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# Housing Infrastructure Fund

**Business Case - HIF/FF/000609/BC/01 - A320 Woking Town Centre (Victoria Arch Railway Bridge and road network south of the railway line)**

## Bid Details

### Lead Authority

Surrey County

### Is it a joint bid with other Local Authorities?

No

## Contact Details

<b>First name</b>	Dominic
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### Are you an agent making this submission on behalf of one or multiple Local Authorities?

No

### Are the contact details provided above for the lead responsible officer for the project at the local authority?

Yes

## **Project Summary**

### **What is the name of the scheme**

A320 Woking Town Centre (Victoria Arch Railway Bridge and road network south of the railway line)

### **Please provide an Executive Summary for your proposal**

Background: There is a need for the delivery of significant numbers of new housing in Woking. Woking Borough Council (WBC) has a Core Strategy, adopted in October 2012, which identifies the need for around 5,000 new dwellings by 2027 (appendix 1.1.2, pg. 27-37). The town centre has been identified as the primary focus for these developments as per policy CS1 and CS2. Housing, particularly the provision of affordable housing, has been a key priority of WBC for over a decade, yet Woking ranks high as an area of 'High Affordability Pressure', positioned as the 67th (out of 355) most affected Local Authority (Source ONS).

The role of Woking Town Centre as a transport and economic hub has been recognised by Enterprise M3 LEP (appendix 1.1.2 A), and this resonates with WBC's ambition to become a regional focus of economic prosperity. To fulfil this vision, WBC has embarked on a programme of town centre regeneration and the next step is to deliver housing. The objective of this scheme is to provide the necessary infrastructure to unlock 13 sites for development to enable a collective total of 4,555 homes to be delivered. Formal discussions are advanced with the owner(s) and/or developers of each site, and letters of support from each of them, stating a commitment to bring their respective developments to fruition, is attached at appendix 7.3.1 A.

Problem: There is a fundamental barrier to the development of new housing in the town centre. This barrier takes the form of the Victoria Arch Bridge and the inadequate highway infrastructure that runs through it. The A320 is the main road corridor through Woking, and because of the restrictions imposed by the bridge and historic road lay-out, the area acts as a pinch-point for traffic which leads to significant congestion. This infrastructure deficit has stifled local growth and housing development opportunities for many years.

The draft Site Allocations Development Plan Document (DPD) has identified land in the town centre to deliver 1,251 units. Despite this number being achievable from a site capacity perspective, highway modelling to support this bid has confirmed that the maximum number of new units that can be delivered in the town centre is 938. If this number is exceeded, the existing highway network becomes unsustainable. This figure is insufficient to meet local need and demand.

The cost of enhancing the infrastructure to enable the delivery of housing is significant. The Surrey Infrastructure Capacity Study puts this funding gap at over £156m (appendix 1.1.2 B). The current situation in Woking represents clear market failure because (a) there is high demand for housing (b) there is a high cost of housing beyond the national average (c) there is unmet affordable housing need and (d) developers are willing to develop but this cannot happen because of a lack of infrastructure which places a significant burden on development viability. Market mechanisms by themselves cannot achieve an economically efficient outcome.

Solution: This bid of £94,922,700 provides the opportunity to address the market failure and unlock the 13 development sites. The funding will enable the delivery of three critical elements, each of which is dependent on the other to provide a holistic solution. This involves:

1. Highways improvements. The improvements include the removal of the one-way gyratory system and the introduction of a two-way carriageway. This will enhance traffic-flow in and out of the town centre and also provide enhanced pedestrian and cycle access.
2. All property located on an island site known as the 'Triangle' needs to be acquired and demolished to enable the widening of the highway. WBC currently owns 7% of the site and has agreement in principle to purchase a further 58%. Formal discussions are underway to acquire an additional 16%.
3. The replacement of Victoria Arch. SCC and WBC have been working with Network Rail (NR) for several years, and a fully costed option has been developed. A widened bridge will allow for four lanes of traffic and will also support NR's objectives of delivering a Woking Flyover which will expand the rail network capacity for the region.

Capability: SCC and WBC are the key partners in developing this scheme. The two authorities already have an established joint governance arrangement in place and are fully engaged with a trusted professional team that has the necessary expertise to deliver the scheme. SCC, WBC and the professional team have an excellent track record of delivering major projects together.

Outcome: This scheme will unlock 13 development sites and deliver an additional 3,304 units over and above that which has been allocated in the Local Plan. The funding will also enable new units to be delivered at a rate far in excess of what the market could provide.

This bid should be read in conjunction with appendix 1.1.2 D, which provides a schedule of appendices that evidence information throughout the document.

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

The purpose of the scheme is to address several fundamental barriers that have prevented the large scale delivery of housing in the town centre. These barriers have stifled local growth and economic development for many years and now need to be addressed to ensure that WBC can take advantage of development opportunities to meet housing demand. If any element of this scheme is not delivered, as per the components below, 3,304 additional homes that HIF would unlock will not be able to be delivered. The overarching objective of this scheme is to unlock land to enable the delivery of significant additional dwellings. The scope of the infrastructure works is comprised of three key elements:

1. To deliver highways improvements along Guildford Road. The proposed improvements include (a) the removal of the one-way gyratory system and the introduction of a two-way carriageway (b) shared pedestrian/cycle paths and (c) installation of four new toucan crossings for pedestrians and cyclists. The introduction of an additional lane is essential for maximising traffic flow in and out of the town centre. This can only be achieved by extending the highway footprint to land currently occupied by the Triangle. A plan detailing the proposed enhancements and how these relate to the current highway layout is attached at appendix 1.1.3 A.

2. The acquisition and subsequent demolition of all property that is located on the town centre island site known as the 'Triangle'. The Triangle is surrounded by Guildford Road, Victoria Road and Station Approach to the southern part of the Town Centre, immediately below Victoria Arch. The Triangle currently comprises a mixture of retail, residential and office buildings that need to be removed to enable highways improvements to be undertaken. The site, once cleared, will also be allocated for the development of 300 housing units. The strategic importance of the Triangle is such that the overall project cannot progress unless it can be wholly acquired and removed. A detailed report on the existing composition of the Triangle, commissioned in September 2018, is attached at appendix 1.1.3 B. Detailed costs of acquisition and demolition are covered at 6.1.3.

3. The replacement of Victoria Arch Bridge. WBC and SCC have been working closely with NR for several years to explore options for the replacement and widening of the bridge. The ambition is to widen the highway that passes under the bridge to improve traffic flows between both sides of the town and provide better access across the railway and to the railway station for cyclists and pedestrians. The road widening will link into the redeveloped dual carriage highway to the north. These enhancements can only be achieved if the bridge is replaced. From a NR perspective, the replacement of Victoria Arch supports NR to undertake major works in the vicinity of Woking station and to facilitate the delivery of a Woking Flyover rail enhancement. It is important to note, however, that the requirements of NR are such that it will only deliver replacement bridge decks to facilitate the rail flyover – it will not expand the scope, at their own cost, to the widening of the bridge to expand the traffic network capacity; it is anticipated that the HIF will meet the additional cost associated with this.

Each element is dependent on the next. Although traffic capacity constraints need to be removed through the introduction of dual carriageway, the carriageway cannot be delivered without the acquisition and demolition of the Triangle as well as the widening and replacement of the bridge. External dependencies include 1) coordinating this scheme with other Town Centre developments that are underway, 2) ensuring that NR's internal procedures and delivery times are aligned to the wider scheme and 3) scheduling the various housing and commercial development sites to be delivered at an accelerated rate that is both realistic and sustainable for the town.

## Site Details

How many housing sites will the funding bring forward?

13

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, the lower tier or unitary authority the site is in and the current land ownership

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
Royal Mail Sorting/Delivery office, White Rose Lane, Woking, GU22 7AJ	200	Woking	Royal Mail	Allocated	

### Commentary

Site is allocated in draft Site Allocations DPD. It has been through Regulation 18 consultation. DPD has been published for Regulation 19 consultation in November. Consultation ends 17 December 2018. Proposal UA33 of Draft Site Allocations DPD.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
Ex Station Car Park, Car Park East, Oriental Road, Woking, GU22 7QE	400	Woking	Network Rail	Allocated	

### Commentary

Site is allocated in draft Site Allocations DPD. It has been through Regulation 18 consultation. DPD has been published for Regulation 19 consultation in November. Consultation ends 17 December 2018. Proposal UA32 of Draft Site Allocations DPD.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
New Central Extension (Coal Yard/Aggregates Yard) adjacent to the Railway Line	400	Woking	Network Rail, 31 Residential Owners, 1 Office/Retail Owner	Allocated	

### Commentary

Site is allocated in draft Site Allocations DPD. It has been through Regulation 18 consultation. DPD has been published for Regulation 19 consultation in November. Consultation ends 17 December 2018. Proposal UA34 of Draft Site Allocations DPD.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
Police Station and Coroners Court, Station Approach, GU22 7YL	600	Woking	Surrey Police, Surrey County Council	None	

**Commentary**

On-going pre-application discussions.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
Station Plaza (extended new station)	200	Woking	Network Rail	Allocated	

**Commentary**

Site is allocated in draft Site Allocations DPD. It has been through Regulation 18 consultation. DPD has been published for Regulation 19 consultation in November. Consultation ends 17 December 2018. Proposal UA7 of the Site Allocations DPD.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
St Dunstons phase 3, The Crescent and Somerset House, Oriental Road, GU22 7SA	150	Woking	Housing Association, Mixed Residential Ownership	Allocated	

**Commentary**

Site is allocated in draft Site Allocations DPD. It has been through Regulation 18 consultation. DPD has been published for Regulation 19 consultation in November. Consultation ends 17 December 2018. Proposal UA38 of the Draft Site Allocations DPD.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
The Triangle, 11 – 15 Guildford Road, Southern House, Jubilee House, Lynton House (The triangle), Station Approach, GU55 7PX	300	Woking	Woking Borough Council, Mixed Residential, Mixed Office/Retail Use	None	

**Commentary**

On-going pre-application discussions.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
Goldsworth Road, GU21 6JT	1205	Woking	Eco World, Laidlaw. Eco World will be the lead developer and is acquiring all property on the site voluntarily.	Allocated	

**Commentary**

Site is allocated in draft Site Allocations DPD. It has been through Regulation 18 consultation. DPD has been published for Regulation 19 consultation in November. Consultation ends 17 December 2018. Proposal UA13 of the Draft Site Allocations DPD.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
BHS site	200	Woking	Cortland Partners (lead developers with option to purchase site)	None	

**Commentary**

On-going pre-application discussions.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
Griffin House, West Street, Woking GU21 6BS	200	Woking	Thamesway	Allocated	

**Commentary**

Site is allocated in draft Site Allocations DPD. It has been through Regulation 18 consultation. DPD will be published for Regulation 19 consultation in November. Planning Application submitted. Proposal UA18 of the Draft Site Allocations DPD.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
Big Apple/Rat and Parrot, HG Wells and 48 – 58 Chertsey Road, GU21 5AL	400	Woking	McKay Securities	Allocated	

**Commentary**

Site is allocated in draft Site Allocations DPD. It has been through Regulation 18 consultation. DPD will be published for Regulation 19 consultation in November. On-going pre-application discussions. Proposal UA15 of the Draft Site Allocations DPD.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
Thamesway Poole Road, GU21 6EE	120	Woking	Thamesway	Allocated	

**Commentary**

On-going pre-application discussions. Proposal UA14 of the Draft Site Allocations DPD.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
Church Street, GU21 6DJ	180	Woking	Westmede Developments. Westmede is funding the assembly of the site voluntarily.	None	

**Commentary**

On-going pre-application discussions.

**Please provide site boundaries for all housing sites**

(see final page of document)

**Please attach scheme plan(s) for your proposal - these should include plans of housing sites and infrastructure**

Filename	Description
1.2.4 A.pdf	Town Centre map of sites unlocked by HIF
1.2.3 A.pdf	01 - Royal Mail Depot
1.2.3 B.pdf	02 - Ex Station Car Park
1.2.3 C.pdf	03 - New Central
1.2.3 D.pdf	04 - Police Station / Magistrates Court
1.2.3 E.pdf	05 - Station Plaza
1.2.3 F.pdf	06 - St. Dunstons Phase 3
1.2.3 G.pdf	07 - the Triangle
1.2.3 H.pdf	08 - Goldsworth Road
1.2.3 I.pdf	09 - BHS
1.2.3 J.pdf	10 - Concorde / Griffin House
1.2.3 K.pdf	11 - Planets / Rat and Parrot
1.2.3 L.pdf	12 - Thameswey Poole Road
1.2.3 M.pdf	13 - Church Gate
1.1.3 A.PDF	Highway Works Map
1.2.4 C.pdf	Bridge Replacement Design

**What is the total size of the development (in hectares)?**

9.25 ha

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

7.86 ha

**How much of the total housing area is on:**

**Brownfield land**

7.86 ha

**Public sector land**

3.73 ha

**What are the proposed tenures of the homes to be delivered?**

<b>Affordable sale</b>	27 %
<b>Affordable rent</b>	15 %
<b>Market sale</b>	41 %
<b>Market rent</b>	17 %
<b>Other</b>	0 %

## Infrastructure Requirements

Please provide further details on the HIF infrastructure requirements and their link to the delivery of housing

<b>Infrastructure Type</b>	Road / highway - SRN	<b>Description</b>	The proposed improvements include (a) the removal of a one-way gyratory system and the introduction of a two-way carriageway (b) shared pedestrian / cycle paths and (c) installation of four new toucan crossings.
<b>HIF Funding</b>	£7,468,002	<b>Link to housing</b>	This element will deliver highways improvements along Guildford Road, Victoria Road and Station Approach. The introduction of a dual carriage-way is essential for maximising traffic flow in and out of the town centre and removing the existing traffic pinch-point that results in significant congestion. Based on the supporting traffic modelling work, the existing road layout and configuration cannot sufficiently cope with today's traffic levels. This means that the unlocking of future residential development is severely constrained by the capacity shortfalls at this key location.
<b>Sites benefitting</b>	Royal Mail Sorting/Delivery office, White Rose Lane, Woking, GU22 7AJ, Ex Station Car Park, Car Park East, Oriental Road, Woking, GU22 7QE, New Central Extension (Coal Yard/Aggregates Yard) adjacent to the Railway Line, Police Station and Coroners Court, Station Approach, GU22 7YL, Station Plaza (extended new station), St Dunstons phase 3, The Crescent and Somerset House, Oriental Road, GU22 7SA, The Triangle, 11 – 15 Guildford Road, Southern House, Jubilee House, Lynton House (The triangle), Station Approach, GU55 7PX, Goldsworth Road, GU21 6JT, BHS site, Griffin House, West Street, Woking GU21 6BS, Big Apple/Rat and Parrot, HG Wells and 48 – 58 Chertsey Road, GU21 5AL, Thamesway Poole Road, GU21 6EE, Church Street, GU21 6DJ		

<b>Infrastructure Type</b>	Bridge	<b>Description</b>	The replacement and widening of the Victoria Arch Bridge to facilitate a dual carriage-way, enhanced pedestrian/cycle access and a new Rail Flyover.
<b>HIF Funding</b>	£65,000,000	<b>Link to housing</b>	The Bridge must be widened to enable the delivery of highways improvements, notably the introduction of a dual carriageway. The widening of the bridge to deliver enhanced network capacity will address congestion issues that are associated with the delivery of new housing. The traffic modelling work indicates that current network capacity constraints will severely impact on the town's ability to deliver new residential units (this is also supported by several of WBC's planning documents).
<b>Sites benefitting</b>	Royal Mail Sorting/Delivery office, White Rose Lane, Woking, GU22 7AJ, Ex Station Car Park, Car Park East, Oriental Road, Woking, GU22 7QE, New Central Extension (Coal Yard/Aggregates Yard) adjacent to the Railway Line, Police Station and Coroners Court, Station Approach, GU22 7YL, Station Plaza (extended new station), St Dunstons phase 3, The Crescent and Somerset House, Oriental Road, GU22 7SA, The Triangle, 11 – 15 Guildford Road, Southern House, Jubilee House, Lynton House (The triangle), Station Approach, GU55 7PX, Goldsworth Road, GU21 6JT, BHS site, Griffin House, West Street, Woking GU21 6BS, Big Apple/Rat and Parrot, HG Wells and 48 – 58 Chertsey Road, GU21 5AL, Thamesway Poole Road, GU21 6EE, Church Street, GU21 6DJ		
<b>Infrastructure Type</b>	Rail	<b>Description</b>	The replacement of Victoria Arch Bridge to facilitate a new Woking Rail Flyover enhancement.
<b>HIF Funding</b>	£0	<b>Link to housing</b>	The replacement of Victoria Arch supports a critical part of Network Rail plans to undertake major works in the vicinity of Woking station. Whilst the flyover enhancement is not directly linked to housing identified in this project (note that the widening of the bridge is essential), the commitment of Network Rail to undertake the works is a key component. Enhanced rail capacity resulting from this project will result in an overall more efficient rail service that will underpin housing delivery not just in Woking, but also elsewhere along the South Western route. The rail enhancement represents significant additional benefit that demonstrates a higher return on investment and effective joint working.
<b>Sites benefitting</b>	Royal Mail Sorting/Delivery office, White Rose Lane, Woking, GU22 7AJ, Ex Station Car Park, Car Park East, Oriental Road, Woking, GU22 7QE, New Central Extension (Coal Yard/Aggregates Yard) adjacent to the Railway Line, Police Station and Coroners Court, Station Approach, GU22 7YL, Station Plaza (extended new station), St Dunstons phase 3, The Crescent and Somerset House, Oriental Road, GU22 7SA, The Triangle, 11 – 15 Guildford Road, Southern House, Jubilee House, Lynton House (The triangle), Station Approach, GU55 7PX, Goldsworth Road, GU21 6JT, BHS site, Griffin House, West Street, Woking GU21 6BS, Big Apple/Rat and Parrot, HG Wells and 48 – 58 Chertsey Road, GU21 5AL, Thamesway Poole Road, GU21 6EE, Church Street, GU21 6DJ		

<b>Infrastructure Type</b>	Public realm works	<b>Description</b>	The scheme includes the provision of a new dedicated walking/cycling route that links Woking town centre/Woking Railway Station to Woking Park, maximising connections between public open spaces, activity nodes and transport centres.
<b>HIF Funding</b>	£1,116,231	<b>Link to housing</b>	Public Realm improvements are an important factor in delivering a sustainable town centre that can accommodate significantly higher numbers of housing. Works will improve the character and quality of the area of as part of the scheme. Clear signage will be used to improve accessibility, orientation and connectivity across the study area. Street clutter will be reduced and existing greenery/mature trees kept in place wherever possible. Walking and cycling facilities will encourage physical activity, promote environmentally friendly transport options and cater for independent mobility. The widening of Victoria Arch will allow for improved walking and cycling facilities to be located underneath the bridge. This will significantly improve the town's north/south connections and enhance accessibility to day-to-day destinations such as shops, public facilities and places of work.
<b>Sites benefitting</b>	Royal Mail Sorting/Delivery office, White Rose Lane, Woking, GU22 7AJ, Ex Station Car Park, Car Park East, Oriental Road, Woking, GU22 7QE, New Central Extension (Coal Yard/Aggregates Yard) adjacent to the Railway Line, Police Station and Coroners Court, Station Approach, GU22 7YL, Station Plaza (extended new station), St Dunstons phase 3, The Crescent and Somerset House, Oriental Road, GU22 7SA, The Triangle, 11 – 15 Guildford Road, Southern House, Jubilee House, Lynton House (The triangle), Station Approach, GU55 7PX, Goldsworth Road, GU21 6JT, BHS site, Griffin House, West Street, Woking GU21 6BS, Big Apple/Rat and Parrot, HG Wells and 48 – 58 Chertsey Road, GU21 5AL, Thamesway Poole Road, GU21 6EE, Church Street, GU21 6DJ		

<b>Infrastructure Type</b>	Land assembly	<b>Description</b>	Acquisition and subsequent demolition of all property that is located on the town centre island site known as the 'Triangle'.
<b>HIF Funding</b>	£34,173,127	<b>Link to housing</b>	The strategic importance of the Triangle is such that the overall project cannot progress unless it can be wholly acquired and removed. This site enables the highway and bridge works to be undertaken which directly unlocks the 13 development sites. The residual land on this site (once a proportion has been allocated for highways) will be sold to a developer to enable the development of 300 new homes. Profits from the land sale will be reinvested back into the town centre to support additional housing infrastructure.
<b>Sites benefitting</b>	Royal Mail Sorting/Delivery office, White Rose Lane, Woking, GU22 7AJ, Ex Station Car Park, Car Park East, Oriental Road, Woking, GU22 7QE, New Central Extension (Coal Yard/Aggregates Yard) adjacent to the Railway Line, Police Station and Coroners Court, Station Approach, GU22 7YL, Station Plaza (extended new station), St Dunstons phase 3, The Crescent and Somerset House, Oriental Road, GU22 7SA, The Triangle, 11 – 15 Guildford Road, Southern House, Jubilee House, Lynton House (The triangle), Station Approach, GU55 7PX, Goldsworth Road, GU21 6JT, BHS site, Griffin House, West Street, Woking GU21 6BS, Big Apple/Rat and Parrot, HG Wells and 48 – 58 Chertsey Road, GU21 5AL, Thamesway Poole Road, GU21 6EE, Church Street, GU21 6DJ		
<b>Infrastructure Type</b>	Utility capacity reinforcement	<b>Description</b>	Redirection and/or expansion of utilities and extension of Thamesway energy network.
<b>HIF Funding</b>	£7,165,340	<b>Link to housing</b>	In addition to the typical redirection and/or expansion of utilities and services within the highways element of the scheme, the infrastructure works proposed as part of this submission would also involve extension of the Thamesway Energy distribution network to the South side of the railway for proposed developments such as “the Triangle” and future residential schemes in this vicinity.
<b>Sites benefitting</b>	Royal Mail Sorting/Delivery office, White Rose Lane, Woking, GU22 7AJ, Ex Station Car Park, Car Park East, Oriental Road, Woking, GU22 7QE, New Central Extension (Coal Yard/Aggregates Yard) adjacent to the Railway Line, Police Station and Coroners Court, Station Approach, GU22 7YL, Station Plaza (extended new station), St Dunstons phase 3, The Crescent and Somerset House, Oriental Road, GU22 7SA, The Triangle, 11 – 15 Guildford Road, Southern House, Jubilee House, Lynton House (The triangle), Station Approach, GU55 7PX, Goldsworth Road, GU21 6JT, BHS site, Griffin House, West Street, Woking GU21 6BS, Big Apple/Rat and Parrot, HG Wells and 48 – 58 Chertsey Road, GU21 5AL, Thamesway Poole Road, GU21 6EE, Church Street, GU21 6DJ		

**Please outline, in further detail, the direct link between the infrastructure scheme(s) and how this unlocks the homes**

Woking town centre has been identified by the Enterprise M3 LEP as an economic hub with the enabling of housing development seen as key to the economic growth strategy of the Enterprise M3 area (appendix 1.1.2 A). Policies CS1 and CS2 of the Core Strategy identify the town centre as the focus for housing delivery because it is a sustainable location, with proximity to key services and facilities (such as the station) and because of the general environmental constraints in Woking. These include the green belt wrapping tightly around the urban area and a number of environmentally sensitive locations such as Special Protection Areas.

The Woking Core Strategy makes provision for delivery of 4,494 housing units up to 2027 with 2,180 of these required in the town centre (Policy CS10).

The draft Site Allocations Development Plan Document (DPD) has identified land to deliver 1,251 units. The delivery of these units will require local transport infrastructure to mitigate the development impacts (appendix 1.3.3 A). Despite this number being achievable from a site capacity standpoint, the highway modelling to support this bid has confirmed that the maximum number of new units that can be delivered in the town centre is 938 (appendix 1.3.3 B). If this number is exceeded, the highway network becomes unsustainable. The fact that the road network already suffers from significant congestion on a daily basis means that even the lower limit of 938 units would be a real challenge to deliver.

The A320 through Victoria Arch is critical as it is only one of two routes in the town centre that crosses the railway line. This means that the railway line acts as a physical barrier and restricts movement between north and south on this busy corridor. Without intervention to improve road capacity through this area, the town's housing development targets are unlikely to be met.

WBC has also published an Infrastructure Topic Paper (appendix 1.3.3 C). This estimates the funding that could be secured under the Community Infrastructure Levy (CIL) as approximately £14m. The paper also covers other funding sources that could contribute towards infrastructure provision to support the delivery of the Core Strategy (including the Strategy's housing delivery targets).

