and decide on any mitigating action needed. The project manager will then decide if this risk is serious enough that it needs to be escalated upwards immediately. If this is the case then it will not be necessary to wait for the monthly board meeting.

These processes will ensure that all risks are carefully tracked, and actions taken to mitigate the risks. It will also ensure that this process is ongoing, with risk management being a central part of the project throughout.

**7.7.3 Please attach a copy of your current risk register for the scheme.**

Attachment 79

**7.8 Additional Information**

**7.8.1 If you have any further information to support the Management Case for your project, which has not already been captured in the above, please include this here.**

SCC is committed to raising skills through the Apprenticeship Scheme. It is SCC’s intention that this project include opportunities for Apprenticeship training as part of the Project Management and Project Delivery scope of work.

The following attachments have been referenced as part of responses to the Management Case and those not attached previously are provided below:

58. A320 North of Woking Outline Delivery Programme
73. Project Organogram
74. Governance Structures
75. End to End Project Process Map
76. Runnymede Major Projects Delivery and Compliance Team
77. Longcross Garden Village Case Study
78. Stakeholder Matrix
79. A320 North of Woking Risk Register

Attachment 80. Legal Advice on State Aid Risks relates to the final question in the Project Sign Off section.
8. Project sign-off

Please set out how you have considered your duties under the Equalities Act 2010 (Public Sector Equality Duty) and State Aid risks.

SCC is committed to providing a culture whereby diversity and achieving equality of opportunity are practiced and promoted and contribute directly towards achieving the council's four key values:

• We will respect others and the contribution that they make.
• We will trust by acting with integrity at all times.
• We will listen to others and take account of their views.
• We are responsible for our actions and will act accordingly.

SCC will undertake an Equality Impact Analysis in line with our Equality Duty. At this stage, SCC is satisfied that there are no identified negative Equality implications arising from the proposals. The benefits of the delivery of necessary infrastructure to support housing in principle applies equally to all individuals including those within protected characteristic groups. Further opportunities to make improvements for those with relevant protected characteristics, such as disability and age, will be taken at the detailed design stage, whereat appropriate design features, for example to ensure DDA compliance, can be incorporated and other opportunities to promote inclusivity for access and transport can be considered.

SCC legal team has provided legal advice and concluded that there is no State Aid risk associated with this project (see attachment 80 included at the end of the Management Case attachments).

Please attach your Section 151 officer sign off for your proposal.

Attachment 81