The findings in the Paper were that a significant infrastructure funding gap of about £54m will continue to exist and therefore without the bridging of this gap, market failure will arise as the targets in the Core Strategy and the additional housing that could be achieved will not be met. This is why HIF support is being requested as it will help bridge the funding gap and ultimately help solve the market failure and facilitate housing development in the town.

The need for housing and the necessary transport infrastructure required to support this is also highlighted in WBC's 2015 Strategic Housing Market Assessment (SHMA). The SHMA demonstrated that there is an objectively assessed need for the provision of 517 housing units per year in Woking (appendix 1.3.3D, pg. 169).

Based on applying the Government's recently revised National Planning Policy Framework (NPPF) guidance to this target, the objectively assessed housing need is 409 units per year. This is considerably more than the 292 units per year in the Core Strategy and clearly indicates the magnitude of new housing required and the unmet need. It also highlights the need for improved transport infrastructure to enable additional housing to be built.

Without enhanced transport capacity, there will be significant local opposition to any additional housing over and above the planned housing delivery at the 13 specified sites. This is because local residents are already aware of the severe congestion that occurs at locations such as Victoria Arch and are highly likely to oppose additional development without appropriate road network capacity being provided.

## Wider Development Impacts

### Please provide a summary of what impact the scheme will have on the Transport Network

Road/Pedestrian/Cycling Network: The scheme will address the severe bottleneck created by Victoria Arch and will provide additional capacity on the A320 in the town centre. This part of the road network in Woking is extremely congested during busy periods as traffic has to negotiate a series of restricted width lanes and turning movements, as well as having to pass through the equally restricted Victoria Arch.

By improving road capacity and putting in place a range of optimal turning movements on this section of the A320, traffic flows will be significantly enhanced and this will also impact positively on 'downstream' traffic flows on the A320 corridor as well on other major roads in the area. The road enhancements will also help reduce the frequency of accidents (both slight and severe) whilst also increasing overall journey reliability and resilience. Detailed modelling relating to the impact the scheme will have on the road network has been undertaken, the findings of which are covered at the Economic Case at Section 4 and at appendix 1.3.3 B.

The scheme includes the provision of a new dedicated walking/cycling route that links the town centre with Woking Station. This provision significantly improves the north/south connectivity in the town and enhances accessibility destinations such as shops, public facilities and places of work.

Rail Network: The rail network will also be positively affected by the scheme as the replacement of Victoria Arch will support the commencement of Network Rail's plans to grade separate the junction to the west of the station and to undertake the necessary alterations to the track and platforms. The benefits from the rail improvements will be considerable with the enhanced connectivity on some of the most important transport corridors in the South East as the lines through Woking provide direct links to London, Portsmouth, Southampton, Bournemouth, Salisbury and Exeter, as well as other major towns and cities.

### Does the new housing development generate a need for new school places and how this will be accommodated

Woking has seen an acute rise in the demand for pupil places, primarily reflecting birth rate changes. Birth rates peaked in 2012 at 22% above 2005 levels. As a direct response, SCC has provided 1,590 permanent primary school places within the Borough across 10 schools, and 600 secondary school places across two schools. A further 600 places have been provided by the EFSA and WBC as part of the Free School Programme.

The profile of need based on the existing projected housing numbers indicates that the schools within the Primary sector in the Borough will be full. Forecasts of Secondary demand indicate the need to provide additional further places from 2021 without any increase to housing numbers. As a result any additional housing will require additional schools places.

Using a standard estimate of yield we would anticipate that 4,555 units would yield approximately 630 primary and 450 secondary pupils. Given the nature of the proposed development it will not be possible to provide school provision within the development sites. Appropriate contributions from development would be required to provide these additional places.

Given the current level of development of Primary School sites within Woking, at least 420 (2FE) of those places would need to be met with a new school. The Local Education Authority would be seeking a two-form entry primary site ideally near the town centre. The remainder would be provided with local expansion across a number of sites, dependent on availability at the time.

It would be a challenge to provide a new school for the 450 secondary places needed. Major growth within the existing estate has already taken place so it would be difficult to provide additional places at many of the current secondary schools. However, this could be achieved through the expansion of two 'edge of town centre' schools, Bishop David Brown to the north east and Hoe Valley to the south.

No attachments

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

@Html.Raw(Model.EngagedDistributionNetworkOperator)

No attachments

**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'**

Having completed the enabling contracts for the Victoria Square Development over the last year on the north side of the railway line, WBC has benchmark cost and programme data for the utility diversion and incoming utility infrastructure works for a development which provides approximately 429 new homes in Woking Town Centre. The housing element of Victoria Square is similar in size and scope to other developments planned across the 13 sites that will be unlocked by HIF, which means that the project team is well placed to project future requirements.

Victoria Square works involved liaising and engaging with the following utility bodies in relation to utility diversions and incoming utility provision for the development:

Thamesway Energy – incoming Heating, Coolth and Power

SGN – incoming Gas infrastructure

Affinity Water – incoming Water infrastructure

Thames Water – Sewerage upgrade works

BT – telecoms provider

Vodafone –highway diversion works

Virgin Media – highway diversion works

UKPN – highway diversion works

The infrastructure provision supported by this bid would be installed on the opposite side of the railway bridge from the Victoria Square development (at a distance of less than 200 metres). The “as installed” drawing information for each of the above utilities is up to date and provides a solid starting point for assessment of the additional utility provision required for the “Triangle” development and future residential developments on the South side of the railway line.

The cost breakdown provided in Section 5 of this submission is based on the benchmark cost data of Victoria Square development and the S278 Highways projects in the town centre which are based on current prices.

No attachments

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

Section 6 (implementation and monitoring) of the Woking Core Strategy seeks to ensure that development is supported by necessary infrastructure and/or that financial contributions to infrastructure provision are agreed before planning permission for a relevant development is granted. In this regard, the Council has prepared an Infrastructure Delivery Plan (IDP) (appendix 1.4.4.1 A) that sets out the scale, type and cost of the infrastructure needed to support the delivery of the Core Strategy and how these will be delivered. The Clinical Commission Group (CCG) has been actively engaged in preparing the IDP by providing the necessary information of current provision and to estimate the future need for health provision for the Core Strategy period up to 2027. The information included current and projected provision for general practitioners, pharmacies, hospital and mental health, hospice, ambulance and patient transport services. A copy of the IDP is attached at appendix 1.4.4.1 A (pg. 100-122).

WBC also has a broader well-being agenda where it is working in partnership with SCC and other stakeholders to prepare strategies and practical help to improve the general wellbeing of residents.

The Council has set up a Joint Committee of Woking Borough Councillors and Surrey County Councillors with the responsibility for coordinating infrastructure delivery to support development. There is therefore a clear governance structure for infrastructure across the Borough. The Council will continue to work with the health providers if the HIF bid is successful to ensure that any additional need for health infrastructure as a result of further housing development is fully assessed and delivered.

**Have you engaged with your Sustainability and Transformation Partnership?**

WBC is fully aware of Surrey Heartlands’ programme of transforming health care provision across Surrey. In October 2016 Surrey Heartlands produced a five year sustainability and transformation plan, describing how a wide range of health benefits and improved outcomes would be achieved through the transformation of health and care services. The aim is to work towards one health and social care system. The focus is to manage more care of people in their own communities. WBC has engaged with Surrey Heartlands to see how best to deliver this programme, including the rationalisation of public sector assets for their effective use.

A key realisation during the partnership work with Surrey Heartlands is that peoples’ health outcomes significantly depends on general well-being and environmental factors such as the provision of a decent home, which is well designed with integrated green infrastructure. The housing that would be provided as a result of a successful bid will therefore contribute towards the objectives of the sustainability and transformational partnership.

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

Filename	Description
1.1.2 A.pdf	Enterprise M3 Economic Strategy
1.1.3 A.PDF	Highway Works Map
1.1.2 B.pdf	Surrey Infrastructure Capacity Study
1.1.2.zip	Woking Borough Council's Core Strategy
1.1.3 B.pdf	Triangle Site Valuation Report
1.3.3 A.pdf	Draft Site Allocations Development Plan Document (DPD)
1.3.3 D.pdf	Strategic Housing Market Assessment (SHMA)
1.4.4.1 A.pdf	Infrastructure Delivery Plan
1.3.3 C.doc	Infrastructure Funding Gap Topic Paper
1.3.3 B.DOCX	Transport Modelling
7.3.1 A.pdf	Letters of Support from Developers
1.1.2 D.docx	List of Appendices

## Strategic Case

### Strategic Approach

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

The scheme is critical to ensuring that WBC's long-term housing, economic growth and infrastructure ambitions can be achieved in a timely and sustainable manner. The funding will enable significant additional housing to be provided, help maximise the efficient use of previously developed land and unlock key sites for development.

WBC has an adopted Core Strategy which articulates a clear vision for the Borough and the town centre (appendix 1.1.2, pg. 27–32). 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 role of the Town centre as a transport and an economic hub for the Enterprise M3 Zone has been recognised by the Enterprise M3 LEP (appendix 1.1.2 A). The Council's vision and aspirations will be severely constrained without the delivery of this scheme.

To put this into context, Policy CS1 of the Woking Core Strategy seeks to make provisions for the delivery of 4,964 dwellings, 28,000 sq.m of office floorspace, 20,000 sq.m of warehouse floorspace and 93,900 sq.m of retail floorspace across the Borough up to 2027. Woking Town Centre has been identified as the primary focus of these developments, and is presently undergoing significant change as a result. Of the figures stated above, 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). Currently 1,251 dwellings have been identified as achievable based on planned capacity of sites in the emerging Site Allocations DPD (appendix 2.1.1 A). It is important to highlight that without the delivery of this scheme, the delivery of the 'do-minimum' figure of 938 dwellings will still require significant local improvement of the network in the vicinity of Victoria Arch that will require public sector funding in the form of CIL contributions and/or site specific Section 106 agreements. The sites listed at 1.2.2 however, will benefit from the infrastructure delivered via this scheme and the Council strongly believes that an additional 3,304 dwellings can be delivered as a direct result. Appendix 1.2.4 A demonstrates, on a site by site basis, what has been planned in the emerging Site Allocations DPD and what could be achieved with the delivery of the scheme.

All the development will be directed to previously developed land (brownfield) and will be high density, well designed and better integrated to sustainable modes of transport and key services and facilities to create a conducive place where people will want to live, work and visit. This vision can only be achieved, and certainly can only be achieved in a timely manner, if it is supported by the necessary infrastructure that is required to align with the level of proposed development. Furthermore, because of the prevailing environmental constraints of the area, the Town Centre will continue to be the future direction of growth beyond the current plan period. Without the supporting infrastructure resulting from this scheme, there could be significant local opposition to any development that is over and above what is already planned for the area. All the 13 sites are within easy walking and cycling distance to the railway station.

WBC has published an Infrastructure Delivery Plan (appendix 2.1.1 B) to support the delivery of the Core Strategy. This was scrutinised at the Core Strategy Examination. The IDP acknowledges the significant congestion that occurs at Victoria Arch, particularly at peak times. Improvements to Victoria Arch, including carriageway, pedestrian and cycle provision has been identified as key to supporting further growth in the area. It is important to highlight that Victoria Arch is only one of two routes in Woking Centre which crosses the railway line. Whilst the railway is a major asset and a benefit to the area, it is also one of the main physical barriers restricting movement between the north and south of the Borough that needs to be managed.

WBC has published an Infrastructure Topic Paper as part of its Community Infrastructure Charging Schedule (appendix 1.3.3 C). It estimates the amount of funding that could be secured under CIL and other funding sources towards infrastructure provision to support the delivery of the Core Strategy. There is a significant funding gap that if not bridged could risk the delivery of the Core Strategy. The HIF funding, if secured, will help bridge the funding gap and will facilitate significant economic and housing growth in the area. The economic benefits associated with this scheme are described in the Economic Case at Section 4.

There is no doubt that the scheme will enable the delivery of a significant additional amount of housing as set out at 1.2.2. However, whilst the focus of HIF is about the delivery of additional housing provision, it is clear from the development aspirations for the Town Centre that the scheme has far wider benefits in achieving significant economic growth beyond just housing. Woking Town Centre has been identified as an economic hub by the Enterprise M3 LEP, and as a result, the growth aspirations for the Town Centre have wider geographical economic benefits within the Enterprise M3 LEP Zone. The Council is committed to the comprehensive delivery of the 4,964 dwellings across the Borough, which includes the planned 2,180 dwellings to be accommodated in the Town Centre. This is equivalent to an annual housing requirement of 292 dwellings. However, it is important to highlight that the 292 annual housing requirement is set against the backdrop of an objectively assessed need of 409 dwellings per year. The additional housing provision that the scheme will also enable will contribute significantly towards bridging the gap between the housing requirement and the objectively assessed housing need. Policies CS1 (a spatial strategy for Woking Borough Council) and CS2 (Woking Town Centre) articulate the clear vision and significance of the Town Centre in the wider context of the Borough. Given the environmental constraints of the area, the scope for significant development beyond the Town Centre is limited. It would be damaging to release any more Green Belt land beyond what has already been identified by the Green Belt boundary review. The scheme would enable higher densities to be achieved in the Town Centre to maximise the efficient use of land.

The Council has a proven track record of demonstrating the additionality of housing and economic growth that can be achieved over and above planned requirements as a result of investment in transport and other infrastructure. A key example is the Victoria Square development. At the Core Strategy Examination, the indicative capacity for housing on the site was estimated at 160 units. As a result of the significant transport infrastructure improvements delivered via the Woking Integrated Transport Project, this 0.76 hectare site is now delivering 429 additional dwellings, 190 hotel bed spaces with conference facilities, medical and commercial floorspace, a basement level spa and gym and 11,000 sq.m of retail floorspace. The scheme is being implemented and is at an advanced stage of completion.

Whilst the scheme will enable future housing and economic growth, it is important to acknowledge the economic significance of existing businesses and the critical need to retain them and facilitate their growth. Woking is home to a number of multi-national headquarters including gas, financial, environmental technologies and advance engineering firms, who rely on an efficient transport system to ensure high productivity in a highly competitive business environment. The scheme will relieve a major congestion hotspot with a significant positive bearing on business productivity.

**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**

Woking has a population of approximately 100,000 with a high proportion of people between the ages of 30-45 (sourced from Population Census, SHMA and Surrey). There is also a growing elderly population who are living independently. Of the existing housing stock, about 68% are owner occupied. The population is highly educated and diverse with average earnings higher than the national average. However, there is also a significant unmet need for affordable housing. The demographic and economic characteristics of the area create a sustained need for different types of housing and tenures including affordable housing and housing for rent. In this regard, it is not envisaged that the housing that the bid will enable at the Town Centre will constrain other types of housing coming forward at elsewhere in the Borough.

WBC has carried out a Strategic Housing Market Assessment (SHMA) (2015) (appendix 2.1.2 A) to determine the quantum of its objectively assessed need and the nature and type of the need. The SHMA demonstrates that there is an objectively assessed need for the area of 517 dwellings per year (pg. 169). The Government has just published its revised National Planning Policy Framework (NPPF). The NPPF requires local authorities to assess their housing need using a standard method in the Planning Practice Guidance. By applying the standard method, the objectively assessed housing need is 409 dwellings per year, based on the 2014 household projections. Woking has an adopted Core Strategy (CS) that makes provision for the delivery of 4,964 dwellings between 2010 and 2027. This is equivalent to an average annual housing requirement of 292 dwellings. Using the need figure derived by the standard method, there is an unmet need of about 117 dwellings per year. The scheme will unlock further development for additional housing to bridge the gap.

There is also a significant unmet need for Affordable Housing, which the CS has a clear policy to address. Policies CS11 and CS12 of the CS set out the nature and type of the need expected during the plan period. Overall the demand and need for new homes is 19% - 1 bed, 28% - 2 bed, 39% - 3 bed and 14% - 4+ bed. 35% of the overall housing delivery is expected to be Affordable Housing subject to development viability. Evidence of tenure split for Affordable Housing provision is 70% rented tenure and 30% intermediate level including shared ownership. The tenure mix and house sizes that are proposed as set out in 1.2.10 will be addressing the identified need whilst also taking into account the merits of each site and proposed and current market signals. A schedule listing the tenure type that would result from housing unlocked by HIF is attached at appendix 2.1.2 D. It is important to highlight that a significant amount of housing, in particular family homes, will also be delivered outside the Town Centre to ensure a variety in the overall housing mix needed in the Borough. Policy CS10 of the CS provides evidence of the broad distribution of housing across the Borough.

WBC has published a Strategic Housing Land Availability (SHLAA) (appendix 2.1.2 B) to demonstrate that sufficient land can be identified to enable the delivery of the development in a timely manner if there is adequate and appropriate infrastructure to support this. WBC has more than five years housing land supply of deliverable sites (9.2 years supply) to boost the supply of housing if the necessary infrastructure can be put in place to ensure timely and sustainable delivery.

Most of the sites identified to benefit from the bid are allocated in WBC's emerging Site Allocations DPD (appendix 2.1.1 A). The DPD has already been published for Regulation 19 consultation. The DPD establishes the in-principle use of the sites for housing.

A key ambition of WBC is to create a dynamic Town Centre which is also a conducive living place where people can interact with work, recreation, services and facilities by walking, cycling and public transport (pg.27 of Core Strategy). The delivery of this scheme will enable many of these goals to be achieved, in particular, it significantly enhances pedestrian and cycle movement between the north and south of the Town Centre. There has been significant public and private sector investment in the Town Centre in recent years to create a conducive and attractive environment for people to live and work. Flagship schemes, such as the Victoria Square development, further enhance the attractiveness of the Town Centre to invest in and as a high quality living experience. Fast rail access to London from the Town Centre is also one of its attractions as a place to live and work.

The demand for housing at the Town centre and across the Borough is expected to be sustained into the future and over the plan period and beyond. WBC has undertaken a study on house price trends, which confirms a strong housing market into the future (appendix 2.1.2 C). Average annual growth in house prices has been about 4% - 5% in the last 10 years. There is the expectation that house prices will continue to make development viable to sustain a healthy future housing market whilst at the same time the units that will be built will provide a variety of Affordable Housing products to meet local needs.

The provision of Affordable Housing is a key priority of WBC and as such any value capture as a result of implementing the scheme could be used to support Affordable Housing provision and other social infrastructure. The viability evidence to support the CIL Charging Schedule demonstrates that development in the town centre can meet the Affordable Housing requirements of the CS and achieve positive viability. The above potential will be significantly constrained by congestion and unacceptable levels of pollution if the correct infrastructure, delivered via this scheme, is not put in place to support the development. The additional units that the scheme will enable will not be achieved without the scheme and there is likely to be significant local opposition to the proposed housing development if the implementation of the scheme is not aligned to support the development.

Given the competitive business environment across the south east and the international markets, a key objective of the Council is to work hard to retain and expand existing business that are the drivers of economic growth in the Borough. The scheme will address a major concern of businesses in the area, namely housing for affordable rent and sale.

Local land specialists Curchod & Co LLP were appointed to support the development of this business case and to provide up-to-date information on local market needs and site valuations. By way of credentials, Curchod & Co LLP is a firm of chartered surveyors that has expertise of the Woking market dating back some thirty years. Curchods are actively involved in a wide range of property matters in the borough and in the town centre specifically. Curchods were also requested to provide commentary on deadweight and

displacement.

The view of Curchod & Co. is that there is sufficient demand for the local market to cope with the introduction of 4,555 apartments in the down centre. A key reason as to why is because 'Woking is in the South West quadrant of the M25 in a location which has excellent road and rail networks and is in close proximity to two major airports at London Heathrow and London Gatwick. Additionally it is in close proximity to London and is in a sought after position in the South East of England. There has been and is consistent demand for housing and the intention to supply it from a wide range of housing developers large and small' (appendix 5.1.1 B). To ensure that this appraisal is sound, another local agent (Seymours) were also approached for comment – their view is consistent and they fully agree that 'supply will be taken by the demand' (appendix 5.1.1 B).

No attachments

### **Local Support**

#### **How will this scheme demonstrate effective joint working? E.g. with neighbouring local authorities and other local partners, Private sector organisations, Local Enterprise Partnerships etc.**

The delivery of this scheme will involve a range of stakeholders and effective joint working will be essential to ensure a joined-up approach. Examples of how we will work with partners include:

**SCC and WBC:** SCC and WBC are the key partners in developing the scheme and this bid. 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. The team has a good track record of delivering major projects together, recent examples taking the form of Victoria Square and the Woking Integrated Transport Project. SCC is the Highway Authority for the area, and has a functional interest to address the transport and air quality issues at Victoria Arch. This relationship is also supported by the Woking Joint Committee comprising SCC and WBC (established June 2014). The Committee is responsible for a number of areas previously considered under the former SCC Local Committee, as well as a number of new areas previously under the remit of WBC. The Woking Joint Committee can make decisions about roads and road maintenance including road safety, speed limits and parking restrictions. The committee also looks at Borough and County partnership initiatives as well as investigating joint approaches to services locally.

**Network Rail:** This scheme supports the first part of the wider major works proposed by NR in the vicinity of Woking Rail Station. NR is proposing to implement in Control Period 6 a grade separated junction to separate the Portsmouth Direct line from main South Western Main line to the west of the Station. The current network arrangement has been a source of conflicting movements and hold up of trains with consequent delays. The NR proposals will address this bottleneck and would facilitate wider rail improvements such as at Clapham Junction. The scheme to widen Victoria Arch supports NR's wider vision. The interlinkages of the scheme with the wider rail improvements in the vicinity of the Station are clearly apparent, and NR is committed to joint working with SCC and WBC to achieve these objectives. NR has been actively working with SCC and WBC in developing the scheme and has worked jointly to prepare the feasibility studies for the various options to enhance the bridge and to deliver the required outcomes.

**Neighbouring Local Authorities:** The A320 corridor is essential to the delivery of planned developments in Surrey Heath, Woking and Runnymede Boroughs. In this regard, SCC and WBC have been working in partnership with the two authorities in undertaking an assessment of the cumulative impacts on development on the A320 corridor and has identified measures of mitigation to address the key bottlenecks. A similar but a separate bid is being submitted for the A320 corridor improvements and there is connectivity with these schemes, which the three authorities are jointly working together to harness. Meetings between the three Councils are held regularly. The Council is in a same Housing Market Area with Guildford and Waverley Borough Council's. The authorities have signed a Memorandum of Understanding and a Statement of Common Ground to work together to deliver housing in a joined up way (appendix 2.2.1 A and appendix 2.2.1 B respectively).

**Enterprise M3 LEP:** EM3 continue to be fully supportive of the bid and the overall strategic benefits the scheme will deliver. WBC

meet with EM3 on a regular basis as part of the EM3 Joint Leaders Board and provide quarterly monitoring information about other funded schemes, such as the Woking Integrated Transport Project.

Woking Chamber of Commerce: The Chamber has a well established planning and Environment Sub Committee, which WBC is a permanent and active Member. The Group shares information on business and local planning matters, and meet once every month.

**Please demonstrate local support for your scheme (for example in Local Plans and policies)**

The Woking Core Strategy (CS) has a clear spatial strategy that seeks to concentrate most new development in Woking Town Centre because of its sustainable location which is in close proximity to key services and facilities such as the railway station (appendix 1.1.2, pg. 29 – 37). The CS evolved through extensive public consultation and the spatial strategy had broad community support. The Inspector of the Secretary of State who conducted the CS Examination had this to say about the spatial strategy ‘the CS provides the most appropriate spatial strategy for sustainable development within the context of the Borough with clear objectives for the plan period in accord with the aims of national planning policy’. A copy of the Inspector’s report is attached at appendix 2.2.2 A.

The Sites are being promoted by land owners/development/agents as part of the preparation of the Strategy Housing Land Availability Assessment (SHLAA, appendix 2.1.2 B). There is therefore the realistic prospect of the sites coming forward for development at the times envisaged.

Ten out of the thirteen sites that will be unlocked for additional dwellings have been allocated in the emerging Site Allocations DPD. The DPD has been published for Regulation 19 consultation. Land has also been safeguarded in the Site Allocations DPD to deliver the scheme (Policy UA7 of Site Allocations DPD). The principle for the use of the sites for housing to deliver the scheme has therefore been established. The preparation of the Site Allocations DPD has evolved through a series of partnership working with relevant stakeholders under the Duty to Cooperate. The DPD has also been through extensive consultation such as the Regulation 18 consultation and there is no significant objection to the development of any of the sites. The representations to the Regulations 18 consultation and how WBC has addressed them can be accessed at appendix 2.2.2 B.

There have been pre-application discussions on the three sites that are not allocated in the Site Allocations DPD (Sites 4, 7, 9 and 13). There is developer interests to bring them forward for development within the anticipated timescales.

The CS provides clarity on its monitoring and implementation. It is clear that the delivery of the development requirements of the CS will be by the public, private and voluntary sectors working in partnership to achieve sustainable development. This approach has been supported by the Inspector of the Secretary of State and the delivery agents. Also supported is the need for the provision of the necessary infrastructure to support development. Local residents have stressed the importance to achieve this as a necessary part of development. WBC has constructively engaged with infrastructure providers and delivery agents, who are supportive of the transport improvements being proposed. Local businesses have identified transport improvements and adequate housing as key to business productivity.

WBC has a primary role for enabling and determining the suitability of development proposals. It will exercise this responsibility proactively to ensure the delivery of the scheme and the associated housing it will unlock. WBC has Compulsory Purchase Powers, which it is willing to use to assemble land to enable the delivery of the development aspirations of the CS.

Part of the land needed for the delivery of the scheme and the housing are in public ownership, and the public sector are willing partners for the bid and the associated housing.

There is a strong weight of both national and local planning policy behind the scheme. The overall strategy has been through the plan making process and found sound. Individual sites are also going through the Site Allocations DPD process with extensive public consultation.

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

	Support	Further Details
<b>Local MP(s)</b>	Yes	The Woking Member of Parliament is Jonathan Lord. Mr Lord has been briefed on the submission of this Business Case and is fully supportive of the wide-ranging benefits that the scheme will deliver. A letter of support from Jonathan Lord MP is attached at appendix 2.2.3 A.
<b>Filename</b> 2.2.3 A.pdf	<b>Description</b> Letter of Support from Jonathan Lord MP	
	Support	Further Details
<b>Local community</b>	Yes	A key element of this scheme is the proposed highways enhancements that are required to improve traffic flow through the town centre. WBC commissioned a transport consultant to identify options for removing a one-way gyratory to the south of the town centre and undertake a wide-ranging public consultation regarding the proposals. The consultation ran for six weeks between September 2018 and October 2018. The scope of the consultation was to seek public and stakeholder views on proposals to change the road layout. Pre-consultation engagement took the form of engagement with affected landowners. Representatives from the Local Access Group and local Councillors were also invited to stakeholder events. There were two public exhibitions during the consultation period. An information centre, containing banners and further detail about the proposals was also set up in the town centre throughout the consultation period. The Consultation Plan is attached at appendix 2.2.3 B.
<b>Filename</b> 2.2.3 B.pdf	<b>Description</b> A320 Highway Consultaton Plan	
	Support	Further Details
<b>Local Enterprise Partnership(s)</b>	Yes	EM3 continue to be fully supportive of the bid and the overall strategic benefits of the scheme. EM3 has been actively working with WBC and SCC by providing advice in putting together the bids, and has contributed £523,000 from the LEPs Future Scheme Development Fund to assist with the development of the Business Case. Woking Town Centre has been identified as an economic hub by the EM3 (appendix 1.1.2 A), and in this regard, the strategic benefits of the scheme and the enabling housing development will contribute significantly to the economic growth strategy of the wider Enterprise M3 Zone. A letter of support, specifically in relation to the submission of this Business Case is also attached at appendix 2.2.3 F.
<b>Filename</b> 2.2.3 F.pdf 1.1.2 A.pdf	<b>Description</b> Letter of support from EM3 Enterprise M3 Economic Strategy	

	<b>Support</b>	<b>Further Details</b>
<b>Supporting upper tier local authorities</b>	No	This bid is from SCC which is the upper tier local authority.
No attachments		

	<b>Support</b>	<b>Further Details</b>
<b>Supporting lower tier local authorities</b>	Yes	The A320 corridor is essential to the delivery of planned developments in Surrey Heath, Woking and Runnymede Boroughs, both of which border Woking Borough. WBC and SCC have been working closely in partnership with Surrey Heath and Runnymede Borough Councils to ensure that a joined-up, complementary approach to the development of the scheme(s) can be followed. A letter of support from Runnymede is attached at appendix 2.2.3 I. WBC is also fully supportive of the HIF bid. The infrastructure that the funds will deliver will remove a long-standing issue that has stifled the delivery of town centre housing and the associated economic growth and transport benefits. As demonstrated throughout this business case, the delivery of this scheme is fundamental to a number of WBC's aspirations for the Borough. A letter of support from WBC is attached at appendix 2.2.3 G.

<b>Filename</b>	<b>Description</b>
2.2.3 I.pdf	Letter of support from Runnymede Borough Council
2.2.3 G.pdf	Letter of support from Woking Borough Council

	<b>Support</b>	<b>Further Details</b>
<b>Any other key stakeholders</b>	Yes	WBC engages with local businesses to ensure support is constantly made available to local employers and community partners. As part of this bid process, local businesses have been contacted to seek their views on the changes that this scheme is seeking to make. A 'Woking Means Business' event was also held in October 2018 where a presentation of the proposal was given to local businesses. Many businesses, including the Ambassador Theatre Group, Woking Shopping, Sir Robert McAlpine, New Central Developments and Moyallen have written to offer support for this scheme (appendix 2.2.3 J). The Woking Chamber of Commerce has also written support and is also attached at appendix 2.2.3 L. Network Rail also remains committed to this scheme and has been working with WBC and SCC to assess Victoria Arch Bridge replacement options. This scheme is aligned to Network Rail's wider vision of development in Woking. A letter of support from Network Rail is attached at appendix 2.2.3 M.

<b>Filename</b>	<b>Description</b>
2.2.3 J.pdf	Letters of support fro Businesses
2.2.3 M.pdf	Letter of support from Network Rail
2.2.3 L.pdf	Letter of support from Woking Chamber of Commerce

**Meeting housing policy objectives**

### **How will your scheme support the Government's ambitions for housing, as set out in the Housing White Paper?**

The Housing White Paper (Fixing our broken housing market) has the following headline objectives – planning for the right homes in the right places, building homes faster, diversifying the market and helping people now. There are specific actions under each of the above objectives, which the scheme will support.

The scheme will unlock the delivery of 4,555 new homes, 3,304 of which are additional homes over and above what is planned in the Core Strategy and the Site Allocations DPD. The housing will be a range of house types including affordable housing to meet local need. The Council has an up-to-date Core Strategy with a spatial strategy for the Borough that seeks to focus most new development on brownfield in particular, at the Town Centre. The housing that will be facilitated by this scheme are all in town centre, which is the most sustainable location within the Borough, on brownfield land, to be built to high density to maximise the efficient use of land and are in close proximity to key services and facilities, including the Railway Station, which is within walking distance from all the proposed housing sites. There is a fast rail access to London. The in-principle use of the land for housing is supported by the Core Strategy and the emerging Site Allocations DPD. The Council has a Design Review Panel who will make sure that the housing schemes that will come forward on the proposed development sites are of very high quality design. The Core Strategy also has robust policies to make sure that housing provision meets high environmental standards to minimise development impacts on climate change (appendix 1.1.2, Policies CS21 & CS22, pgs. 102 to 113). This includes a requirement for development to connect to the CHP network where the Council has already laid out the infrastructure. The need to minimise the impacts of development on climate change is a key objective of Government.

The scheme will unlock key sites for development including 3.73 hectares of public sector land for housing. For example, the scheme will unlock land in the ownership of Network Rail, SCC and WBC for significant housing development. Network Rail is a willing partner to bringing forward their land for housing if this scheme can be delivered.

The scheme will enable a wide range of house types and tenures to be provided to meet needs, including market housing, affordable housing and housing for rent (appendix 2.3.1 A). The Council has a robust policy to make sure that the development will include Affordable Housing and a range of house sizes, taking into account market signals (appendix 1.1.2, Policies CS12 & 13). The development will be able to come forward in a timely and sustainable manner without delay if the scheme can be delivered. Build up rates will be high, given there are multiple housing sites that could be built by different developers. The Council also has delivery vehicles to facilitate speedy delivery of the development. There is sufficient market demand for the nature and type of housing being provided as a result of the scheme without it constraining housing development elsewhere across the Borough.

Some of the housing that would be provided could benefit from the Council's Earn Your Deposit scheme if the Council's housing companies happen to be one of the delivery vehicles. This is an innovative scheme pioneered by the Council which would allow tenants to share a proportion of the likely future property value uplift. This will provide a meaningful pathway for enabling tenants to owe their own homes.

The scheme will not only unlock significant housing growth, it will also form an essential part of significant rail improvements by Network Rail. This could facilitate housing growth across the region through better connectivity. It is clear from the above that the scheme will support the delivery of the objectives of the White Paper.

Whilst the contracts associated with the delivery of this scheme will likely be too large for Small and Medium Sized Enterprises to bid for, they will certainly be involved in the supply chain at a local level. The scheme will not directly facilitate the delivery of a garden village.

### **Scheme Objectives**

**What are the overarching objectives of the scheme? Objectives should be SMART - specific, measurable, achievable, relevant and time constrained**

- Facilitate building 4,555 new homes in Woking town centre between 2020 and the end of 2026. Per year this will be

approximately: o 186 homes in 2020. o 894 homes in 2021. o 1152 homes in 2022. o 1056 homes in 2023. o 467 homes in 2024. o 598 homes in 2025. o 202 homes in 2026.

- Facilitate building 695 new affordable rent properties in Woking town centre between 2020 and the end of 2026.
- Facilitate building 1,225 new affordable sale properties in Woking town centre between 2020 and the end of 2026.
- Improve A320 to agreed specifications by the end of 2022, including widening the road by an additional lane in each direction.
- Reduce traffic congestion on the A320 in Woking compared to congestion levels in 2018.
- Demolish and rebuild Victoria Arch to agreed specifications, including increasing clearance and increasing width, by the end of 2022.
- Increased bridge clearance of Victoria Arch to reduce the number of bridge strikes.
- Provide the necessary infrastructure to enable Network Rail to increase capacity of Woking train station (by approximately 30%) and increase number of train services going to and from Woking by 2030 from 2018 levels.
- See a positive improvement in public satisfaction in the public realm in and around Victoria Arch from Q2 2019 levels.
- Widen cycle and pedestrian paths along A320 and under Victoria Arch and improve area for cyclists and pedestrians.
- Make the town centre more accessible by improving links between the north and the south of the town centre.

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

- Strategic • The scheme will unlock 13 development sites that can deliver a collective total of 4,555 homes. • 42% of the homes will either be affordable sale or affordable rent meeting a key WBC objective. • Congestion is a key constraint to delivering housing to the town centre to meet local housing need. Improved road, rail, cycling and pedestrian access around the Victoria Arch will address this. • The scheme aligns well with WBC's vision for growth and enhanced economic activity in the town. • Improving the transport infrastructure increases the mix of property tenures that can be built in the town centre; • The scheme supports NR's rail enhancement project which will boost connectivity to London and align with Transport for the South East's strategic objectives. • Reduced congestion, and an improved public realm, will align with WBC's strategic development vision for growth and enhanced economic activity by attracting more people and businesses to the town.
- Value For Money • Based on residential land value gain, the scheme generates significant value for money. The Value for Money (VfM) category is High for the housing benefits versus 'HIF ask' scenario (e.g. £199 million in land value gain compared to the NPV of £86 million for the 'HIF ask'). For the 'all benefits' versus 'all costs' scenario, the VfM category remains High given the net positive impacts of the transport scheme combined with the housing benefits. • NR's rail project will be supported by the scheme through the demolition and rebuild of Victoria Arch. The rail project alone has been assessed by NR and provides 'very high' value for money with a BCR in excess of 4.0. • A proportion of the cost will be used to acquire land located on the Triangle. In addition to allowing the road to be widened, this land will also be used to build 300 new homes. • Income from the sale of the new homes at the Triangle will be recycled to fund further town centre infrastructure enhancements.
- Potential Achievability • WBC and SCC have a significant and very successful track record in managing and delivering complex transport, environmental and highway projects either in partnership or individually. • WBC and SCC are currently working in partnership on two large scale infrastructure projects, Victoria Square and Woking Integrated Transport Project (WITP). These projects are being delivered successfully and are on schedule and within budget. • The project board and project team for the A320 Woking Town Centre project will largely be the same as for the WITP. As this team are already delivering a successful transport infrastructure project in Woking town centre they have all the necessary skills and knowledge to deliver this project successfully. • Network Rail will be responsible for replacing Victoria Arch with a widened bridge. Network Rail has considerable experience delivering similar projects and has robust processes and frameworks in place.
- Supply-side capacity and capability. • Contractors will be appointed as required through a competitive tender process and deliver the works through Section 278 agreements, with both WBC and SCC being party to these agreements. • As part of the tender process contractors will have to demonstrate to SCC and WBC that they have the requisite skills and experience to deliver the project successfully. • Contract Management, Quantity Surveyors and Project Management professionals have been consulted on the development of the Business Case. Many of these partners have been involved in existing infrastructure

projects and have a proven track record of working with WBC and SCC. • Through their work on the WITP project, the project team have relationships set up with utility providers to the town centre so will be able to work with these companies to ensure utilities are delivered. • Network Rail is also well resourced to complete the Victoria Arch aspect of the project.

- Potential Affordability. • This scheme is predominantly funded from HIF which enables a degree of certainty to be applied to the total scheme cost and therefore supports potential affordability. • The remaining £20m is to be provided equally by WBC and NR with both parties considered to be reliable in securing and committing the funds to the scheme.

## **Rationale for intervention**

### **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)**

Woking Town Centre has the potential to enable the delivery of significant housing provision over and above what has been identified in the Woking Core Strategy and the emerging Site Allocations DPD. However, this is very constrained by the development viability and the lack of necessary infrastructure, the cost of which cannot be entirely met through developer contributions.

The Site Allocations DPD identifies land for the delivery of 1,251 dwellings at the Town centre. The Council believes 4,555 dwellings can be delivered if this HIF bid is successful, thereby providing an additional 3,303 dwellings. There is presently a significant infrastructure funding gap that public sector funding has to be secured to bridge, because development cannot bear that entire cost and still achieve positive viability. The Surrey Infrastructure Capacity Study estimates the overall funding gap for Woking at £156m (appendix 1.1.2 B). The Council's CIL Charging Schedule that focuses on four priority local infrastructure areas (transport, open space, education and suitable alternative natural green space) estimates a funding gap at £53,575,621 (appendix 2.1.1 C). Between 2015 and 2025, it is estimated that CIL will generate an income of about £14,000,000. The CIL levy has been set at the rate for development to achieve positive viability. It is clear from the evidence that 3,303 dwellings out of the 4,555 dwellings will not be delivered without the scheme.

The current situation in Woking represents clear market failure because (a) there is high demand for housing (b) there is a high cost of housing beyond the national average (c) there is unmet affordable housing need and (d) developers are willing to develop but development cannot happen because of a lack of infrastructure which places a significant burden on development viability. Market mechanisms by themselves in this particular case cannot achieve an economically efficient outcome, and the HIF funding is necessary if the much needed housing is to be provided. With respect to this HIF request, market failure is evident as private sector developers, individually or collectively, will not be able to fund the necessary infrastructure improvements and achieve positive viability. Development will still be required in accordance with Policy CS16 and Section 6 of the Core Strategy to make a meaningful contribution towards infrastructure provision as per CIL and Section 106 Obligations, and this will be recycled to deliver affordable housing and or other types of necessary infrastructure identified in the Regulation 123 list.

The market failure can best be represented by considering what should happen to achieve the economically efficient (or optimal) outcome of full housing provision:

- 1) The Victoria Arch and Triangle works are funded and implemented;
- 2) The Victoria Arch works align with Network Rail's scheme to undertake the necessary track and platform works that form the first stage of the larger Woking capacity enhancement scheme – if Network Rail is solely responsible for the bridge works, this will not incorporate the necessary widening and cycle / pedestrian improvements planned as part of the highway works. This outcome will be sub-optimal and further evidence of market failure without HIF;
- 3) By providing the funding for the Triangle and Victoria Arch works, Woking's road network capacity will be significantly enhanced and the constraints currently imposed on residential development at the 13 sites will be removed. This is supported by local policy documents such as the Infrastructure Development Plan (IDP) which makes clear that the achievement of housing targets requires investment in infrastructure, especially in the vicinity of Victoria Arch and the Triangle site;
- 4) Only once upfront HIF funding has been provided will the required 'chain reaction' take place and private sector developments will have the necessary infrastructure to support the proposals to invest in new housing units at the 13 sites.

Further detail on each of the instances of market failure is provided below:

Housing provision: WBC has produced an Infrastructure Delivery Plan as well as a Regulation 123 List (attached at appendix 2.1.1 B and 2.5.1 A respectively). These identify the characteristics and cost of infrastructure to support the delivery of new housing in the adopted Core Strategy. This work also identifies funding gaps with respect to the infrastructure required to support the delivery of new housing. The allocation of HIF will bridge this funding gap in such a way that all three key components (acquisition/demolition of the triangle, highways improvements and bridge replacement) can be delivered as a single project. This means that all elements can be scheduled in a way that is cost effective and causes as little disruption to the town as possible;

Commercial development: Woking is a major centre of economic activity and has been identified by the Enterprise M3 LEP as a hub for economic growth and development. Businesses perceive that congestion and delays remain a major barrier to this potential, however, whilst a lack of suitable housing (especially at affordable prices) means that businesses struggle to recruit and retain suitable staff. This is another example of market failure that will be addressed through HIF and the infrastructure development it will support;

Active mode benefits: without HIF, the planned cycling and pedestrian improvements are unlikely to go ahead. At the current time, cycling and walking connectivity on a north to south axis through Woking is not as good as that on an east to west axis. The provision of better active mode connectivity will also encourage modal shift away from private car use in the centre of Woking and will greatly assist the decongestion proposals for the centre of the town as well as improve the overall attractiveness of the town centre as a place to live, work and experience the various leisure and retail facilities;

Environmental benefits: without funding of the transport scheme, environmental impacts will remain sub-optimal as traffic congestion and queuing will continue to generate poor air quality and adverse noise impacts. These external costs to local residents will be reduced once the scheme is operational and traffic flows are improved on the A320 through the town centre. Without the intervention, the current problems are only likely to worsen as continued development in Woking adds to the pressure on traffic flows; and

Rail connectivity enhancements: Funding of the Victoria Arch works will align with Network Rail's scheme to enhance capacity on the South Western Main Line through Woking. Without HIF, a real risk of market failure will arise as Network Rail's work at Victoria Arch will not include the widening works and highway, pedestrian and cycle-way improvements. It will therefore be very difficult, time-consuming and costly to retrospectively undertake the highway works after Network Rail have completed their works at Victoria Arch (restricted to track and platform works). With the South East economy reliant on good transport connectivity between London and key towns and cities in the region, the severe constraints imposed by the current layout at Woking are restricting full economic potential with measures such as productivity being adversely affected. To rectify this market failure, it will be necessary to fund the Victoria Arch works as the first element of the overall rail improvement project.

Other funding sources to address these market failures have also been investigated. Having already worked with the LEP on other funding options, however, alternative sources have not come to light and this is why the HIF request is so important.

Filename	Description
1.1.2 B.pdf	Surrey Infrastructure Capacity Study
2.1.1 C.pdf	Community Infrastructure Charging Schedule
2.1.1 B.pdf	Infrastructure Delivery Plan
2.5.1 A.pdf	Regulation 123 List

## Additional Information

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

It is understandable why the focus of the HIF bid prospectus is on housing. However, another key Government objective is economic growth. As highlighted in the Strategic Case, Woking Town Centre is also an economic hub as defined in the Enterprise M3 Economic Strategy. The HIF scheme will also support the delivery of 27,000 sq.m of office floorspace and 75,300 sq m of retail floorspace. A sustained economic growth of the Town Centre is vital in creating the necessary jobs and services to support housing growth. The Town Centre is a retail destination for residents across the borough and from neighbouring authorities such as Runnymede Borough. The attractiveness of Woking town centre is significantly weakened as due to unacceptable levels of traffic congestion.

The productivity of local business depends to a significant extent on an efficient transport system. This scheme will help to increase local business productivity. It will also support enhanced connectivity by all modes between the north and south of the Town Centre.

Filename	Description
2.1.1 A.pdf	Draft Site Allocations Development Plan Document (DPD)
2.1.1 B.pdf	Infrastructure Delivery Plan
2.1.1 C.pdf	Community Infrastructure Levy Charging Schedule
2.1.2 A.pdf	Strategic Housing Market Assessment (SHMA)
2.1.2 B.pdf	Strategic Housing Land Availability (SHLAA)
2.2.2 A.pdf	Core Strategy Examination Inspector's Report
2.2.2 B.pdf	Representations to Regulation 18 Consultation
2.3.1 A.pdf	Woking Town Centre Site Development Schedule
2.5.1 A.pdf	Regulation 123 List
2.1.2 C.pdf	Community Infrastructure Levy- Viability Assessment- Houseprice Trends
2.2.1 A.pdf	Memorandum of Understanding
2.2.1 B.pdf	Statement of Common Ground
1.1.2.zip	Woking Borough Council's Core Strategy
1.1.2 A.pdf	Enterprise M3 Economic Strategy
1.2.4 A.pdf	Map of Sites Unlocked by HIF
1.3.3 C.doc	Infrastructure Funding Gap Topic Paper
2.1.2 D.docx	Schedule of Tenure Type
5.1.1 B.pdf	Curchods and Seymours Market Analysis

## Options Appraisal

### Outline of options

**Please provide a summary of all 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 ambition to remove the congestion pinch-point at Victoria Arch to free up housing development potential and wider economic growth has long been a focus of WBC. Over the years many options have been assessed but have not come to fruition due to a combination of factors; particularly the funding investment required and the ability to co-ordinate a joined-up approach that aligns with NR's strategic objectives.

Discussions with NR date back to at least 2013, when a range of proposals to enhance/amend Victoria Arch to increase road capacity were developed and considered. A Scheme Definition Report was produced (appendix 3.1.1 A) and further detailed work commenced in the form of an Options Definition Report and then a full Options Appraisal (appendix 3.1.1 B and 3.1.1 C respectively). Four specific options were assessed based on known constraints and whether the project was likely to be beneficial or detrimental to the interests of each stakeholder.

At the time the preferred option (option 4) was to create two subways adjacent to the bridge for pedestrian and cycle access, thereby providing extra space for a third lane to enhance highway provision. Whilst this option did provide for some enhancement, improvement to the overall highway access and highway headroom (to the top of the bridge) remained unchanged. Without robust highway realignment to the north and south of the railway, the return on investment would not be as significant as intended. The lack of suitability was stated in 2015 by both NR and South West Trains, when they wrote to confirm that the timing was not right for them to undertake any works at Victoria Arch, preferring to wait until 2019 to deliver a 'holistic solution which provides for increased road capacity a renewed bridge and the provision of a supporting structure' (appendix 3.1.1 D).

The ambition to identify and deliver the optimal solution has remained. Over the last year, work with NR has progressed significantly, resulting in the development of jointly agreed options that have been developed in greater detail to enable the submission of this bid. NR was commissioned by WBC in 2018 to undertake a detailed GRIP1 and GRIP2 appraisal of all aspects associated with the bridge replacement. GRIP1 is now complete and GRIP2 is due for completion in January 2019. The scope of the options appraisal was expanded to take account of the components of this bid – particularly the larger-scale highways improvements resulting from the demolition of the Triangle site. NR is considering nine options that will cover:

- Refurbishment/renewal of existing Victoria Way Underbridge structure like-for-like early with passive provision for WACE.
- Renewal/enhancement of Victoria Way Underbridge to provide space for the improved highway below, as a standalone project in advance of, but making passive provision for, WACE.
- Renewal/enhancement of Victoria Way Underbridge to provide space for the improved highway below, but delivered as an integral part of WACE to share access and possession costs.

SCC and WBC's preferred option (a widened single span bridge) is now in the detailed feasibility stage and will be fully priced and validated by March 2019.

Based on our detailed knowledge of the market failure and our understanding of what is required to address the shortcomings, available options for this bid are limited. Taking all of this work into account, three options have now been identified and documented as part of this Business Case. These are based around:

- Option 1: with full requested HIF funding (£94,922,700).
- Option 2: with reduced HIF funding (£49,922,700).
- Option 3: no HIF funding ('Do Nothing').

Our options are limited because to enable the total additional number of housing units to be developed at the 13 sites, it is critical

that the three components (listed at 1.1.3) of acquisition/demolition of the Triangle, the implementation of the highways improvements and the replacement of a widened Victoria Arch, are delivered in a unified and fully funded package. The dynamics of this scheme are such that only the collective delivery of each component can resolve the fundamental problem and provide infrastructure enhancements that can unlock the 13 sites for housing.

If just the Triangle road enhancements went ahead, for example, congestion will still occur through the Victoria Arch Bridge and the various economic benefits that will stem from traffic flow improvements at the Triangle site will be negated.

With congestion still a regular occurrence under a 'partial' HIF funding transport improvement scheme (option 2), the number of additional housing units unlocked will be significantly below the 4,555 that will be developed under the full scheme. In addition the housing that is delivered will come to market at a much slower rate. In other words, without full funding and the full scheme being provided simultaneously, market failure and continued sub-optimal outcomes will continue.

Under a reduced funding option that only delivers the Triangle site improvements, there is a risk that reliance on NR to replace Victoria Arch (as part of their long term plan to build the Woking Flyover and related works at Woking station) could adversely impact the additional housing delivery as the bridge works could take several years to deliver and be subject to funding constraints. NR's funding/works programme has already been set for Control Period 6 (covering 2019/20 to 2024/25 inclusive), and funding, other than deck replacement, has not been allocated to enhance Victoria Arch. There is therefore a risk that if not constructed as part of the HIF request, the bridge works could be to a different design (i.e. enhanced but not widened) and could be severely delayed.

During co-development and preparation of the business case, different permutations of the highways improvements were considered. The works required to widen the A320 at the Triangle site, put in place the junction improvements and all the land acquisition, demolition and necessary preparatory work, cannot be reduced in scope or altered. If a lower scope scheme was put in place (with narrower or reduced number of lanes and reductions in the functionality of the junction improvements), the anticipated improvements in traffic flow would not be delivered.

Similarly, the works required at Victoria Arch comprise a tightly defined and well specified scope. This is to serve the following purposes:

- To ensure that the road widening works in the underbridge aligns optimally with the Triangle site road enhancements (and widening) just south of Victoria Arch;
- To ensure that there is sufficient provision for the cycle lanes and pedestrian walkways that are a key feature of the Victoria Arch improvements (encouragement of active mode use on a north-south axis in Woking is an important local objective as north-south links, especially for cycling, are sub-optimal compared to east-west movements through the town); and
- To ensure that the works undertaken meets the specification for Network Rail's proposed Woking flyover and all related major works in the vicinity of the station

There is therefore very limited scope for reducing the works specification for both the Triangle and Victoria Arch schemes. This means that a reduced HIF funding request for any permutation of de-scoped transport schemes is not realistic and will not deliver the anticipated amount of new residential developments.

The Preferred Option is therefore the 'with requested HIF funding' option and the reasons why this full scheme is so fundamental to achieving the objectives of unlocking residential development is set out in 'The Project' and 'Strategic Case' chapters. The rationale underlying the funding and commercial aspects of this HIF request are set out in the 'Financial Case' and 'Commercial Case' chapters.

**Please summarise shortlisted options considered and how these meet the required objectives of the scheme detailed earlier in the business case.**

	<b>With requested HIF funding</b>	<b>With a reduced amount of HIF funding</b>	<b>Do nothing (no HIF funding)</b>
<b>HIF Funding Required</b>	£94,922,700	£49,922,700	£0
<b>Total scheme cost</b>	£114,922,700	£49,922,700	£0
<b>Housing units delivered</b>	4555	1251	938
<b>Estimated % affordable</b>	42 %	35 %	35 %
<b>Units started up to 2022</b>	3,955	348	262
<b>Units started 2023 - 2025</b>	600	232	168
<b>Units started 2026 - 2030</b>	0	464	347
<b>Units started 2031 - 2035</b>	0	207	161
<b>Units started in future years</b>	0	0	0
<b>Amount of LA funding (inc. LGF)</b>	£10,000,000	£0	£0
<b>Amount of other Central Govt. funding</b>	£0	£0	£0
<b>Amount of private sector funding</b>	£0	£0	£0
<b>Amount of other public sector funding</b>	£10,000,000	£0	£0

#### 1. With requested HIF funding

Option 1 (Preferred option with funding totalling £94,922,700): This is the only option that will provide the necessary infrastructure to unlock the 13 sites and deliver 4,555 units in the town centre. This option fully meets the overall scheme objectives as it is the only option (in terms of both scope of works and HIF request) that solves the current market failure in the town centre. Without this full HIF request and the infrastructure it will support, a range of economic benefits will not be realised. These include:

- Delivery of 4,555 housing units in the town centre
- Additional land value gains (“housing benefits”) from the full extent of unlocked housing
- Transport benefits in the form of monetized journey time savings once the Triangle / Victoria Arch works are complete
- Other beneficial external impacts such as 1) improved health from more active mode use (cycling and walking), 2) environmental benefits from improved air quality (lower vehicle emissions) and lower noise levels and 3) public realm improvements through enhanced amenity (tree plantation, improved signage and general ambience)
- Provision of significantly more affordable housing compared to what would be achieved under no or reduced HIF funding
- A range of beneficial non-monetised impacts, including the benefits of enhanced connectivity on the busy A320 corridor through Woking as well as the additional jobs (and Gross Value Added, GVA) supported by the commercial developments that will take place at some of the 13 sites.
- Rail enhancements that will support economic growth and wide range transport benefits to the wider south east region.

**What strategic risks do the shortlisted options carry?**

Description	Likelihood	Impact
<p>Although detailed arrangements still need to be made, a great deal of preliminary work, and fully costed plans have already been developed for this option. The proposed project team has an excellent track record of working together using tried and tested methods to delivering complex infrastructure works. WBC currently owns 7% of the site, with agreement in principle to purchase a further 58%. Agreements with development partners to deliver housing on the 13 sites is at advanced stages (see section 5.3.3). A historic risk has been obtaining commitment from Network Rail but an established partnership is now in place and objectives/time frames are aligned. It is acknowledged that as with any development of this type, there are risks associated with cost overruns, delays, stakeholder management and housing market downturns. It is felt that all associated risks have been identified and can be suitably mitigated by good risk/project /contract management processes and strong governance.</p>	MediumLow	MediumLow

**What are the constraints related to this shortlisted option?**

- There are a number of constraints that need to be managed. These include (a) the requirement of development partners to enter into formal agreements to deliver housing across the 13 sites (b) the requirement to fully acquire the Triangle site to enable the highways works to commence (c) the requirement to enter into agreement with Network Rail to deliver a replacement bridge that is in line with our design requirements and can be delivered to a schedule that fits in with the wider programme. A full constraint appraisal will be undertaken at Project Execution Plan stage.

**Please provide details of any inter-dependencies related to this shortlisted option**

- There are a number of key inter-dependencies that have been identified. These include (a) dependencies on private sector developers at each site to deliver housing to the scale and speed that is required (b) dependencies on utility providers to collaborate in a timely fashion when putting the transport improvements in place (c) dependencies with Network Rail when undertaking the Victoria Arch works to ensure design and delivery aligns with our requirements (d) dependencies with all existing property and commercial property owners as part of the acquisition strategy. A full inter-dependency appraisal will be undertaken at Project Execution Plan stage.

**Please provide details of the exit strategy for the shortlisted options**

- This is a well costed and well planned scheme so we can apply a great deal of confidence to the delivery of the infrastructure. If, for any reason, any aspect of the scheme needs to be aborted or amended, the contract particulars (as detailed in the Commercial Case) will provide a clear and orderly exit for all concerned. On completion, the exit strategy is reasonably straightforward in that the Bridge will remain under the ownership of Network Rail and will be subject to its standard maintenance arrangements (see maintenance strategy under the Management Case section) and the highway will be owned and maintained by SCC. With regards to the acquisition of the Triangle, in the scenario where WBC has acquired the site but the project has been aborted, WBC will continue to (a) rent out the land/residential/office/retail space to derive a suitable income to cover costs of acquisition whilst (b) continuing to pursue development to release the benefits of the scheme and resale value.

**2. With a reduced amount of HIF funding**

Option 2 (Reduced funding of £49,922,700): it has already been explained that only the combined delivery of the 3 components will fully deliver the scheme objectives. Although there is no obvious reduced HIF option, the most practical option is to seek funding to enable the delivery of the 2 components which are within the control of SCC and WBC. This is a scenario where only half of the overall transport scheme (i.e. the acquisition/demolition of the Triangle and the highways enhancements) is funded and delivered. The final element (the replacement of Victoria Arch) would be subject to ongoing discussion and negotiation with NR. It is important to note, however, that the requirements of NR are such that it will only deliver changes to, or replacement of, the existing bridge to facilitate a rail flyover – it will not expand the scope, at their own cost, to the widening of the bridge to expand the traffic network capacity. The widening of the bridge is fundamental to this scheme but any such cost (which is estimated by NR to be £65m) will need to be met from elsewhere.

This option will result in a reduced scheme that will not solve the market failure in the town, as severe congestion and delays will continue at the Victoria Arch pinch-point. The continuing lack of infrastructure would prevent the unlocking of the housing development sites in the town centre and the supply of required new housing will be vastly reduced. In addition, the rate of delivery will be significantly slower. The following summaries the main dis-benefits of this option:

- Significantly reduced land value gain / housing benefits.
- Continued traffic congestion and the severe impacts this will have on journeys on the A320.
- A reduction in the potential external benefits that would be realised under the fully funded scheme (such as reduced active mode benefits if the Victoria Arch is not upgraded with new cycle and pedestrian paths).
- This would result in a minimum net loss of 3,304 housing.

**What strategic risks do the shortlisted options carry?**

Description	Likelihood	Impact
<p>Funding just the acquisition and demolition of the Triangle and the highways improvements will allow for the delivery of 1,251 units as identified in the local plan. Without a replacement bridge to accommodate the highway improvements, the congestion pinch-point will remain and the infrastructure will continue to be inadequate to unlock all of the 13 housing sites. The obvious risk associated with this option is that 3,304 new homes associated with the full HIF bid will not be delivered. If part funding is received to enable the Triangle and highways works to commence, the residual risk is a) when will NR schedule works to Victoria Arch b) will NR remain committed to widening the bridge as per our needs and c) how will the cost of the enhanced bridge be funded. The only way to mitigate these risks and keep control of the delivery of the scheme is to ensure that all aspects can be delivered as an overall project. This is the only way of ensuring the market failure is resolved.</p>	MediumHigh	High

**What are the constraints related to this shortlisted option?**

- Partial funding will continue to impose severe constraints on traffic flows and housing provision in Woking town centre. To demonstrate this, planning policy in Woking states that additional housing (over and above the 1,251 identified in the local plan) will not come on stream unless the full transport infrastructure scheme is put in place. Should part funding be given the requirement to fully acquire the Triangle site to enable the highways works to commence will also remain.

**Please provide details of any inter-dependencies related to this shortlisted option**

- Although this is a much scaled-down version of the scheme, the inter-dependencies will be very similar to Option 1 above

**Please provide details of the exit strategy for the shortlisted options**

- This is a well costed and well planned scheme so we can apply a great deal of confidence to the delivery of the infrastructure. If, for any reason, any aspect of the scheme needs to be aborted or amended, the contract particulars (as detailed in the Commercial Case) will provide a clear and orderly exit for all concerned. On completion, the exit strategy is reasonably straightforward in that the highway will be owned and maintained by SCC. With regards to the acquisition of the Triangle, in the scenario where WBC has acquired the site but the project has been aborted, WBC will continue to (a) rent out the land/residential/office/retail space to derive a suitable income to cover costs of acquisition whilst (b) continuing to pursue development to release the benefits of the scheme and resale value. SCC and WBC will continue to work with NR to seek the redevelopment of the bridge to a design that will support additional homes to be delivered.

**Please summarise any economic appraisal conducted for this shortlisted option, relative to the do nothing (no HIF funding) option**

- Without the critical Victoria Arch works, the road network will not be able to accommodate the overall total of 4,555 housing

units (although a higher number of ‘deadweight’ units, 1,251, will be accommodated compared to the 938 units in the Do Nothing scenario). Although the resulting residual value will be higher than that under the Do Nothing scenario, the value still remains below the current value of the sites in their present use. The means that despite scheme costs (and the HIF request) being lowered to approximately £49.9 million, the gain in residual value is still significantly below what will be achieved with the full HIF request and full transport scheme. The extent of non-monetised impacts will also be lower under this option.

**3. Do nothing (no HIF funding)**

Option 3 (No HIF Funding): With no funding, the highways improvements and replacement of Victoria Arch will not go ahead. This will mean that the number of new housing units coming on stream will be significantly lower than would be the case under the full HIF request. As demonstrated in the Strategic Case, 1,251 units in the town have been identified as being achievable based on the emerging Site Allocations Development Plan Document (DPD). Despite this number being achievable from a site capacity standpoint, highway modelling has confirmed that the maximum number of new units that can be delivered in the town centre is 938. If this number is exceeded, the highway network becomes unsustainable. Not only does this figure represent a small proportion of the housing total that could be delivered, but the rate of delivery of new housing will be significantly slower if no HIF funding is provided. In addition, the severe traffic congestion currently experienced on the A320 corridor will continue and is likely to worsen over time if no intervention takes places. Other external dis-benefits associated with this include:

- This would result in a net loss of 3,617 housing units (against 938 units)
- Continued harmful vehicle emissions (and noise) from the excessive traffic queuing and slow movement of traffic in this part of Woking town centre
- Continued poor cycling and pedestrian provision on this north – south corridor through the town (and the health dis-benefits this brings)
- Under-provision of urban and public realm amenities / improvements

This means that Option 3 does not meet the scheme objectives described earlier in this business case. Some additional housing provision (and associated land value gain) will take place without HIF funding but this will be significantly below the level that could be achieved when full funding is provided and the transport improvements are in place.

**What strategic risks do the shortlisted options carry?**

Description	Likelihood	Impact
Delivery of the infrastructure improvements (and additional housing associated with this) will not take place if no funding is provided. Given the nature of the transport infrastructure schemes and their characteristics, there is no alternative means of funding and delivering them. As detailed in 2.5.1, the private sector will not deliver the transport schemes within the necessary timescales. This option will deliver a total of 938 homes before the existing infrastructure network becomes unsustainable. This represents a reduction of 3,617 homes when compared to option 1.	High	High

**What are the constraints related to this shortlisted option?**

- No HIF funding will mean that all the constraints (infrastructure and housing) currently experienced in the town centre will continue into the future and the market failures will also continue. Without any intervention, these constraints will only worsen over time.

**Please provide details of any inter-dependencies related to this shortlisted option**

- There are no inter-dependencies associated with this option as no schemes will go forward.

**Please provide details of the exit strategy for the shortlisted options**

- With regards to the acquisition of the Triangle, in the scenario where WBC has acquired the site but the project has been aborted of HIF has not been granted, WBC will continue to (a) rent out the land/residential/office/retail space to derive an

suitable income to cover costs of acquisition whilst (b) continuing to pursue development to release the benefits of the scheme and resale value.

**Please summarise any economic appraisal conducted for this shortlisted option, relative to the do nothing (no HIF funding) option**

- If no HIF is provided, neither the road improvements nor the Triangle site works will go ahead. Given the current delays and capacity constraints at this location, the trips associated with the 1,251 housing units in the Local Plan cannot be accommodated on the existing road network. This is demonstrated in the 2023 traffic model runs using the existing road network. The modelling work shows that when the trips from the 1,251 units are introduced on to the current network, traffic cannot flow through this section of the A320 within any form of 'reasonable level of service'. The number of units that can be accommodated (938) is much lower. The Do Nothing (no HIF) option achieves none of the objectives of unlocking land for residential development neither does it achieve the much-needed road capacity enhancements. Pedestrians and cyclists will also continue to have to negotiate this dangerous section of the A320 with the poorly lit, cramped conditions through Victoria Arch.

**Options Summary**

**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**

Due to the particulars of this scheme, it is strongly considered that option 1 (full HIF ask totaling £94,922,700) is the only option that will provide the necessary infrastructure to unlock the 13 sites and deliver 4,555 units in the town centre. This is the only option (in terms of both scope of works and HIF request) that solves the current market failure in the town centre.

Options 2 and 3 have been discounted because both will result in a situation where the potential to deliver housing continues to be constrained by infrastructure deficiencies. Whilst option 2 will result in a widened highway, and therefore meet part of the objectives and/or Critical Success Factor's, the pinch-point at Victoria Arch will continue to constrain growth and development potential.

The issues that need to be resolved have been manifest for decades. This means that the project team has had the necessary time to plan, consult and engage with key partners. SCC and WBC are acutely aware of what is required to address this market failure to enable the unlocking of development and has a detailed understanding of what risks may be encountered as part of this process. Only option 1 will fully address the market failure and deliver against all of the scheme objectives and Critical Success Factors.

**Please provide a summary of the impact should funding not be received**

If HIF funding is not received the impact to the delivery of housing will be significant. Transport modelling demonstrates that the maximum number of homes that can be delivered in the town centre should be capped at 938. After this point the infrastructure network begins to fail making any further development unsustainable. This number is far below what is required to meet local demand and growth in the town centre will be stifled. In addition, WBC will fail its housing delivery test.

Woking ranks high as an area of 'High Affordability Pressure', positioned as the 67th (out of 355) most affected Local Authority (Source: ONS). If HIF funding is not received and housing sites that have been earmarked for development cannot come to fruition, this situation will continue to deteriorate. The constraints imposed on development will mean that demand will far outstrip supply, and this, along with the existing high prices in Woking, will serve to exacerbate the High Affordability Pressure in the area.

A key concern is the loss of Affordable Housing provision that is planned for the town centre. This scheme will facilitate building of 1,920 affordable properties (combination of affordable sale and affordable rent) in Woking town centre between 2020 and the end of 2026. Without HIF these affordable units will not be able to come to market at the desired speed or density that is required.

Although the negative impact on housing will be by far the biggest consequence of not receiving funding, a range of economic benefits will also not be realised. These include:

- Delivery of 4,555 housing units in the town centre
- Additional land value gains (“housing benefits”) from the full extent of unlocked housing.
- Transport benefits in the form of monetized journey time savings once the Triangle / Victoria Arch works are complete
- Other beneficial external impacts such as 1) improved health from more active mode use (cycling and walking), 2) environmental benefits from improved air quality (lower vehicle emissions) and lower noise levels and 3) public realm improvements through enhanced amenity (tree plantation, improved signage and general ambience)
- Provision of significantly more affordable housing compared to what would be achieved under no or reduced HIF funding
- A range of beneficial non-monetised impacts, including the benefits of enhanced connectivity on the busy A320 corridor through Woking as well as the additional jobs (and Gross Value Added, GVA) supported by the commercial developments that will take place at some of the 13 sites.
- Rail enhancements that will support economic growth and wide range transport benefits to the wider south east region.

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

<b>Filename</b>	<b>Description</b>
3.1.1 D.pdf	Lack of Suitability Letter from Network Rail
3.1.1 A.pdf	Scheme Definition Report
3.1.1 B.pdf	Options Definition Report
3.1.1 C.pdf	Options Appraisal

## Economic Case

### Net Present Value (NPV) of housing benefits

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

£198,900,000

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

£105,700,000

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

£326,600,000

### Please provide the undiscounted values used to estimate the residential land value calculation across all sites

<b>GDV (compliant with the Economic Case guidance)</b>	£1,891,000,000
<b>Build costs</b>	£851,900,000
<b>Externals</b>	£0
<b>Professional fees</b>	£68,200,000
<b>Sales costs</b>	£47,300,000
<b>Finance costs</b>	£166,100,000
<b>Contingencies</b>	£25,500,000
<b>Developer profit</b>	£321,500,000
<b>Please provide the additionality % assumed for the scheme (deadweight and displacement)</b>	90 %

Please provide a detailed explanation of the method and assumptions used to derive the deadweight and displacement estimates. As part of this, an estimate of deadweight for each site individually must be provided, by illustrating how the homes/each site are linked to the infrastructure

#### Additionality – Introduction

As the total land value uplift covers the *gross* economic impact of the residential development, it has been necessary to calculate how much of this is genuinely *additional*. The additionality factor calculated is based on assessments of deadweight and displacement, two of the main economic impact types covered in the DCLG (now MHCLG) Appraisal Guide.

The analysis of each covers the following:

- Deadweight: 1) the development (and its residual value) that will happen on the sites in Woking town centre without HIF funding. In other words, how much net land value in relation to current values will be generated in the absence of HIF funding (i.e. where there will be no improvements to 'The Triangle' and Victoria Arch bridge) and 2) the dependency of the new housing on the infrastructure being provided (i.e. evidence that housing delivery is dependent on the proposed transport infrastructure schemes) and 3) in the absence of the transport schemes, evidence that the existing road network will not provide a reasonable level of service; and
- Displacement: 1) the extent to which the investment in the new housing developments in Woking "crowds out" other private sector investment and 2) the extent to which the new housing prevents other new sites coming forward through the planning system (e.g. in Woking and the surrounding area).

Each of these is addressed below.

#### Deadweight

In the context of the Housing Infrastructure Fund (HIF), deadweight refers to development and associated residual value that will be realised without the Victoria Arch and 'Triangle Site' schemes coming forward. The deadweight assessment therefore takes account of which housing developments could still be delivered in the absence of the HIF funding.

Without the funding, approximately 938 units can be delivered at the allocated sites. This is based on the following:

- The more limited number of new units that can come forward according to Woking Borough Council's Local Plan and current planning applications; and
- Traffic model-based 'dependent development' testing.

With respect to the Local Plan (and current applications), the Council has undertaken an Infrastructure Delivery Plan and has a Regulation 123 List. This identifies the cost of infrastructure to support the delivery of the adopted Core Strategy and the number of new housing units associated with this. The results of this work showed that there is presently a significant funding gap which could significantly delay the delivery of the homes identified.

There will also be significant local opposition to the development of the sites if the transport improvements were to lag behind the delivery of the homes. HIF will therefore help bridge the funding gap and will enable the Council to align the infrastructure with the delivery of the new units. The scheme will also significantly increase the speed of delivery of the units and potentially enable the yields on the sites to be increased through increased densities.

As well as unlocking a much larger number of new housing units, provision of HIF funding will greatly increase the supply of much-needed affordable housing over and above what would be provided under lower deadweight housing provision.

Based on the Local Plan and current applications, a total of 1,251 homes are specified. The breakdown of this number across the 13 sites had been summarised in Section 2.1.1 in the Strategic Case. This provides a first indication of the deadweight number of units prior to the 'dependent development'-based testing using the traffic model.

Although full details of the model and modelling approach are described in Section 4.2 below, it is important to describe here how testing of the model clearly showed that the trips associated with 1,251 housing units could not be accommodated on the existing road network.

Using the 2023 modelled year (the 'scheme opening year'), a series of tests were undertaken to identify 1) whether the existing network in Woking can accommodate trips from the additional 1,251 housing units and 2) if the network cannot accommodate these, what are the number of new housing units that could be accommodated (i.e. this represents the number that would offer a 'reasonable level of service' for drivers on the existing road network).

Based on the current network of vehicle and pedestrian routes along this section of the A320 on Guildford Road, the modelling work has shown that the number of units in the Local Plan needs to be suppressed by 25% for demand to be accommodated without compromising the existing network, including pedestrian routes.

This means that the modelled highway network simply cannot cope with the full volume of additional Local Plan traffic. In model terms, the full Local Plan trip impact led to excessive, unrealistic levels of congestion and queuing across the highway network.

For the highway network to accommodate the additional 1,251 housing units (in capacity terms and without compromising the pedestrian routes), the 25% reduction in trip demand had to be applied within the Paramics traffic model.

As the existing network can therefore only accommodate trips from 938 additional housing units (i.e. the 25% reduction applied to 1,251 units), this demonstrates the level of dependent development.

The 25% reduction was applied uniformly across all 13 sites. Given that trips from all sites are likely to impact on the local road network at a similar aggregate extent (given their location within the town centre and the need to use the local network rather than heading in and out of the town via alternative routes), dependent development testing on an individual site by site basis was not undertaken. Testing of each of the 13 individual sites within a busy urban road network is unlikely to give meaningful results and it is far better to focus on the aggregate impact of trips on the town centre's road system.

Even if it were undertaken with some sites needing to fulfil the overall 25% reduction target more than others, the net deadweight number will still be very similar.

Where there was modelled evidence of those sites that had a particularly large impact on the local road network, these were identified as those near to Heathside Road, the principal east to west road immediately to the east of the A320 at the Triangle. The modelling work for 2023 showed that these sites added to the large numbers of trips to / from the zones in the modelled area.

The modelling work has therefore shown that Woking town centre's existing network will struggle accommodate even the lower Local Plan-based housing units and thus the true deadweight is 25% lower than the planned 1,251 units (i.e. 938 units).

The extent of deadweight for this HIF application also represents much lower (and slower) delivery of new housing units compared to what would be achieved if the infrastructure schemes were funded.

With respect to the above, the most important finding from the deadweight testing was that the residual value ('land value gain') associated with the lower number of 938 units is below the value of the land in its current uses. This is also covered in 4.1.7 below and it is important to note that this means the true deadweight will be the current value of the land and not the intermediate point behind current and full residential build-out values.

The Woking Town Centre HIF application differs from others in more rural and less built-up areas where current land values are likely to be relatively low with the deadweight number of housing in the 'no HIF' scenario generating value somewhere between current and full housing build-out values.

Although the total deadweight land values are lower than total current values, this does not mean that the lower number of housing units will not be commercially viable. In reality, it is likely that commercial returns will be viable if the lower number of deadweight housing units are concentrated at certain sites in the town centre rather than be distributed across the 13 sites.

Curchod & Co. have also provided an independent, local property market view of deadweight and the constraints on future housing delivery if the HIF support is not received (appendix 4.1.6 A).

Their view is that in the absence of HIF funding, the ability to supply the required quantity of housing will be adversely affected by the inability to supply the requirements through redevelopment of existing properties. GDVs for residential development would have to grow to justify a decrease in housing density to overcome existing use values. This does pre-suppose, however, that the present buildings on the sites and their uses remain fit for purpose and demand.

#### Displacement

Displacement refers to potential crowding out of other private sector investment and adverse impacts (prevention) of other planned developments in Woking and the surrounding area.

Based on the local market knowledge of Curchod & Co., there will be very low levels of displacement for the following reasons:

- Given current private sector property investments and developments in Woking, there is enough capacity for the unlocked housing developments at the allocated sites to come forward without other developments being compromised or reduced in scope;
- This is because the market for flatted residential developments in the town centre remains buoyant and this reflects several factors. Firstly, Woking has excellent transport links to several key areas of employment. As well as a 25-minute (or less) commute to London, these include good rail links to Basingstoke, Winchester and beyond. Woking is also very near the major road corridors in the region, including the M25. Heathrow Airport is also close by and these factors, combined with the major employers located in the town centre, means that Woking continues to be a highly desirable place to live;
- Curchod & Co.'s view is also that if the full extent of residential developments go ahead, the net impact will actually be positive (rather than displacing activity from elsewhere) and the developments and their viability will encourage further investment and development;
- Although residential values have been increasing in Woking in recent years, the relative affordability of property in the town centre (in comparison to other parts of the South East) means that it continues to be a location with very high levels of development. There is no indication from the local property market that this level of development will be displaced after HIF funding takes place and the full development at the 13 sites goes ahead.
- Construction of the new housing developments at the 13 identified sites will not prevent other planned developments coming forwards. In other words, there is sufficient capacity locally to build the new housing without jeopardising other developments.

**Curchod & Co. have provided further detail on displacement issues and these are summarised below.**

**There has been and is consistent demand for housing and the intention to supply it from a wide range of housing developers, large and small. Curchod & Co. do not consider that the build out of the proposed developments within the town centre will affect development or site values in the remainder of the Borough. In other words, displacement of this type will be low.**

**The main drive for new residential units will come from housing developers and this will remain in place for no other reason than both the town and Borough will continue to expand.**

**Given its excellent transport connections, there will be those who are apartment occupiers in the first instance who will then be looking at the next stage of their housing demands (e.g. houses with gardens). Curchod & Co. consider it inevitable that there will continue to be demand from developers to continue to provide residential units in the Borough and for them to 'seize the opportunity' to satisfy these demands. Again, Curchod & Co.'s view is that this shows very limited signs of displacement within Woking and from the surrounding area.**

As well as the views of Curchod & Co. on displacement, local property agents Seymours were also contacted. Their view is also that displacement will be very limited (appendix 4.1.6 B).

In Seymour's view, Woking can sustain the impact of over 4,500 new flats in the town centre, especially if this is spread over a seven to nine year period.

Recent developments such as the Centrium, Olympian Heights, William Boorth Place, Colbourne Place and older buildings such as Craigmere Towers (which are all high rise buildings) have proven to be very popular and have been easy to sell.

With life style choices, modern day living and the need for convenience, there is demand for more apartments in Woking because of its accessibility and what the town centre offers.

The rental sector in Woking is performing exceptionally well and there is a large investment market where buyers will purchase a large number of these units. Prime rentals and the private rental sector (PRS) will also attract a large number of young professionals. Affordability is an important factor in their decision to live in the town centre.

Given that London has failed to deliver the planned number of housing units within its boundaries, Woking can help to address this through the large number of housing units unlocked by HIF as well as offering new residents the excellent transport links that are a feature of the town centre. The new apartments facilitated by the transport schemes also support Woking's Local Plan and wider growth objectives.

Seymours also perceive that as young people move out of the flats and apartments into larger properties, this will keep the overall market buoyant and house prices higher, thus ensuring Woking remains a prime location for property development. Again, displacement will be very limited.

Their overall conclusion is that although the large amount of new flats will have an impact on Woking town centre, any negatives are far outweighed by the benefits that these apartments will bring. They believe that well designed, high quality apartments with usable outside space in the form of shared gardens/terraces or balconies will sell well and will mean very limited displacement from elsewhere.

On this basis, a low displacement factor of 5% has been selected. Even though there is local market knowledge and evidence suggesting that this could approach zero, a 10% factor does allow for some displacement of other development to take place.

To conclude this section, the extent of deadweight will be represented by current values of the sites in their present use. The modelling work has clearly demonstrated that the lower number of Local Plan-based housing units (1,251) cannot be accommodated on the existing network and that the 938 units that can be accommodated with the current road network will generate a total residual value below current values. The modelling also demonstrates that if the town is to stand any chance of meeting its Local Plan and HIF

housing targets, it needs the extra capacity released by the transport schemes.

The additionality proportion of 90% is therefore selected.

Please note appendices added to Management Case Additional Information, as there is no space to add appendices for this question.

**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

The responses to 4.1.1 through to 4.1.3 above are based on detailed analysis at each stage in the land valuation process. The values underpinning these responses were based on estimations by local land valuation specialists Curchod & Co. They are one of the leading property development and land valuation companies in Surrey and have an extensive operation in Woking town centre where they have been involved with several of the largest developments in the town.

Curchod & Co. advise on development potential, planning, land and property values, especially those in towns such as Woking.

As part of their land acquisition and site valuation offer, Curchod & Co. have the relevant local industry contacts and knowledge of planning registers / landowners to be able to provide up to date estimates of land values in the town centre. They have also successfully advised on the development potential and value of land and buildings at a suitably early stage using their Promap software and this has been advantageous for the purposes of this HIF bid.

By understanding the planning process and its local applications, Curchod & Co. have also been able to draw on many years of experience dealing with planning authorities and other legislative bodies in the region. They also work closely with partner companies to ensure that each stage of the planning process is carefully managed.

When preparing this business case, WBC and WSP have worked closely with Curchods on land valuation and have referred to all relevant guidance throughout this process.

Based on the specialist work by Curchod & Co., a series of land valuations have been derived covering all sites and all scenarios. These cover quantification of current use land values at the 13 sites as well as the values once the residential developments at each site have been put in place.

When calculating the land value uplifts, site-specific estimates of land values have been used. Curchod & Co. commenced their work at a briefing session with Woking Borough Council and WSP where the proposals were discussed in detail and a diagram of the town centre and the various schemes that comprise this HIF bid were discussed. This covered:

- A detailed run-through of the two transport interventions (at Victoria Arch and 'The Triangle' respectively) and the various housing developments these will unlock;
- A discussion of current land uses (and values) at those sites due to be developed and the likely trajectories of development and land values if no transport interventions go ahead;
- A discussion with Curchod & Co. about the performance of the housing market (and land values) in recent years and the extent these trends will continue in the future; and
- A discussion about real terms growth in property and land values over the HIF evaluation period.

Based on this approach, a series of responses are provided covering the following:

- Estimate of residual residential land value;
- Estimate of current use value; and
- Estimate of additional housing benefits.

Residual Land Value

Curchod & Co. has used the residual method of land valuation to calculate the maximum price a housing developer is willing to pay for land. This is based on the standard definition of this approach (as set out in the HIF business case guidance):

$$\text{Residual Land Value} = \text{Gross Development Value} - (\text{Construction Costs} + \text{Professional Fees} + \text{Marketing Costs})$$

For Gross Development Value (GDV), the full economic value of development has been calculated such that 'open market' value is taken as the benchmark. Curchod & Co. have calculated GDVs and residual values for the total number of 4,555 housing units across all 13 sites (i.e. this total includes the 'deadweight' number of units that will come forward in the absence of HIF funding as well as the additional units unlocked by the infrastructure scheme).

For the density assumptions at each site, Curchod & Co. have calculated these based on existing developments already underway as well as their local knowledge and information on sites being considered for redevelopment. Several of these developments include those at the sites forming this HIF application. Curchod and Co. have then considered the sites individually and have reported the estimated densities and make up of each site.

The build costs are based on actual schemes presently underway in Woking as well as benchmark values compared to BCIS costs.

With respect to the other cost items, Curchod & Co. consider that given the size of the developments, some 'economies of scale' savings would be made which would in turn enhance the value of these sites. For the purposes of this exercise, however, the percentages contained in MHCLG's May 2018 "Land Value Estimates for Policy Appraisal" guidance have been adopted as these are considered appropriate.

There have been exceptions to using these default percentages based in Curchod & Co.'s local market knowledge, however. For sales (marketing) costs, for example, Curchod & Co. found that applying a standard 3% uplift on market price / GDV resulted in unfeasibly large costs for some of the larger developments.

Where this was the case, the assumed sales cost was decreased to a more realistic value and this was then incorporated in the overall residual value calculations for these sites.

Curchod & Co. calculated residential values that reflect the present market and the provision of modern up-to-date newly built apartments located in this popular and ever-improving Surrey town (with its excellent transport links by road, rail and air).

The residential land values also assume that the infrastructure has already been provided (e.g. both the Victoria Arch and 'The Triangle' enhancements are in place).

The build costs assumptions cover the following:

- Only the value of building the residential units is included as the primary build cost; and
- All other cost items factored into the 'residual value' calculations (externals, professional fees, sales costs, finance costs, contingencies and developer profit) are based on the values in MHCLG's May 2018 guidance (thus complying with the HIF business case guidance) As noted above, for those cases where these default values have had to be adjusted to reflect local knowledge, the appropriate amendments have been made.

Where any infrastructure costs will be incurred by developers of the new residential sites (e.g. Section 106 or CIL payments), these are not included in the land values. Where these do arise, they are incorporated in the scheme costs incurred by the private sector.

Similarly, land value uplift associated with new commercial development has been kept separate from land value uplift associated with the new residential development.

The residual value data provided by Curchod & Co. was then used in a financial model developed specifically for this HIF bid (appendix 4.1.7 A). The model is attached as one of the main reference items and conforms to best practice where inputs, calculations and outputs are clearly separated.

The model also enables NPVs of residual values to be calculated as the unlocked housing units (and GDVs / residual values) will come forward at different points in the future. The model therefore allows the impact of discounting future values to be incorporated in the analysis.

The model's functionality also allows an assumed real growth rate for house prices to be incorporated. Although there is scope to use the default 5% annual real growth rate as specified in the guidance, our analysis of actual real house price growth in Woking over the last 10 years (i.e. once increases in RPI have been taken into account) indicates a real growth rate of closer to 3% per annum. This is the value that has been used in the calculations.

The NPVs for the residual values therefore reflect the phasing of the new housing units over time as well as the respective GDV and 'cost' elements.

#### Current Land Values

WBC and Curchod & Co. developed a database of existing land uses and values at the 13 sites. This was based on the latest data available (as of November 2018) (appendix 4.1.7 B and appendix 4.1.7 C). Rather than rely on existing, published land value data, Curchod & Co. were able to use their market knowledge of the 13 sites (with their different characteristics) to calculate a current value for each site.

The values reflected knowledge of the current use at each site (and whether this was residential, commercial, leisure or other – the latter including current public sector uses such as a Royal Mail depot, for example). This means that unlike the 'Ready Reckoner' values from the original Expression of Interest, the current values are far more realistic and reflect the most up to date market knowledge of each site.

For NPV calculation purposes, the assumption is that the value of the current sites is what it is today (in 2018/19 prices) and does not reflect any changes over time as no alterations or adjustments to current use are planned at each of the sites in their present use.

The current land values therefore represent the 'base' value against which the full (and subsequently additional) land value gain is compared. The current values are also included in the financial model with the values being provided per site. Please note that the figures below refer to the current use land values at each of the 13 sites. Based on the HIF Forward Funding Business Case Guidance (Annex A, Page 37), these are locally derived site-specific current use land values at each site.

- Site 1 (Royal Mail depot): £3.4 million;
  
- Site 2 (former station car park): £3.9 million;
  
- Site 3 ('New Central Extension'): £9.3 million;
  
- Site 4 (Police station / Magistrates court): £14 million;
  
- Site 5 (station plaza): £1.6 million;
  
- Site 6 (St Dunstan's – Phase 3): £5.7 million;
  
- Site 7 (The Triangle): £18.5 million;
  
- Site 8 (Goldsworth Road): £21.1 million;
  
- Site 9 (BHS residential and commercial development): £4.2 million;
  
- Site 10 (Concorde / Griffin House): £5.5 million;
  
- Site 11 (Planets / Rat and Parrot): £11 million;
  
- Site 12 (Thameswey, Poole Road): £583,000; and
  
- Site 13 (Church Gate): £7 million.

#### Additional Housing Benefits

Once the current land values and full residential development residual values are known, the next step is to apply the additionality proportion to the difference between current and full residual values.

As part of the financial modelling, the residual values associated with 'deadweight' housing has also been calculated. Based on discussions with Woking Borough Council and Curchod & Co., it was agreed that in broad terms, the GDVs and residual values associated with deadweight housing units can be calculated by pro-rating the full build-out values to the lower level of housing. In other words, all GDVs and cost elements can be factored down based on the proportion of deadweight relative to the total.

When this exercise was undertaken for both the 1,251 and 938 deadweight housing unit totals, the resulting residual values were below the current value at all 13 sites.

This was to be expected given that the view of Curchod & Co. was that at a much lower level of housing delivery, some of the sites may not be commercially viable in relation to their current use (and therefore that deadweight development will be concentrated at the most viable sites in the town centre). As discussed under 'deadweight' in the response to 4.1.6, this indicates that the true 'base' value against which the full residual value should be compared is the current land value rather than that associated with deadweight housing. Nevertheless, to comply with the guidance, the following process has taken place within the financial model:

- Following the treatment of deadweight as described above, a displacement factor is applied to reduce this differential further; and
- The NPV of current land values is then subtracted from the NPV of additional residual value (or "additional housing benefits") to give the final housing benefit value.

The outputs from all of the above exercises are summarised below:

- Current land values: based on evidence and data collated by Curchod & Co.;
- Residential land values for the Preferred Option: based on all data collated by Curchod & Co. (i.e. GDV *minus* build costs, externals, professional fees, sales costs, finance costs, contingencies and developer profit); and

- Trajectory of real growth in 'unlocked' land values over time: based on market evidence collated by WSP to give a 2% real growth rate.

Once all of the above data was collated, it was assembled in the financial model so that the various NPV calculations could be undertaken. The assumptions underpinning these calculations were based on the standard 60-year appraisal period with discounting of 3.5% per year in the first 30 years and 3% per year thereafter.

Filename	Description
4.1.7 A.XLSX	Woking PV Calculations Final
4.1.7 B.pdf	HIF Bid Workings
4.1.7 C.pdf	HIF Bid Summary Schedule and Workings No. 11

#### NPV of external impacts of additional housing

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

Type	Summary of impact	NPV of impact
Transport external impacts	These are the negative impacts associated with loading all new dependent development trips on the improved road network (compared to the 'no dependent development' scenario.	£-51,700,000
Active mode (walking and cycling) impacts	Using DfT's Active Mode Toolkit, these are the total active mode benefits.	£6,000,000
Ambience benefits for walkers and cyclists.	Using TfL's Active Mode Toolkit, these are the total benefits.	£7,900,000

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

#### Introduction

The monetised external impacts of the additional housing are those primarily associated with the transport impacts and these are reported here. Other external impacts are subsequently described.

## Transport Externalities

To assess and monetise these impacts, a series of 'dependent development'-based traffic model runs have been undertaken.

These model runs comply with the principles of the guidance in DfT WebTAG Unit A2.2<sup>iii</sup> whereby the external impacts of the transport scheme are calculated by means of the following:

- Model Run A - without the new housing but with the transport scheme; and
- Model Run B - with the new housing and with the transport scheme.

These runs show the extent of the impacts once the full extent of dependent development and the trips associated with these are loaded on to the network that has both the Triangle and Victoria Arch improvements.

## Traffic Modelling – Background

The traffic model that has been developed for these tests has utilised an existing S-Paramics (v2014.1) model. The key features of this model when it was originally developed for the Guildford Road scheme assessment in Woking are as follows:

- The 2014 'base' model was prepared by SCC and updated by WSP in 2018 to include additional junction configuration information for the Triangle site just south of Victoria Arch. This was included to better reflect the current traffic situation albeit still based on 2014 base year traffic flows. The updated WSP model was audited and accepted by SCC's modelling team;
- The forecasting matrices for the S-Paramics model were developed by SCC's modelling team (using available development data alongside their strategic SINTRAM model);
- 2014 Base Year: this uses 2009 'base' traffic flows factored to 2014 across 64 count sites within Surrey. These are extracted from DfT's manual classified count annual

survey programme for years 2009 and 2014 (the factors derived from this data applied to the 2009 validated model matrices for each vehicle type);

- 2026 Do Minimum: the matrix includes full TEMPRO growth outside the Woking Borough area and includes all commercial and residential sites within Woking that have received planning permission (those within the town centre are excluded). The highway network changes related to Victoria Square are also included along with other committed highway schemes (from the Woking Town Centre Modelling Assessment, SCC, May 2017);
- 2026 Do Something: the matrix includes all development within the Do Minimum plus additional trips generated by the developments in Woking town centre; and
- Each of the forecast S-Paramics models were updated by WSP in 2018 with and without the 'Triangle' highway works (no other options were tested)

The original model validation reports and forecasting / update reports and Technical Notes associated with the recent WSP updates are available (and appended to the business case).

The models have been developed for the AM and PM peak periods (07.00-10.00 and 16.00-19.00 respectively) with the validation covering the central peak hour (08.00-09.00 and 17.00-18.00) hour.

#### Traffic Modelling – HIF Bid

For the purposes of this business case a version of the model has been developed based on the following scheme assumptions:

- The start of infrastructure works is 2019 (aligning with the works programme);
- The completion of infrastructure works is Spring 2023;
- The economic assessment is based on the data extracted from the Paramics models and the benefits assessed using DfT Transport User Benefit Appraisal (TUBA) software; and
- The model years are 2023 (scheme opening year) and 2038 (plus 15 years).

The two Paramics networks (without and with the preferred transport scheme) are already available through the previous work and alterations to these in the form of minor

signal optimisation were required for each model run scenario. A scenario network that provides a “do less” option which excludes the Victoria Arch improvements (Option 2 in ‘Options Appraisal’) was also developed. On running the model, it was clear that the implementation of traffic signals without the associated duelled section and Victoria Arch improvements to the north of the Triangle led to additional network delays over the existing situation (appendix 4.2.2 A).

#### *Model Matrices and Identification of Dependent Development*

This stage used the 2014 Base model described above and applied the committed development to this. The committed development sites (e.g. those committed up to 2023 either through a planning permission or identified in the Local Plan as being implemented during this period) used in the previous modelling were reviewed and included in the model matrices as follows:

- Sites wholly within the Woking model network (impact of all trips included explicitly in the model matrix);
- Sites that are a 'significant traffic generator' but outside the Paramics model network (the impact of all trips was already inherent in the previous SINTRAM model work and growth factor used in the Paramics model); and
- Other locations outside Woking Borough (the impact of trips was already covered in the previous SINTRAM model work and growth factor used in the Paramics model).

The first point above applied the trips directly to the Paramics matrix and the latter two points used the application of a reduced growth factor from the previous work which forecast to 2026, by assuming linear growth and interpolating the factor to 2023 and applying the factor directly to the Paramics matrices.

The dataset of all committed development sites was obtained from the previous work and reviewed to include development sites up to 2023 using planning information from Woking Borough Council. The trip distribution work retained the methodology of the previous modelling work for the committed development sites with updates to the sites included (as well as the trip rate identified from the latest planning information where there was a difference).

The additional ‘unlocked’ development sites were treated individually to identify the potential trip generation, distribution and assignment for the 2038 Paramics matrices. All of the sites were geographically located within the Paramics network. The trip generation was based on trip rates that were agreed with Surrey County Council and based on similarly approved sites with lower trip rates applied to sites that consist mainly of flatted developments which have high accessibility by rail and anticipated limited parking provision.

The trip distribution was based on Census 2011 data to identify the trip origins and destinations for locations in the vicinity of the committed development sites.

A GIS based TomTom dataset was used for the assignment of the additional development trips to the zones in the Paramics network. This enabled understanding of routing and assignment on to the Paramics model network. The development was allocated to existing Paramics zones in line with previous modelling assumptions so changes to the existing Paramics network were not required.

Adjusted TEMPRO growth was added to the 2023 committed development matrices to understand the implications of further forecast traffic growth associated with development in the area. The planning assumptions within TEMPRO were adjusted to remove the 3,300 'unlocked' housing sites which were dealt with individually, as discussed above. The background growth factor for 2023 to 2038 was applied to the 2023 matrix.

An assessment of model performance was undertaken against the 2014 Base model to understand the implications on 'level of service'.

Matrices were therefore created for both the without dependent development and with dependent development scenarios for 2023 and 2038 respectively. Background traffic growth was also included for the 2023 to 2038 period. In 2023, potential impacts on traffic re-routing have been taken into account through use of the Sintram model's adjusted growth factors. For the 2038 matrix no account has been taken of the wider traffic re-routing. These matrices were included in the respective model runs covering both 'external' and 'infrastructure' (transport) impacts.

The traffic model was run for Model Run A and Model Run B as described above (i.e. the impact on existing transport users with and without the new developments).

The model runs are based on the following approach:

- In both model runs (with and without the new housing development), the transport schemes are included;
- These calculations exclude the impacts on those in the new developments – these are captured within the land value uplift calculations described above; and
- The outcome of these runs shows the disbenefit to road network users (in the form of journey time delay or crowding, for example) resulting from increased demand on the road network in Woking once the full residential developments are in place.

With respect to the two model runs for the 2038 forecast year, it is important to note the following:

- Model Run A: for all the 2038 scenario model tests, due to the level of Local Plan and background growth, a reduced amount of pedestrian accessibility at traffic signal junctions has had to be applied to enable the models to run without 'locking-up'. In reality, this would impact on pedestrian accessibility along the travel corridor; and
- Model Run B: for the 2038 scenario to work in modelling terms (i.e. with all residential development included), it was necessary to adopt a lower trip generation rate for the majority of developments. The trip reduction has been applied on the presumption that consent would be granted and conditioned based on 1) the flatted nature of the developments, 2) low levels of car parking and 3) increased sustainable trip-making behaviours (such as more cycling, walking and increased use of public transport/mobility transport options). The results of the modelling work also indicated that the -£51 million disbenefit reported is 4.2.1 is largely due to congestion at one location, the Chertsey Road roundabout. This means that even in 2038, the scheme is largely beneficial for most road network users.

TUBA software has been used to monetise the transport economic impacts using the outputs from the S-Paramics model runs for the local area. The NPVs associated with the transport external impacts are therefore derived from the TUBA outputs.

TUBA outputs are generated from the 2023 opening year model and 2038 forecast model. The appraisal period is 60 years after scheme opening and 2038 is the interim forecast year after which extrapolation takes place.

Note that each Paramics model has been run with a random seed and 40 runs have been undertaken of each scenario and time period, with the resulting matrices generated for input to TUBA being averages of these runs. Basing the data on an average of 40 runs reduces the propensity of the model variability to affect the average result.

The matrices for the TUBA analysis cover the following:

- AM Peak (08.00-09.00) and PM Peak (17.00-18.00) - peak hour matrices only (2 hours).

The TUBA matrices for all zone pairings are based on one hour time periods for cars, LGVs, HGVs and buses with the following being covered:

- Trips;
- Time; and
- Distance.

Further information on the assumptions used in the TUBA assessment is provided in the appended Technical Note (appendix 4.2.2 B with all TUBA output files in appendices 4.2.2 C through to 4.2.2 H).

#### Active Mode Impacts

As well as transport externalities, there will be active mode impacts as cyclists and pedestrians will benefit significantly from the dedicated lanes and walkways provided as part of the Triangle site and Victoria Arch improvements. At the present time, both groups have to negotiate what is a very busy, cramped, poorly lit and ultimately dangerous thoroughfare in this part of Woking.

For cyclists, the section of the A320 through Victoria Arch is on the designated National Cycle Route (NCR) 223 which passes through the centre of Woking. This is one of the county's principal north to south cycle routes and unlike the east to west NCR 221 through Woking (where there is much better connectivity and much better facilities), NCR 223 is adversely affected by the poor travel conditions through Victoria Arch and the Triangle area.

For pedestrians accessing the town centre from points south of the railway line, walking through Victoria Arch at the present time is not an appealing proposition as the existing pathway is very close to this busy road whilst lighting and overall ambience is also poor. Similar to the cycle route, pedestrian movements will also be much enhanced by the proposed infrastructure works.

To monetise the external impacts of improved cycling and pedestrian movements, DfT's Active Mode Appraisal guidance (DfT WebTAG Unit A5.1). This unit provides guidance on how to estimate and report impacts on active modes (walking and cycling) and is most applicable to schemes with a significant active modes focus.

The monetisation of active mode impacts has been calculated by using DfT's Active Mode Appraisal Toolkit. The Toolkit is a spreadsheet model developed within DfT and is primarily intended for appraisals such as this one where a proportionate approach is required within the context of the overall Economic Case.

The Toolkit contains a set of standard assumptions that are used in the calculations sections of the spreadsheet and the user is required to enter the input assumptions relevant to the transport scheme. These inputs cover 1) scheme opening year, 2) type of area the scheme is located in (e.g. "Inner and Outer Conurbations"), 3) number of journeys with / without the scheme (for walking and cycling) and 4) the characteristics of walking and cycling infrastructure before and after the intervention.

The calculations of active mode impacts are based on the standard 60-year appraisal period as well as the standard discount rates applying over this period.

The out-turn active mode benefits are summarised below by impact type:

- De-congestion benefits: £256,320;
- Infrastructure benefits: £810;
- Accident reduction benefits: £24,450;
- Local air quality and noise improvements: £1,740;
- Greenhouse gases reduction benefits: £4,650;
- Reduced risk of premature death: £3,823,040;
- Reduced absenteeism benefits: £874,930; and
- Journey ambience benefits: £329,870.

This gives a total external benefit of approximately £5.3 million in 2010 prices. In 2018/19 prices (using DfT's GDP indices), this is approximately £6 million ( appendix 4.2.2 I).

#### Ambience Benefits

As well as experiencing the range of active mode benefits described above, cyclists and pedestrians will also experience ambience improvements associated with the Triangle and Victoria Arch works.

Transport for London (TfL) have developed an Ambience Benefits Calculator Toolkit, a spreadsheet-based model that calculates ambience benefits for walkers and cyclists across a range of attributes. For walkers, these cover 1) provision of crossings, 2) facilities and visual attractions, 3) street security, 4) pavements and 5) street signs.

For cyclists, ambience impacts are associated with various types of improvements to the cycle route (NCR 223 in this instance) as well as improvements to the cycle route 'pavement' quality and associated cycle signage.

Based on the input assumptions used and the various parameters and data within the TfL Toolkit, overall external ambience benefits for walkers and cyclists (over 60 years) will be approximately £7.9 million (appendix 4.2.2 J).

<sup>14</sup> Unit A2.2, Induced Investment, May 2018

Filename	Description
4.2.2 A.DOCX	Woking HIF Paramics Modelling Note
4.2.2 B.docx	HIF Bid Workings
4.2.2 C.txt	Woking HIF Results DMvDS OUTfile
4.2.2 D.txt	Woking HIF Results DMVDS TBNfile
4.2.2 E.txt	Woking HIF Results DMvDS Warnings
4.2.2 F.txt	Woking HIF Results DSvDSD DS trips OUTfile
4.2.2 G.txt	Woking HIF Results DSvDSD DS trips TBNfile
4.2.2 H.txt	Woking HIF Results DSvDSD DS trips Warnings
4.2.2 I.xlsx	DfT active-mode-appraisal-toolkit
4.2.2 J.xlsb	TfL ABC Ambience benefits calculator Woking

#### NPV of infrastructure impacts

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

Type	Summary of impact	NPV of impact
Transport impacts from traffic modelling work.	These are the benefits associated with comparing the 'No Dependent Development / No Transport Scheme' scenario with the 'No Dependent Development / With Transport Scheme' scenario (e.g. the impact of the Triangle / Victoria Arch scheme on existing road users).	£140,600,000
Agglomeration impacts.	These are the improvements to GDP per worker derived from the improvements in generalised travel costs as the transport schemes improve journey times.	£18,100,000

**Please provide a detailed explanation of the method and assumptions underlying these estimates, as outlined in the Economic Case guidance (incl annex A)**

The NPV of infrastructure impacts covers the transport impacts of the scheme. Similar to the response to Section 4.2.2, the NPV is based on traffic model runs following the dependent development principles set out in WebTAG Unit A2.2.

For the transport impact model runs, the Local Plan housing assumptions are in both the 'Do Something' and 'Do Minimum' scenarios (e.g. Do Something = with transport improvements, Do Minimum = without). The estimation of conventional transport user benefits has comprised two runs of the S-Paramics model:

- Model Run A - without the impact of the new housing and without the transport schemes; and
- Model Run B - without the impact of the new housing but with the transport scheme demand included.

This approach is necessary to establish the transport impacts of the Victoria Arch and Triangle site improvements on existing road network users in Woking and also includes the demand from the 'deadweight' dwellings, e.g. those residential units that will go ahead in the absence of the Victoria Arch and Triangle schemes.

Although it has not been necessary to undertake a full WebTAG-compliant dependent development series of tests, it has been necessary to demonstrate that there is not a negative impact on the local transport network.

The model runs to date show, for example, that the highway scheme demonstrates an overall improvement compared to what is forecast without the scheme.

Similar to the transport external impacts, DfT Transport User Benefit Appraisal (TUBA) software has been used to monetise the transport economic impacts using the outputs

from the S-Paramics model runs.

The infrastructure impact NPVs are therefore derived from the TUBA outputs.

As well as these conventional transport impacts, the improvements in journey times and journey reliability will also boost agglomeration in the area (e.g. the amount of GDP per worker). Woking is located in one of DfT's Functional Urban Regions (FURs) as it is one of the major centres of economic activity in the South East.

Of the 17 wards in Woking, for example, seven are characterised as being in 'core' FUR areas whilst the remainder are in 'hinterland' FUR areas.

DfT wider economic impacts guidance states that agglomeration-type improvements from enhanced transport connectivity are typically in the range of 10% to 30% of the conventional impacts derived from TUBA. Taking the mid-point in this range, this means that agglomeration improvements due to the transport schemes are approximately £18.1 million over the 60-year appraisal period.

In addition, wider economic impacts also comprise 'output change in imperfectly competitive markets' impacts and these are applied as a 10% uplift to the business user benefits derived from the TUBA work.

No attachments

### **NPV of scheme costs**

**Please provide the estimated NPV (in 2018/19 prices) of infrastructure scheme costs (and revenues) as incurred by the following groups under the preferred option relative to the do-nothing option, ensuring no double counting of any costs included in prior answers – NPV of housing benefits, NPV of external impacts of additional housing, and NPV of infrastructure impacts**

Type		Total Nominal Amount	NPV (18/19 constant prices)
<b>HIF funding</b>	Cost	<b>£55,766,073</b>	<b>£51,248,217</b>
	Revenue	<b>£0</b>	<b>£0</b>
<b>Central Government</b>	Cost	<b>£0</b>	<b>£0</b>
	Revenue	<b>£0</b>	<b>£0</b>
<b>Local Authority</b>	Cost	<b>£10,000,000</b>	<b>£9,661,836</b>
	Revenue	<b>£0</b>	<b>£0</b>
<b>Other public sector</b>	Cost	<b>£10,000,000</b>	<b>£8,913,689</b>
	Revenue	<b>£0</b>	<b>£0</b>
<b>Private sector (not developer contribution)</b>	Cost	<b>£0</b>	<b>£0</b>
	Revenue	<b>£0</b>	<b>£0</b>
<b>Private sector (developer contribution)</b>	Cost	<b>£0</b>	<b>£0</b>
	Revenue	<b>£0</b>	<b>£0</b>
<b>Optimism Bias applied to <i>Total Public Sector Costs</i></b>	Cost	<b>£39,156,627</b>	<b>£34,902,997</b>
<b>Optimism Bias applied to <i>Total Private Sector Costs</i></b>	Cost	<b>£0</b>	<b>£0</b>
<b>Real Net Present Public Sector Cost</b>		<b>£104,726,739</b>	
<b>Real Net Present Private Sector Cost</b>		<b>£0</b>	

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

The £114,922,700 total nominal cost reported in 4.4.1 above comprises the following:

- Site acquisition costs: £24,990,000 (this is based on work undertaken by Curchod & Co. at the Triangle site). Woking Borough Council will provide £10 million towards this total to cover the land assembly costs. This amount will be sourced via the Public Works Loan Board (PWLB) and will be repaid over a specified time period;
- Demolition costs at the Triangle site: £7,678,200 (this is based on work by WH Stephens);
- Highways costs: £10,018,020 (this estimate was provided by WH Stephens and covers works on four different sections of the highway. Further details are reported below);
- Utilities works costs: £4,484,480 (based on work by WH Stephens);
- Professional fees: £2,752,000 (based on work by WH Stephens. A 15% professional fees uplift has been applied to demolition works, public realm works and utilities works); and
- Network Rail costs: £65,000,000 (provided by Network Rail. This total comprises a GRIP 1 'base' cost as well as a 66% Optimism Bias provision. Of this total, Network Rail will provide £10 million to cover works required on the bridge decking. This is the £10 million given under 'Other public sector' funding in the table above.

#### Site Acquisition Costs

These estimates were calculated by Curchod & Co. in Woking. The purpose of their work was to estimate the value of each property that needs to be acquired before delivering the various improvement works at the Triangle site. Appendix 4.4.2 A contains the full detail of this analysis.

Curchod & Co. were able to undertake this work based on their local knowledge of the property market within the site. Information from the Land Registry, Valuation Office and planning records were also used.

As stated in the report, the values cover the buildings as they presently exist and where there may be some enhanced value obtained from Curchod & Co.'s view of any redevelopment, refurbishment or conversion opportunities.

There are 15 property locations in total and these are covered in detail in the accompanying report. The total acquisition cost of £24,990,000 is spread across the sites as follows:

- Site 1: £1,600,000;
- Site 2: £750,000;
- Site 3: £750,000;
- Site 4: £180,000;
- Site 5: £1,400,000;
- Site 6: £700,000;
- Site 7: £550,000;
- Site 8: £730,000;
- Site 9: £775,000;
- Site 10: £90,000;
- Site 11: £450,000;
- Sites 12 to 14 (combined): £15,250,000; and
- Already owned by WBC (purchase price): £1,765,000.

It is assumed that all land assembly costs are incurred in April 2019.

#### Infrastructure Costs

The infrastructure cost element above has been developed by WH Stephens (WHS) (appendix 4.4.2 B), a construction consultancy company providing the full range of services from project inception through to use of facilities. Established in 1865, WHS have been working with Woking Borough Council in the town for a considerable period of time providing detailed cost estimation and design work.

WHS' specialisms include project and programme management, quantity surveying, cost management, building surveying and principal designer services. WHS has a dedicated project office in Woking and has been working on Woking town centre schemes well in advance of the work required for this particular HIF bid and business case.

The scheme costs primarily comprise the major works at the Victoria Arch railway bridge and the road infrastructure to the south of the main railway line. The costs include demolition of the existing buildings adjacent to the A320 at the Triangle site. These buildings cover a mixture of retail, commercial and residential use. The demolition works cover the following:

- Surveys and removals (covering asbestos removal and de-contamination works, for example);
- Services isolations and disconnections;
- Demolition of existing buildings (including undercrofts and sub-structures); and
- Levelling of site on completion.

The costs also include modifications to the A320 road network, road resurfacing, provision of footways and cycleways, crossings and signals.

The estimates are calculated according to four different sections of the infrastructure. These are as follows:

- Section 1: Victoria Road / station approach and junction with Oriental Road / Heathside;
- Section 2: Victoria Way (under Victoria Arch railway bridge);
- Section 3: Guildford Road North (this is adjacent to the demolition site); and
- Section 4: Guildford Road (south of demolition site).

WHS made a quantified assessment, where possible, of the main elements of the infrastructure works with historical rates from very similar projects used when calculating the costs. As the design and project brief develops going forwards, the infrastructure costs will be updated.

The infrastructure costs are based on current rates as of 4<sup>th</sup> Quarter 2018 and an inflation allowance has been included based on an assumed project mid-point of 3<sup>rd</sup> Quarter 2020.

The costs covering Surrey County Council fees and commuted sums have been calculated based on costs associated with the current S278 Highways project being undertaken within Woking town centre. This is due for completion in February 2019.

As well as the basic infrastructure works costs, the following uplifts are also applied to the estimates:

- Preliminaries for Sections 1 to 4 (and demolition): 20%;
- Overheads and profit for Sections 1 to 4 (and demolition): 5%;
- Contingency / design development for Sections 1 to 4 (and demolition): 5%; and
- Preliminaries for demolition: 12%.

A more detailed explanation of all infrastructure costs is provided in Section 6.1 of the Financial Case.

The scheduling of infrastructure costs in the NPV calculations is as follows (a detailed month by month breakdown of costs incurred has been developed and this is reported in more detail in the Financial Case):

- Demolition works: April 2019 to September 2020 (with a one-off final cost incurred in September 2021);
- Highways Section 1: February to July 2021 (with a one-off final cost incurred in July 2022);
- Highways Section 2: July to December 2021 (with a one-off final cost incurred in December 2022);
- Highways Section 3: January to June 2022 (with a one-off final cost incurred in June 2023);
- Highways Section 4: June to November 2022 (with a one-off final cost incurred in November 2023);
- Utilities works: July 2019 to June 2022.

This means that the overall works programme (including the Network rail works as summarised below) will cover the April 2019 to November 2022 period. Based on this schedule, the combined transport scheme will be operational by Spring 2023.

#### Network Rail - Victoria Arch Bridge Works

Network Rail have produced the estimate of bridge works costs for the sole purpose of informing this Housing Infrastructure Fund bid (appendix 4.4.2 C). The Victoria Way scheme is currently at Network Rail's GRIP Stage 1 in its eight-stage project management process.

This means that the estimate has been prepared at a high level. It was agreed with Surrey County Council and Woking Borough Council that the estimate would be developed for the perceived most expensive option for a widened bridge only.

The estimate therefore covers one option only and no values have been included relating to other potential options that are still under consideration by Network Rail at this stage of the project.

As this is a GRIP Stage 1 estimate, Network Rail's policy is to apply a 66% Optimism Bias uplift to the estimate. This reflects the engineering uncertainty that the scheme currently has at this early stage of the project. It is assumed that as the scheme is developed through the GRIP stages, this percentage risk uplift will decrease (in line with Network Rail guidance) as there is more certainty of what the infrastructure enhancement solution at Victoria Way will be.

The main assumptions with respect to the estimate are as follows (more details are in the Financial Case):

- The base date of the estimate is Fourth Quarter (Q4) 2018;
- Provisional sums have been allowed for items where there is insufficient information to provided costs within the uncertainty range applied to the estimate;
- Woking Borough Council are responsible for all highways enabling works as well as footpaths and cycleway works;
- Woking Borough Council are responsible for all highways services and utilities works;
- Preliminaries are 40% (upper limit). This aligns with Network Rail's Cost Planning Procedures (CPCs) for this GRIP stage;
- Overheads and profit are 11% (as in NR's CPCs);
- Design costs are 20% (as per CPCs) – this is above the upper limit at the is GRIP stage given the complexity and location of the work;
- Project management fees are 12% (CPCs); and
- Real cost inflation totals 8.2% over the construction period

At this stage, the costs of the bridge works will be incurred over a 20 month period from April 2021 to November 2022.

Filename	Description
4.4.2 A.pdf	Triangle Site Valuation Report
4.4.2 B.xlsx	Summary of Infrastructure Costs
4.4.2 C.pdf	Woking Victoria Way UB Cost Plan Report

#### Non-monetised impacts

Are there any impacts it is not feasible or proportionate to monetise?

Yes

### **Details, including an indicative scale of impact and why these have not been monetised**

There are several positive, non-monetised impacts associated with the HIF funding, the transport schemes and the unlocked housing developments. These are summarised below:

- The improvements at Victoria Arch (both widening of the existing underbridge as well as increasing the overall height of the bridge by lowering the current road level) will significantly reduce the number of high vehicle and HGV bridge strikes that are a regular occurrence on this section of the A320. At the present time, bridge strikes cause significant impacts both in terms of delays to other road users and perhaps more significantly, delays to rail services on the busy South Western Main Line through Woking. As any delays caused by bridge strikes are attributed to Network Rail, the infrastructure operator has to pay significant compensation to the train operators, including South Western Railway (SWR) and freight operators. With all lines through Woking being exceptionally busy throughout the week, the financial impacts of delays and congestion is substantial. These payments will be reduced by a very large amount once the bridge works are completed. The savings Network Rail make will therefore be targeted at other rail improvement schemes, to the benefit of passengers;
- As well as the additional residential housing unlocked by the HIF funding, there will be additional commercial and retail developments at some of the sites. Not only will these support economic activity in the town (and support additional employment), retail and leisure developments will boost amenity for the local population and will mean that those living in several of the new residential developments will have direct access to employment and retail / leisure facilities;
- The new commercial developments will also generate positive cashflows for Government in the form of business rate income and corporation taxation receipts;
- The unlocked additional residential development will also contain a large number of affordable units at each of the 13 sites. These will comprise, 1) units available under shared ownership / affordable sales, 2) units available at affordable rent and 3) units available for affordable sale. The respective proportions at each of the sites are as follows:
  - Site 1: 65% shared ownership, 'affordable sale';
  - Site 2: 35% affordable rent;
  - Site 3: 35% shared ownership, 'affordable sale';
  - Site 4: 35% shared ownership;
  - Site 5: 35% affordable rent;
  - Site 6: 100% affordable rent;
  - Site 7: 65% affordable rent;
  - Site 8: 35% shared ownership, 'affordable sale';
  - Site 9: 35% affordable rent;
  - Site 10: 35% affordable rent;
  - Site 11: 35% affordable sale;
  - Site 12: 100% affordable rent; and
  - Site 13: 35% affordable sale.

Achieving these proportions and targets aligns well not only with local policy objectives but also strategic national objectives where provision of affordable housing is one of the most pressing issues for the country at this time. By providing such large numbers of affordable units, those who will be able to live there can benefit from Woking's strategic location as an economic centre in its own right as well as the excellent access it has to London and surrounding major areas of economic activity (and transport gateways). At a time when property prices in the South East are several multiples of peoples' incomes, this will be a major benefit locally, regionally and nationally;

- Helping to improve agglomeration in Woking. The town is a major centre of employment with several major employers in the town. These companies and businesses have benefitted from the clustering of economic activity in the town as well as the excellent transport links the town possesses. With productivity levels (i.e. the amount of Gross Value Added, GVA, produced per hour worked or per capita) known to be higher when clustering of businesses takes place, the HIF funding and unlocked residential developments will help this process as it enables workers to live in the local area and therefore provide the town's employers with a much larger pool of labour from which to draw from. If no HIF funding is secured and the current situation continues (i.e. sub-optimal transport connectivity and sub-optimal housing provision continues), the potential agglomeration benefits will not be optimised;
- The improved urban and public realm in the vicinity of Victoria Arch and the 'Triangle' site will enhance overall amenity levels and the general attractiveness of this part of the town centre. At the present time, the area around the Triangle site and Victoria arch is

severely cramped, especially given that the major A320 road artery passes directly in front of buildings whilst the road underbridge is poorly lit and presents an unattractive proposition for those passing through it (including drivers, cyclists and pedestrians). The proposed improvements are genuinely transformative and will make the area a far more welcoming and attractive place for residents, visitors and travellers using all modes of transport. What is now a congested, cramped and capacity-constrained area in the town centre will be improved considerably with the enhancements aligning with the Woking's development and regeneration objectives;

- The improvements at the Triangle site and Victoria Arch will also improve safety levels for motorists, cyclists and pedestrians. Given the narrow, restricted and frequently congested aspects of today's road layout in this part of Woking, the risk of accidents and incidents is high given the level of conflict in movements across the different modes. As well as improving transport connectivity, the unlocking of additional development and the other benefits the transport schemes will bring, an improvement in safety will mean the economic costs of accidents and incidents will be reduced. This includes the economic costs associated with the disruption accidents cause as well as the reduction in monetary costs of injuries and (in the worst case) fatalities;
- Today's extensive vehicle queuing and congestion in the Triangle area means that pollution levels are higher than they would be under more free-flowing traffic conditions. Air quality is therefore poor and noise levels are high when traffic conditions mean slow-moving traffic and a large amount of stopping / starting as vehicles negotiate this section of the A320. With the requested HIF funding enabling all transport works at the site to go ahead, air quality and noise levels will be improved for local residents and transport users (note that the environmental improvements experienced by transport users most vulnerable to these impacts, cyclists and pedestrians, has been captured in the active mode analysis reported as part of external impacts in Section 4.2); and

The longer term benefits associated with improved rail connectivity once the Victoria Arch improvements have enabled the Woking Flyover to be constructed. Although this business case deals specifically with unlocked additional residential development and the land value gain associated with this, early HIF funding of the Victoria Arch will provide Network Rail with the crucial first part of their scheme to 1) undertake all necessary works on track and platforms at Woking station and 2) to subsequently build the much-needed (and much-delayed) Woking Flyover to the west of the town. With 'Portsmouth Direct' line trains grade separated from those on the Basingstoke line, this will generate large downstream benefits for rail passengers on what is one of the country's busiest, most strategically important rail corridors. The requirement for these improvements is clearly indicated in Network Rail's August 2015 Wessex Route Study that states "Several flat junctions reduce capacity, and station stops at Woking, together with different calling patterns of services, reduce the maximum theoretical throughput of trains. Options identified here include 1) Woking Junction grade separation and 2) Woking additional through platform". The Route Study goes on to state "It (Woking Junction) is a critical constraint to the operation of enough services to meet the capacity gap to 2043 as well as the efficient operation of potential services in Control Period 6 (2019-2024)". Grade separation of Woking Junction will therefore enable up to 32 trains per hour (tph) to be timetabled through Woking in the high peak hour towards London in combination with a solution for inner services towards Waterloo. Network Rail has also stated that the flyover will reduce the net operating cost of the rail industry due to the revenue generated exceeding operating costs. From an economic perspective, the flyover provides very high value for money with a Benefit Cost Ratio in excess of 4.0. The benefits associated with the scheme include 1) revenue benefits of over £100 million (2010 PV), 2) rail user benefits of £185 million (2010 PV) and non-user benefits of £56 million (2010 PV). Although these positive impacts are not being directly attributed to the HIF funded transport schemes in this business case, they do indicate the scale of other benefits that will be unlocked once the Victoria Arch improvements enables Network Rail to progress the next stage of its scheme.

## **Sensitivity Analysis**

### **Please describe sensitivity analysis conducted (if not covered above)**

Given the importance of the land value (housing benefit) assumptions and calculations, a series of sensitivity tests were undertaken in the financial model (appendix 4.1.7 A). These were:

- Adjusting the deadweight assumption: as reported in 4.1.6, given that the 'deadweight' land value is lower than current land use value, the deadweight applied in the calculations is zero. As a sensitivity, however, the impact of assuming that the 938 'deadweight' units as a proportion of the total 4,555 represented an alternative

deadweight was tested. In other words, the deadweight proportion would be 79%. The impact of this assumption (combined with displacement of 10%) reduced total housing benefits to £152.5 million;

- Adjusting the displacement assumption: as described in 4.1.6, local market conditions and characteristics in Woking mean that displacement will be very limited (assumed to be 10%). As a test, the impact of increasing this to 15% was tested. This reduced total housing benefits to £187.8 million. Lower displacement at 5% increases benefits to £209.9 million
- Impact of combined deadweight and displacement adjustments: based on combining the two sensitivity tests above (e.g. the total additionality proportion would be 64%), the result was a reduction in total housing benefits to £141.4 million;
- Adjusting the assumed rate of growth in real house prices: the 'central' assumption in the calculations is that real growth will be 2% per annum. This is based on local evidence over the last 10 years in Woking as well as a view of this trajectory given current market conditions today and in the near future. To test the impact of adjusting this assumption, two sensitivity tests were run in the financial model. The first test reduced real house price growth to 1% per annum and the second increased real growth to 5% per annum (the latter being the default value quoted in the guidance). The results are as follows: 1) reducing real growth to 1% per annum decreases overall housing benefits to £149.6 million and 2) increasing real growth to 5% per annum brings total housing benefits to £359.8 million;
- Adjusting the assumed delivery profile of the new housing units: the schedule of delivery of the new homes across the 13 sites assumes that different developments will come to market in different years. To test the impact of delaying delivery of the new homes by one year increases total housing benefits to £212.6 million. By comparison, accelerating delivery by one year decreases total benefits to £184.3 million; and
- Adjusting the build costs associated with the new developments: based on research for this HIF bid by Curchod and Co. the assumed cost per square foot of residential development is £230. If this was increased by 10% to £253 per square foot (due to the real cost of building materials and labour increasing in future), the impact on total housing benefits will be for these to decrease to £112.8 million. Conversely, a 10% reduction in build costs (to £207 per square foot) increases total housing benefits to £284.9 million.

With housing benefits being the main economic impact associated with this HIF bid, the range of sensitivity tests demonstrates how these benefits will change under different assumptions. Even with the most significant 'adverse' (or negative) assumption changes, housing benefits remain considerably greater than the 'HIF ask' and total scheme costs.

The Network Rail cost estimates reported in Section 4.4 already include optimism bias at a high level (66%) to reflect the current stage in the GRIP process. As a sensitivity test, it can be assumed that as scheme design and analysis progresses further through the GRIP process (beyond the current GRIP 1 stage), the optimism bias element will be significantly reduced and will therefore improve the value for money assessment of the transport scheme in relation to housing and other benefits.

Please note appendix added to Management Case Additional Information, as there is no space to add appendices for this question.

### **Optimism bias**

**Please describe how optimum bias has been applied in line with the Green Book guidance (and where relevant DfT WebTAG guidance (if not covered above))**

Optimism bias uplifts have been applied to both the infrastructure cost estimates for the infrastructure works as well as the Network Rail costs for the Victoria Arch bridge works.

Based on discussions with WH Stephens, optimism bias will typically add 15% - 20% to the infrastructure cost estimates. Taking the total demolition, highways and utilities works costs described in 4.4.2, the current estimate of £22,180,500 will increase to over £25,500,000 if a 15% optimism bias uplift is applied. The total using a 20% optimism bias assumption will be over £26,600,000.

The guidance in the Green Book (in Annex A5) indicates that for a standard engineering project (defined as involving construction of standard facilities or infrastructure, e.g. most new roads and some utility projects – in other words, very similar to the Woking scheme), a 'Lower' uplift of 3% should be applied to capital expenditure. For the 'Higher' impact category, the uplift is 44%.

Applying these factors gives revised cost estimates of £22,845,915 and £31,939,929 respectively.

The Green Book guidance on optimism bias also covers the risk of increases in planned work programmes. The Lower and Upper uplift factors for standard engineering projects are 1% and 20% respectively. Based on the 44 month works programme, these represent an increase to 44.5 months (lower impact) and just under 53 months (upper impact).

The optimism bias associated with Network Rail's GRIP 1 estimate of the bridge works has already been discussed in the response to 4.4.2. The 66% uplift applied reflects the level of uncertainty with respect to current engineering estimates at this early stage.

As the scheme is developed in more detail during Network Rail's GRIP process, this uplift will be reduced as there will be more certainty with respect to scheme specification, design and costs.

## **Risk Analysis**

**Please describe how risk has been assessed and appraised in line with HMT Green Book guidance (if not covered above). The risk analysis should focus both on the risks to the delivery of the infrastructure and the delivery of housing**

The principal risks associated with the different elements forming the Economic Case have been largely covered in 4.6.1 and 4.7.1 above.

The respective risks with respect to infrastructure and housing delivery are covered below.

Infrastructure Delivery

The combined Victoria Arch and 'Triangle' works need to be planned and co-ordinated in such a way so as to ensure that each element and stage of the works 'fit' together well. Given that the Victoria Arch bridge works requires extensive collaboration with Network Rail (as well as a requirement for Network Rail to deliver their elements of the work), there is a risk that they will not be able to deliver their side of the work within the necessary timescales.

To mitigate this, both Surrey County Council and Woking Borough Council have formed a close working relationship with Network Rail and as part of developing this bid, extensive discussions have already taken place covering scheme costs, project delivery and the best way to co-ordinate the works in the future. This working relationship will continue in the future as Network Rail develop their proposals further (through the GRIP process). The Councils will also ensure that the works planned at the 'Triangle' site also align with the work at the bridge.

The downstream benefit of this is that Woking will gain a much enhanced (and widened) bridge on the road network whilst Network Rail will also have the first element of its proposed Woking flyover and related track and platform alterations at the station.

If no HIF funding is received and the highway element of the bridge works does not go ahead, there is also the risk that Network Rail will progress their element of the work in the future and therefore make it much harder (and costlier) to undertake the highways works at a later date.

Delivery of the infrastructure also requires co-ordination with the relevant utilities providers to ensure that all necessary utilities adjustments take place when required. Woking Borough Council and its design and engineering consultants WH Stephens have been working closely with various utilities providers in the town with respect to other major projects.

To mitigate any risk that utilities-related issues could affect delivery of the HIF-funded infrastructure, this close collaboration will continue to ensure that all utilities interventions are made in a timely manner.

#### Housing Delivery

This HIF application is principally concerned with delivering the necessary infrastructure to unlock a significant number of additional housing units. The current risks facing housing delivery in Woking are those related to the severe infrastructure constraints in the town, particularly the constraints of the current road network.

As reported earlier in this business case, several policy documents have clearly shown how the much-needed levels of new housing (including affordable housing) cannot be achieved without significant investment in infrastructure. As also evidenced previously, market failure also means that private sector developers do not have the financial and commercial incentives to fund the infrastructure needed for the larger number of new homes to come on stream.

This is why the risk of sub-optimal new housing provision can be rectified to a large extent if the required HIF support is forthcoming.

Housing delivery (and the rate of delivery) can also be affected by economic downturns and general downturns in the property market. Although Woking could be affected to the same degree as other major towns in the region, its housing market has several characteristics that are likely to mean that the market for property will remain buoyant and demand will always be high. The reasons for this include:

- Excellent links to several major transport networks, such as road, rail and air;
- A strong local commercial, retail and leisure sector – i.e. there are many high value, skilled employment opportunities in the town for residents;
- Given the house price pressures in the region, the availability of a high number of affordable housing is available in the town is ideal for younger working people who can afford to live in the town and either work there or commute to London (or to other major employment centres); and
- The continued high levels of development in the town centre are evidence of continued buoyancy in the market – this is despite the recent economic uncertainty surrounding Brexit.

All of these factors suggest there will be relatively few risks to housing delivery once the transport schemes are in place and a large number of additional residential units – including much-needed affordable housing – has been unlocked.

## **Supporting material and additional economic considerations**

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

To support the values reported in 4.1.4, please note the following:

- GDV (compliant with the Economic Case guidance) – the calculations of GDV at each site are based on ‘full market price’ valuations as undertaken by local property specialists Curchod & Co. The calculations are based on assumptions regarding the types of residential units at each site (e.g. 1, 2, 3 bedroom apartments or studio apartments, for example) and as well as the number of units per site.
- Build costs – build costs have been based on typical residential build costs in Woking as well as national data. The assumption of £230 per square foot is based on an average across three different sources (including the Building Cost Information Service, BCIS).
- External costs – external costs are included within the build costs above. As the new developments are predominately flatted residential units, the extent of ‘externals’ such as gardens, fencing and roads will be lower compared to a new housing site where these are far more common.
- Professional fees – these are taken as 8% of build costs.
- Sales costs – these are assumed to be 2.5% of property sale prices (full sales market value GDV). Based on Curchod & Co.’s analysis of typical sales costs in Woking, this is lower than the default 3% factor in MHCLG’s Land Value Estimates.
- Finance costs – these are based on Curchod & Co.’s working of finance costs for each of the 13 sites. The total reported here covers

1) finance costs (on build costs) at 6% over the build period (typically 30 months) 'halved back', 2) finance costs applicable to the residual value at 6% over three years and 3) purchase costs at 5.5%.

- Contingencies – contingencies are calculated as percentages of build costs and reflect the necessary contingencies included in construction cost estimates.
- Developer profit – this is taken as 17% of GDV (for market housing).

No attachments

**Please attach all economic modelling done as part of the economic case (other than that provided in specific questions)**

Filename	Description
4.1.7 A.XLSX	HIF Bid Summary Schedule and Workings No. 11

Schemes with Transport Impacts

**For any transport modelling conducted, please refer to Annex B of the guidance and attach**

Filename	Description
4.2.2 A.DOCX	Woking HIF Paramics Modelling Note
4.2.2 B.docx	HIF Bid Workings
4.2.2 C.txt	Woking HIF Results DMvDS OUTfile
4.2.2 D.txt	Woking HIF Results DMVDS TBNfile
4.2.2 E.txt	Woking HIF Results DMvDS Warnings
4.2.2 F.txt	Woking HIF Results DSvDSD DS trips OUTfile
4.2.2 G.txt	Woking HIF Results DSvDSD DS trips TBNfile
4.2.2 H.txt	Woking HIF Results DSvDSD DS trips Warnings
4.2.2 I.xlsx	DfT active-mode-appraisal-toolkit
4.2.2 J.xlsb	TfL ABC Ambience benefits calculator Woking

## Commercial Case

### Market analysis

**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**

Woking Town Centre has been identified as an economic hub by the Enterprise M3 Partnership. It has a direct rail and/or road access to London and the main international airports of Heathrow and Gatwick. There is a direct train to London Waterloo that takes only 24 minutes. The Town Centre is headquarters to a significant number of major international corporations such as Cap Gemini, SABMiller and Ambassador Theatre Group. The Town Centre is vibrant with a good range of retail, restaurants and cultural offers. The above has combined to create a conducive place where people want to live, visit and work. There is strong demand for housing that is likely to continue.

The Strategic Case (Section 2) sets out the case for the additional number of houses that will be enabled by the scheme. However, it is also important to acknowledge that a greater part of future housing demand will be met from the existing housing stock. A profile of the existing housing stock and how that has been changing therefore provides a helpful indication of future housing demand by type, size and trends.

There are 40,691 households in Woking. About 70.5% of the housing stock is owner occupied, 15.7% is privately rented and approximately 12% is social rented accommodation. Looking at the stock profile by type, 31.5% are detached houses, 24.6% are semi-detached, 19% are terraced and 23.8% are flatted homes. Compared with Guildford (18.3% flats) and Waverley (16% flats), Woking has the highest number of flatted stock. Increases in the housing stock over the years have tended to be more in Woking compared to Guildford and Waverley Boroughs who are in the same Housing Market Area. For example, between 2001 and 2011, the housing stock in Woking increased by 7.3%, Guildford by 5% and Waverley by 6.3%. Regarding the size of housing, 1 bedroom homes make up about 13% of the existing stock, 2 bedrooms about 23.5%, 3 bedrooms about 36.1%, 4 bedrooms about 18.8% and 5+ bedrooms about 8.2%. Compared with Guildford and Waverley, Woking has the highest proportion of 1 and 2 bedroom accommodation. Whilst the above figures are derived from the 2011 census data, projected trends up to 2033 as set out in the SHMA are broadly similar (appendix 2.1.2 A).

Estimated need by number of bedrooms between 2013 and 2033 are – 1 bedroom 10.9%, 2 bedrooms 28.1%, 3 bedrooms 38.3% and 4+bedrooms 22.7%. The estimated need for Affordable Housing by number of bedrooms is different, and are as follows – 1 bedroom 50.3%, 2 bedrooms 24.4%, 3 bedrooms 22.3% and 4+ bedrooms 2.9%. This provides an indication of the nature and type of the projected need within the area (appendix 2.1.2 A). The houses that will be enabled by the schemes will be the right kind to meet future demand and would reflect market signals. It is important to highlight that significant amount of housing, such as family homes, will also be delivered outside the Town Centre to ensure a variety in the overall housing mix needed in the Borough. Policy CS10 of the Core Strategy provides evidence of the broad distribution of housing across the Borough.

Woking Borough has a total population of about 100,000 people. A high proportion of the population are between the ages of 30 and 45 years. The ethnic profile of the population is the most diverse compared with the other authorities in the Housing Market Area. The population has higher qualifications above the national average. This is reflected in the job profile of the area. For example, about 51% of the population are either managers, directors, senior officials, professional occupations, associate professionals and technical occupations. Income levels are also relatively higher than national average. Mean income is £52,811 and median income is £40,167. Whilst the population is predicted to grow, the rate of growth is likely to be slower than past trends. Between 2013 and 2033, household growth is estimated at about 16.7%. Workplace employment is estimated to grow by 9,600 during the same period. The combination of the above provides a strong basis for continuing demand for houses into the future.

House prices and rental values are also relatively high compared to the national average. Affordability ratio is high with a consequent need for Affordable Housing, which the

proposed housing would contribute. For example, in 2014 lower quartile sales by type were flat - £182,500, terrace - £247,900, semi detached – 300,000 and detached - £483,600. Lower quartile private rents were also higher than the other authorities in the Housing Market Area. For example rent per month for a studio - £625, 1 bedroom £775, 2 bedrooms £995, 3 bedrooms - £1,200 and 4 bedrooms - £1,850. Local area average house prices (January 2017) was £406,530.

WBC has undertaken a property market update on house price trends (2014) (appendix 5.1.1 A). Using data from multiple sources, this research concluded that the Woking market is strong. House prices have risen over the years and there is no expectation of deterioration in viability outcomes. It is anticipated that the market improvements would largely, if not more than, balance out the cost impact of CIL at the rates being proposed, together with having the capacity to bear the cost increases in other areas if necessary whilst maintaining positive viability. There is an incentive for developers to invest given that the developments will offer a commercially viable proposition. There is also significant scope to recycle any value capture towards Affordable Housing provision.

Based on the above, one can assume that developers would continue to invest, demand for housing will continue to be strong, the housing that will be provided will align with the needs of the area, and the scheme has a role to play in bringing forward these positive benefits.

Local land specialists Curchod & Co LLP were appointed to support the development of this business case and to provide up-to-date information on local market needs. The view of Curchod & Co. is that there is sufficient demand for the local market to cope with the introduction of 4,555 apartments in the town centre. A key reason as to why is because 'Woking is in the South West quadrant of the M25 in a location which has excellent road and rail networks and is in close proximity to two major airports at London Heathrow and London Gatwick. Additionally it is in close proximity to London and is in a sought after position in the South East of England. There has been and is consistent demand for housing and the intention to supply it from a wide range of housing developers large and small' (appendix 5.1.1 B). To ensure that this appraisal is sound, another local agent (Seymours) were also approached for comment – their view is consistent and they fully agree that 'supply will be taken by the demand' (appendix 5.1.1 B)

Filename	Description
2.1.2 A.pdf	Strategic Housing Market Assessment (SHMA)
5.1.1 A.pdf	CIL Viability Assessment Houseprice Trends
5.1.1 B.pdf	Curchods and Seymours Market Analysis

## Delivery strategy

### Please provide details of who will be delivering the infrastructure

SCC as the bidder will be funding WBC to deliver the infrastructure. Appropriate legal agreements will be entered into to enable WBC to take control of the scheme delivery along with all associated risk. The infrastructure will be delivered in line with the procurement strategy, the contract management arrangements and the project management arrangements as detailed in Section 7.

WBC has taken the lead in acquiring property located on a site known as the Triangle which needs to be acquired and demolished to enable the widening of the highway. WBC currently owns 7% of the site, with agreement in principle to purchase a further 58%. Discussions are underway to acquire an additional 16%.

Discussions with WH Stephens to support the scheme in respect of procurement and project/contract management are at an advanced stage. WH Stephens currently fulfil the Quantity Surveying, procurement and contract management role for both the Victoria Square and WITP projects and are therefore part of a tried and tested governance structure that has an excellent record of delivery. WH Stephens' specialisms includes Project and Programme Management, Quantity Surveying, Cost Management, Building Surveying and Principal Designer Services. It is anticipated that WH Stephen will be appointed to take control of the full day to day Project and Programme Management and, where necessary, provide a full multi-disciplined design team to assist the scheme.

The scheme will require several contractors to undertake the works:

**Highways:** In order to achieve the best solution for achieving the above objectives, the preferred option would be to follow a Develop and Construct arrangement, commonly known as Two Stage Design and Build (with ECI). This allows early commencement of Contractor procurement as the design is developing. A great deal of engagement with contractors has been undertaken to date. Many of the discussions with contractors/professionals are based on existing relationships that have proven to be successful for the delivery of the Victoria Square development and the Woking Integrated Transport Project. A number of highways contractors have been engaged and have confirmed that they will bid for the highways works element. These include Farrans (currently delivering the WITP project) and Volker Fitz-Patrick who have worked with WBC in recent years to deliver large projects such as the Hoe Valley Flood Alleviation scheme which had a cost of £43.5m.

**Demolition Works:** Given the more straightforward nature of demolitions, the use of more conventional or traditional lump sum procurement approaches based on specifications and drawings with or without quantities, particularly where the design input from sub-contractors is likely to be limited to temporary works. The plan would therefore be to tender this aspect of the works in a traditional fashion.

**Enabling Works:** The use of specialist engineering type contracts may be applied and managed/led by respective consultants (M&E Engineer or Highways Engineer) e.g. NEC3 or other appropriate form of contract.

**Bridge Works:** Network Rail is responsible for delivering the bridge element of the scheme. This is necessary due to the nature of the works and the associated complexity and the wider impacts that the bridge replacement will have. Network Rail will therefore follow its own procurement and contract management arrangements and will appoint framework approved contractors.

Although a range of contractors have expressed interest in the scheme (see section 5.3.1), based on discussion and scheme drawings, none have been appointed. As per the project plan, procurement for the scheme, beginning with works associated with the demolition of the Triangle, will commence in May 2019.

## **Procurement strategy**

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

The procurement management strategy (appendix 5.3.1 A) to be followed for delivery of the infrastructure is based on a tried and tested approach that has been used on similar schemes within Woking town centre. Consultants WH Stephens have been commissioned to produce a procurement strategy overview. WH Stephens have worked with both SCC and WBC as our procurement management partner on other existing town centre developments, notably Victoria Square and the Woking Integrated Transport project – both of which have a combined value of £539m and include large scale development and highways and

public realm improvements.

The procurement strategy provides an understanding of the range of procurement options available and assesses how best to integrate the proposed works phasing and programming and potential for Early Contractor Involvement (ECI).

The key objective for the procurement approach is to achieve the optimum balance of risk, control and funding (Cost, Time and Quality). HM Treasury Green Book guidance has been taken into account when appraising policies, programmes and projects.

A phasing and programme strategy has also been considered and produced for the construction delivery of the Demolitions and the A320 works. The chosen procurement solution must be responsive to the strategy for construction delivery. The key constraints taken into consideration in the procurement strategy are:

- The wish to minimise disruption to Woking town centre residents and visitors.
- A requirement for timely completion and handover of each use of prescribed sequence and phasing.
- A possible requirement to overlap at an early start on demolitions, services diversions and highway works to reduce overall programme.
- 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.

There are 3 contract considerations that align with key components of this scheme. These are

#### **1 Enabling Works and Demolitions (Separate Contracts, some of which could be combined with each other)**

- Ground surveys, site investigations and asbestos surveys
- Demolition of buildings comprising retail, offices/commercial and residential

- Utility Diversions & Drainage.

## 2 Main Highway Works Contract

- Realignment of the A320 (Guildford Road) to include new road construction, footways, shared footways and cycleways, loading bays, signalling etc.
- Resurfacing works, kerb lines, island crossings.
- Road markings and signage etc.

## 3. Other Contracts

- Victoria Arch Railway Bridge (by Network Rail)
- Railway / Permanent Way Works (by Network Rail)

A feature of the procurement strategy is the use of enabling works contracts to clear the site of existing structures, services and below ground risks in advance of committing to the main highway works. The division of the works into separate contracts also helps to reduce risk across the development phases and alleviate end pressure on the design programme.

### Procurement Drivers

The procurement drivers identified below reflect the balance of priorities of the main construction works.

## 1 Cost / Budget

- Early certainty of out-turn cost: given that cost certainty is of paramount importance, it is critical to secure the majority of the final out-turn cost at the point of awarding the contract, thus preventing 'surprises' and increased costs during construction.

- Competitive tendering: maintain competition in interest of best price.
- Optimise best value: early involvement and integration of contractors and suppliers in the procurement process and also reducing defects and improving buildability.

## 2. Time

- Earliest possible start on site: enabling works to safeguard the programme for meeting target handover dates.
- Certainty of Programme Handover Dates
- Shortest overall Programme: shortest overall Programme will reduce the risk of inflation and contractor's site preliminaries costs.

## 3. Quality

- Define design and quality at point of contact and retain the means of controlling the design and checking on quality, together with the control of discharging any planning constraints.
- Early Contractor involvement (ECI): importance of buildability in final design solutions. 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 live town centre and providing practical, safe and unimpeded access to traffic, pedestrians and services.

## 4. 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 (VFM).

## 5. Flexibility

- Retain ability to make change – without incurring excessive cost.

## 6. Accountability and Control

- The importance of protecting the Client commercially and accountability compliance with Funders and use of tried and tested methodologies is a prime consideration.

### Procurement Options

The following procurement options have each been considered to determine suitability against the key elements of the infrastructure delivery. The options are:

- Traditional Lump Sum Contract
- Design & Build (single stage tender)
- Develop and Construct - commonly know as Two Stage Design and Build (with ECI)
- Construction Management
- Management Contracting

The preferred approach for each element is as follows:

**Enabling Works (Services Diversions/Relocation of Electrical Sub-Stations if required):** The use of specialist engineering type contracts may be applied and managed/led by respective consultants (M&E Engineer or Highways Engineer) e.g. NEC3 or other appropriate form of contract.

**Demolition Works:** Given the more straightforward nature of demolitions, the use of more conventional or traditional lump sum procurement approaches based on specifications and drawings with or without quantities, particularly where the design input from sub-contractors is likely to be limited to temporary works. The plan would be therefore to tender this aspect of the works in a traditional fashion.

**Main Highways Works Contract:**

- Traditional Lump Sum Contract: discounted mainly due to the length of time involved in delivery particularly in the pre-contract period, cost certainty and retention of design risk by client.
- Design and 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 would 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.
- Construction Management / Management Contracting: this is unlikely to give the level of cost or programme certainty required. Also, an immediate start is not required as there are enabling projects required, which can be contracted separately.

**Preferred Option:** In order to achieve the best solution for achieving the above objectives, the preferred option would be to follow a Develop and Construct arrangement, commonly known as Two Stage Design and Build (with ECI). This allows early commencement of Contractor procurement as the design is developing. The proposed route will involve the following key steps:

1. Advertise and issue a Pre-Qualification Questionnaire (PQQ) outlining selection criteria and inviting contractors to submit information and answers to formed questions suitable for the project. The PQQ will be assessed and marked to arrive at a select list of suitable contractors (maximum 4-6) to invite tenders.
2. Stage 1 Tender – this will be based on competitively tendered Preliminaries costs, mark-ups percentages and possibly some early work packages.
3. Stage 2 Tender – as the design develops, sub-contract packages will be issued for pricing purposes. These will be priced in competition based on quantities where appropriate and continually cost checked against the cost plan. Ultimately a Lump Sum Tender Price and Contract Sum will be achieved at the end of the process. The intention would be to obtain a Contract Sum before a main contractor commences work, thus the requirement to complete the design to Stage 4 following on after Planning Consent. The two key aspects to this approach include:
  - a. An opportunity to use for the Highways Works Contract the NEC 3 Engineering and Construction Contract (option type to be confirmed but design and build inclusive). Design Team members can be novated as appropriate. The selection of the NEC suite of contracts to deliver the Works reflects a desire to create a culture to meet our objectives of mutual trust and co-operation.
  - b. As part of the Stage 2 Tender process, Value Engineering proposals may be examined with contribution by the Contractor for consideration by the Client and Design Team. This will ensure buildability and best value solution. A shared saving arrangement (Client/Main Contractor split) could also be included as an incentive to keep sub-contract packages as competitive as possible, without compromising on quality.

**Next Steps:**

Should the project proceed the procurement strategy will be further developed to the next level of detail. To do this, the following actions will be followed:

1. Update and submit Procurement Report for Sign Off
2. Contract form options – consider and select
3. Develop a procurement and construction programme
4. Define the level of design to be tendered for the main Contract
5. Define Scope of Works packages for Early Works / Enabling Works
6. Identify fee commitments
7. Submit report on cost and programme implications for first stage tender
8. Receive instruction to proceed with tender process
9. Commence dialogue with lawyers to identify requirements for procurement process and contracts
10. Start to identify suitable contractors to test recommended procurement approach
11. Develop PQQ and evaluation criteria.

**Network Rail**

All proposed works to the Victoria Arch Railway Bridge will be designed, procured and implemented separately by Network Rail. The Network Rail Infrastructure Projects procurement strategy for Control Period 6 (2019 to 2024) is attached at appendix 5.3.1 B. Whilst this procurement strategy is generic in nature, it will be applied to all Network Rail procurement activities, including the bridge element of this scheme.

**Engagement with Contractors**

A great deal of engagement with contractors has been undertaken to date. Many of the discussions with contractors/professionals are based on existing relationships that have proven to be successful in the delivery of the Victoria Square development and the Woking Integrated Transport Project. Engagement to date includes:

**Highways:** WSP for a detailed design and initial costing exercise. WSP have also been responsible for undertaking a highway proposal Consultation exercise as well as assisting with preparation of this business case. A number of highways contractors have also been engaged and have confirmed that they will bid for the highways works element. These include Farrans (currently delivering the WITP project) and Volker Fitz-Patrick who have worked with WBC in recent years to deliver large projects such as the Hoe Valley Flood Alleviation scheme which had a cost of £43.5m.

**Professional expertise:** WH Stephens have assisted in the development of the Business Case. Discussion with WH Stephens to support the scheme in respect of procurement and project/contract management is at an advanced stage. WH Stephens currently fulfil the QS role for both the Victoria Square and WITP projects.

**Please outline the procurement strategy to ensure build out of the wider scheme, including engagement with development partners to date, including use of SPVs, other joint ventures and legal proposals to bring forward homes**

It is not yet possible to provide a procurement strategy to ensure the build out of the wider housing scheme. The purpose of this scheme is to deliver necessary infrastructure within the town centre that is required to unlock 13 development sites as listed at 1.2.9 to enable a collective total of 4,555 homes to be delivered. The scheme itself will not deliver housing and each site will be developed by external developers on a case by case basis.

Formal discussions are advanced with the owner(s) and/or the developers of each site. Letters of support for each of the 13 sites, indicating a commitment to this scheme (which is an essential precursor to sites being granted planning permission) and to bring their respective developments to fruition is attached at appendix 5.3.3 A.

Whilst formal discussions are underway with a range of private investors to secure housing development for all of the sites, detailed designs and costings for each site is not yet known. The reason for this is simply because many of the sites cannot deliver housing of the scale and density that is required within the town centre without the local area first benefiting from the necessary infrastructure that HIF will deliver. The transport modelling undertaken as part of this bid confirms that existing infrastructure would not be able to cope with additional traffic associated with a substantial increase of homes in town centre, and at a practical level, planning permission would not be granted as per WBC local plan policies.

The allocation of HIF and the commitment to deliver the necessary town centre infrastructure will unlock the planning impasse and provide developers with the certainty they require. This certainty will allow developers to commit to the significant investment that will be required to take their proposals to the next stage, taking into account aspects such as costed appraisals, financing and planning applications etc.

It is important to note, however, that many of the developers already have ownership, or are in the process of acquiring ownership, of the development sites. Section 1.2.2 lists the current ownership arrangements and many sites are in a good position to take forward. Sites 2 and 5, for example, are owned by Network Rail and work to determine development potential has already been undertaken (see section 6.1.6).

It is also possible at this stage to provide an indicative timetable of the delivery of each site should funding be received in full. This timetable is based on ongoing discussions with each developer and is attached at appendix 5.3.2 A. This timetable illustrates the full life cycle of each development, from submission of planning application to consent, to

commencement of build and through to completion.

The progress of the development timetable, and commitment of developers to deliver, will be subject to ongoing review. The WBC Chief Executive and Deputy Chief Executive are in direct discussion with developers to enable as much preparation as possible and the status of the HIF bid forms a big part of this dialogue. Confidential development agreements have been signed for some of the sites which can be provided on a case by case basis on request (please note that we have been advised not to upload confidential documents of this nature onto the portal). Once the infrastructure is in place, development agreements will be sought with each developer to ensure joint commitment to delivery.

There are a range of methods that WBC will use to ensure that the build out of the wider housing scheme is policy compliant. The Section 106 Agreements will be site specific based on the individual proposals that will come forward, but will take into account any contribution that would have been sought for transport improvement had the scheme not been implemented. The amount that will be captured will be recycled to deliver other necessary infrastructure such as education, green infrastructure and Suitable Alternative Natural Greenspace to support the housing and other types of development that the bid will unlock.

WBC will use an overage clause to recover any value towards Affordable Housing provision that could not be captured at the point of determining the application due to viability issue but which is realised at a future date. WBC has an adopted Supplementary Planning Document that sets out how it would use the overage clause.

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

Filename	Description
5.3.2 A.pdf	Housing Sites Delivery Schedule
5.3.3 A.pdf	Letters of Support from Developers

**Implementation timescales**

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

The answer below sets out an overview of the implementation timescales associated with the procurement strategy set out in answer 5.3.1. The timescales have also been inserted in the outline delivery programme shown within answer 7.4.3.

**Part 1 - Acquisition of the Triangle & Demolition of Existing Buildings**

- Q1 2019 - Complete Acquisition of the existing "Triangle" Development

- **Q1 2019** - Statutory Approvals (Section 80 Notices etc.)
- **April 2019** - Pre-Demolition Surveys & Investigations
- **April / May 2019** – Compile Select list of Approved Contractors (ITT)
- **May 2019 to Mid June 2019** - Tender Preparation - Demolition package
- **Mid June 2019 to end July 2019** - Tender Period
- **August 2019** - Tender Analysis / Assessment / Recommendation / Approval
- **End August 2019** - Contract Award
- **Early September 2019** – Mobilisation (including approvals – Temporary Works approvals, Network Rail BAPAs, Utilities etc.)
- **Mid September 2019** – On site Demolition commencement (Assumed 12 month duration)
  - Utility disconnections / isolations
  - Soft Strip
  - Demolition of the Existing Buildings (including removals)
  - Basement Removal & Level Site
- **Mid September 2020 - Practical Completion**

**Part 2 - Main Highways Works Contract**

- **Q3 2019 - Advertise and Issue Pre-Qualification Questionnaire (PQQ)**
- **Q3 2019 - PQQ Assessment / Scoring**

- Q4 2019 - Stage 1 Tender (based on competitively tendered Preliminaries costs, mark-up percentages etc.)
- Q4 2019 - Stage 1 Tender Analysis, Assessment and Reporting
- December 2019 - Instruction to Proceed to Stage 2 with a preferred Contractor
- Q1/Q2 2020 - Stage 2 - Detailed Design / SCC Technical approvals / Engagement with Utilities
- Q2 2020 - Stage 2 “Open Book” tendering of Sub-Contract packages as design develops
- July 2020 - Agreement of Fixed Price Lump Sum Contract / Tender Recommendation
- End July / Early August 2020 - Contract Award
- Q4 2020 - Mobilisation (including approvals – Traffic Management approvals, Temporary Works approvals, Network Rail BAPA's, Utilities etc.)
- December 2020 & January 2021 - Christmas Moratorium on Town Centre Highways Works
- Q1 2021 / Q2 2021 - Utility Diversion Works
- Q1 2021 / Q2 2021 - Phase 1 - Guildford Road (North – adjacent Demo site)
- Q3 / Q4 2021 - Phase 2 - Guildford Road (South of Demo site)
- December 2021 & January 2022 - Christmas Moratorium on Town Centre Highways Works
- Q1 / Q2 2022 - Phase 3 – Victoria Road / Station Approach and junction with Oriental Road / Heathside Crescent
- June 2022 to November 2022 - Phase 4 – Victoria Way (below Railway Arch)
- November 2022 - Completion

Part 3 – Network Rail Victoria Arch Bridge Strengthening / Permanent Way Works

- **April 2019** – Feasibility Study produced, priced and validated
- **August 2019** – Complete GRIP 2 ready for GRIP 3
- **September 2019** – Instruct designers, mobilise for initial surveys
- **December 2019** – issue designs and contractors
- **January 2020** – develop construction methods and contract programme
- **February 2020** – NR internal planning procedures
- **May 2020** – Complete GRIP 3 – 4 products
- **October 2020** – instruct designer and commence procurement
- **March 2021** – start on site
- **August 2022** – complete all site works

A detailed Network Rail Programme is attached at 7.4.3.

### **Please provide an overview of your phasing and implementation strategy for the wider scheme**

The detailed project plan for the highways and acquisition/demolition works is attached at appendix 5.4.2 A. The detailed project plan for the bridge works undertaken by Network Rail is attached at appendix 5.4.2 B. It is also possible at this stage to provide an indicative timetable of the delivery of each site should funding be received in full. This time table is based on ongoing discussions with each developer and is attached at appendix 5.3.2 A. This timetable illustrates the full life cycle of each development, from submission of planning application to consent, to commencement of build and through to completion.

### **Contract management approach**

#### **Please provide details of your approach to contract management and any details of any arrangements already in place - this should include charging mechanisms**

Discussion with WH Stephens to support the scheme in respect of procurement and project/contract management is at an advanced stage. WH Stephens currently fulfil the Quantity Surveying, procurement and contract management role for both the Victoria Square and WITP projects and are therefore part of a tried and tested governance structure that has an excellent record of delivery.

WH Stephens specialisms includes Project and Programme Management, Quantity Surveying, Cost Management, Building Surveying and Principal Designer Services. It is anticipated that WH Stephens will be appointed to take control of the full day to day Project and Programme Management and, where necessary, provide a full multi-disciplined design team to assist the scheme. In line with this arrangement, the approach WH Stephens will take is as follows:

Effective Project / Contract Management of the particular contracts (Surveys/ Demolition/Construction/Professional and Specialist Services) will be achieved through use of competent, experienced and empowered contractors and professionals. This can be achieved by implementing an agreed Project Execution Plan (PEP). The PEP will emphasise adherence to the Scope of Works and Scope of Services to provide a framework for successful delivery. The PEP will address:

- Description and specific requirements of the project/individual contracts.
  
- Specialists/professional services envisaged.
  
- Aims and objectives of the project.
  
- Developed brief.
  
- Policy and regulatory content.
  
- Project specific directory.
  
- Communications and reporting protocols.
  
- Roles and responsibilities.
  
- Project specific programme.
  
- Change Management procedures.
  
- Risk Management procedures.
  
- Value Management procedures.
  
- Legal parameters.
  
- Key Performance Indicators (KPI's).

- Document Control procedures.

### **Professional/Specialist Services Contracts**

Professional and specialist services providers will be appointed through an approved protocol and standing orders procedure with an Agreement and Services contract. The form of Contract will likely be a standard form for the particular service e.g. NEC3 Professional Services Contract (PSC). As required, under the NEC3 contract, the team will work in a spirit of mutual trust and co-operation to deliver the service to the satisfaction of the Employer. The services contracts can be managed through the particular/core contractual clauses:

- general obligations
- responsibilities of the parties
- time and programme, dates, etc.
- quality – managing and connection
- payment and charging mechanism – price for services by lump sum (preferred option) and to an agreed schedule of drawdown or at particular milestone events
- compensation events – use of early warning procedures and meetings to highlight, with assessment thereafter and payment
- rights to material – parties use of
- indemnity, insurance and liability – correct cover put in place
- termination – procedures

### **Works 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, identified as Surveys and Investigations, Enabling Works, Demolitions and Highway Works.

Respective contracts can be drawn up and implemented using standard contract forms e.g. JCT With/Without Quantities or NEC3 Engineering and Construction Contract. The projects can be properly managed and administered during construction by:

- 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.

## Please provide details of the proposed key contractual clauses

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.

**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 (see also 5.51).

**Compensation events:** entitlement for changes or variations to the works; notification of events, quotation, assessments and implementing.

**Title:** plant and materials including outside the site.

**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.

**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
- delay damages
- performance or parent guarantee bonds
- advanced payment
- retention

Amendments or modifications to the contract conditions ('Z clauses' under NEC3) will also be prepared by the Employer or on the Employer's behalf and included in the tender documentation for agreement and incorporation into each contract.

### **Additional information**

**Please provide details of the proposed key contractual clauses**

<b>Filename</b>	<b>Description</b>
5.3.1 A.pdf	A320 Woking Town Centre Procurement Strategy
5.3.1 B.pdf	Network Rail Procurement Strategy
5.3.2 A.pdf	Sites Delivery Schedule
5.4.2 A.pdf	Project Plan for Highways and Demolition Works
5.4.2 B.pdf	Network Rail Victoria Arch Project Plan
5.3.3 A.pdf	Letters from Developers
5.1.1 B.pdf	Curchods and Seymours Market Analysis

## **Financial Case**

**What are the total scheme costs?**

£114,922,700

**Will the infrastructure costs be 100% funded through HIF?**

No

**Please provide a summary of the total infrastructure costs of the project**

<b>Description</b>	<b>Type</b>	<b>Cost</b>	<b>HIF Funding</b>
Acquisition of the Triangle site (minus WBC acquisitions) as per Churchod Report.	Land (exc. Sunk costs)	£20,645,000	£17,645,000
Acquisition of the Triangle by WBC.	Land (exc. Sunk costs)	£4,345,000	£4,345,000
Surveys & Removals	Infrastructure	£1,120,000	£0
Services Isolations & Disconnections	Infrastructure	£560,000	£0
Demolition of Existing Buildings	Infrastructure	£5,040,000	£0
Level site on completion	Construction	£280,000	£0
Section 1 - Victoria Road / Station Approach and junction with Oriental Road / Heathside Crescent	Construction	£798,324	£798,324
Section 2 - Victoria Way (under Railway Arch)	Construction	£2,268,900	£2,268,900
Section 3 - Guildford Road North	Construction	£642,168	£642,168
Section 4 - Guildford Road South	Construction	£436,104	£436,104
Surveys /Trial holes/Investigation Works	Infrastructure	£150,000	£150,000
Traffic Management	Infrastructure	£156,000	£156,000
Network Rail Engineer's fees (working adjacent railway)	Professional fees	£200,000	£200,000
Phasing / Sequencing costs	Construction	£400,000	£400,000
Utility diversions and infrastructure works	Infrastructure	£3,850,000	£3,850,000
Utility diversion alteration works associated with Railway Arch works	Infrastructure	£1,440,000	£1,440,000
Contractor's OH&P. Refer to WHS Preliminary Budget Estimate, Issue 1 - November 2018	Professional fees	£537,730	£537,730
Professional Fees - 15% of Highways Works and Demolition Costs - Refer to WHS Preliminary Budget Estimate, Issue 1 - November 2018	Professional fees	£2,572,000	£2,572,000
SCC Fees - 12% of Highways Works and Demolition Costs - Refer to WHS Preliminary Budget Estimate, Issue 1 - November 2018	Professional fees	£2,201,600	£2,201,600
SCC Commuted Sum costs - Refer to WHS Preliminary Budget Estimate, Issue 1 - November 2018	Other	£467,500	£467,500
Inflation provision to an assumed project mid-point (4% on Highways Works and Demolition Costs - Refer to WHS Preliminary Budget Estimate, Issue 1 - N	Other	£1,165,000	£1,165,000
Contingency. Refer to WHS Preliminary Budget Estimate, Issue 1 - November 2018.	Contingency	£647,374	£647,374

Network Rail bridge replacement costs	Construction	£65,000,000	£55,000,000
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**Please provide a summary evidencing how you have assumed these costs**

**Land Acquisition**

Costs included within the WH Stephens cost report for the acquisition of the Triangle site are based on the report prepared by Churchod & Co. Chartered Surveyors and Land Property Consultants (appendix 6.1.10 A). The values provided relate to the buildings as they presently exist and where there may be some enhanced value obtained in respect of any redevelopment, refurbishment or conversion opportunity. The report has been undertaken by way of a desk top survey as well as the professional experience of Churchod & Co. (Woking based Consultant) together with information provided by Land Registry, Valuation Office, and Planning Records.

**Demolition and Enabling Works**

Demolition and enabling works / site clearance costs included within the cost breakdown have been prepared by WH Stephens and are largely based on benchmarked cost data from similar demolition projects on which they have been involved in the Town Centre. A detailed cost breakdown for the full infrastructure scheme, including the demolition and enabling works is attached at appendix 6.1.9 A.

WH Stephens provide cost management services on the Victoria Square development to the North side of the existing Railway arch. As part of this development, a number of enabling contracts were commissioned (2016/2017) to demolish the following Buildings on a similar, constrained town centre site to the "Triangle" site:

- Former Post Office building
- Former Fire Station building
- Former Globe House Office Building
- Frontage of existing Export House office accommodation
- Retail units of the Wolsey Place Shopping Centre
- Residential Apartments above the retail units

The site area of the Triangle is comparable to that of Victoria Square and the age and construction of the buildings to be demolished are also similar in type. Victoria Square costs have therefore provided a benchmarked market test for inclusion within the cost breakdown for this submission. Market cost advice has also been obtained through engagement with the supply chain.

Demolition costs also include allowances for the associated surveys (asbestos, structural, SI, trial hole investigations etc.) and removals (asbestos, contamination etc.) together with all associated utility isolations and disconnections. Again, these allowances have been built up from previous costs from the above demolition contracts.

An inflatory uplift has been applied in line with published market indices to bring these rates up to present day values. WH Stephens have also tendered (Q3 2018) demolition of the existing Red Car Park structure in Woking Town Centre which involves demolition of a 7 storey car park and retail units on a building footprint of approximately 4,500 square metres.

Demolition costs included within the cost assessment cover grubbing up and removing existing foundations. Given the split-level nature of the Triangle site between Victoria Way and Guildford Road, WH Stephens have also allowed for general site preparation and clearance to an assumed formation level. Costs associated with these works have also been calculated using benchmarked cost/m2 data from the Victoria Square project and other recently completed developments in the Town Centre (Victoria Square, Woking Fire Station etc.).

**Infrastructure Costs**

Infrastructure costs calculated for the scheme have been based on "real" / known cost data from completed civil engineering /

infrastructure projects within the Town Centre.

WH Stephens have provided cost management services on the S278 Highways project (programmed for completion February 2019) which will have delivered £23m of infrastructure upgrade and reconfiguration within the heart of the Town Centre (on the Northern side of the railway line).

These market tested costs have been used as the benchmark for building up costs for enhancing the infrastructure as proposed as part of this funding bid on the Southern side of the town centre. Costs for road surfacing, paving, kerbing, cycle paths, service trenching, drainage, street lighting, signalling and the like for the existing town centre scheme are current, with the project programmed for completion in 1Q 2019.

Similarly, assumptions on levels of sequencing, phasing, out of hours working and traffic management required to complete the proposed infrastructure works, together with other associated costs ("SCC fees, SCC Commuted Sums etc."), have been based on the current S278 project referenced above.

#### Utility Costs

Having completed the enabling contracts for the Victoria Square Development over the last year on the north side of the railway line, WH Stephens have benchmark cost and programme data for the utility diversion and incoming utility infrastructure works for a development which provides approximately 429 new homes in Woking Town Centre. These works involved liaising and engaging with the following utility bodies in relation to utility diversions and incoming utility provision for the development:

- Thamesway Energy – incoming Heating, Cooling and Power
- SGN – incoming Gas infrastructure
- Affinity Water – incoming Water infrastructure
- Thames Water – Sewerage upgrade works
- BT – telecoms provider
- Vodafone –highway diversion works
- Virgin Media – highway diversion works
- UKPN – highway diversion works

The infrastructure provision which would be supported by this bid would be installed on the opposite side of the railway bridge from the Victoria Square development (at a distance of less than 200m). The "as installed" drawing information for each of the above utilities is recent and up-to-date, providing a solid starting baseline for assumption of the additional utility provision required for the "Triangle" development and future residential developments on the South side of the railway line.

The cost breakdown provided is based on the benchmark cost data of Victoria Square development and the S278 Highways projects in the town centre which are current as at today's date.

The infrastructure works for future distribution of energy generated from the Energy Centres at Poole Road (Heat & Power) and Victoria Square (Cooling) have been part carried out through the referenced S278 Highways project. This scheme has facilitated the installation of service ducts and pipework to facilitate the future distribution of energy network to the planned developments north of the railway and is programmed for completion in February 2019.

The infrastructure works proposed as part of this submission would involve extension of the Thamesway distribution network to the South side of the railway for proposed developments such as "the Triangle" and future residential schemes in this vicinity (refer to development sites listed in question 1.2.9). Costs have been included within the breakdown for this extended distribution network for future use by the Distribution Network Operator (Thamesway) based on the benchmarked cost data of the previous schemes.

#### Network Rail Bridge Strengthening Works

Costs included in the cost breakdown for engineering and strengthening works to the existing railway arch / bridge have been prepared by NR (appendix 6.1.9 B). These costs are based on NR's market experience and in-house cost library for schemes of similar scale, complexity, nature and programme.

#### Professional Fees

Allowances for Professional and Statutory Authority Fees have been based on the completed / current schemes being undertaken in Woking Town Centre (as referenced above) and updated to reflect the programme delivery timescales. SCC S278 fees, commuted sum costs and the like have been calculated on a pro rata basis based on the referenced highway scheme to the North side of the railway.

#### Design development / Contingency

Given the level of design information currently available, design development and contingency allowances have been included on a % basis of the net cost as is normal practice when cost planning on schemes of this size, nature and complexity.

No attachments

#### **Can you provide detailed costing for the housing element of the wider project that forms part of your total scheme costs?**

No

#### **Please explain why these are not currently available and when you expect them to be more developed**

This purpose of this scheme is to deliver necessary infrastructure within the town centre that is required to unlock 13 development sites as listed at 1.2.9. The scheme itself will not deliver housing; each site will be developed by external developers on a case by case basis.

Significant progress has been made to identify developers and to agree the scope/schedule of development across the town centre (see 5.3.2 and 5.3.3). This is particularly true of housing development sites 2 and 5, which is land owned by Network Rail. Network Rail was commissioned in April 2018 to undertake a Woking Land Strategy Site Development Report. The purpose of the report was to strategically assess Network Rail's operational requirements at Woking Station, including sites 2 and 5, to identify the redevelopment potential of its landholdings. The report covers local planning and housing demand, development considerations, build costs, programme and sequencing. The report was completed in October 2018 and is attached at appendix 6.1.6 A. The findings of the report are based around a Minimum, Medium and Maximum level of development that takes account of the scope of development and the number of new homes that can be delivered. All 3 options have been fully costed as detailed in the Development Appraisal document (appendix 6.1.6 B).

Whilst formal discussions are underway with a range of private investors to secure housing development for all of the other sites, specific detailed costings for each site is not yet known. The reason for this is simply because many of the sites cannot deliver housing of the scale and density that is required within the town centre, without the local area first benefiting from the necessary infrastructure that HIF will deliver. The transport modelling undertaken as part of this bid confirms that existing infrastructure would not be able to cope with additional traffic associated with a substantial increase of homes in town centre, and at a practical level, planning permission would not be granted as per WBC local plan policies. The allocation of HIF and the commitment to deliver the necessary town centre infrastructure will unlock the planning impasse and provide developers with the certainty they require. This certainty will allow developers to commit to the significant investment that will be required to take their proposals to the next stage, taking into account aspects such as costed appraisals, financing and planning applications etc.

A timetable of the delivery of each site, which is based on ongoing discussions with each developer, is attached at appendix 6.1.6 C. This timetable illustrates the full life cycle of each development, from submission of planning application to consent, to commencement of build and through to completion.

Please note appendices added to Management Case Additional Information, as not possible to add more than one appendix to the

Financial Case Additional Information.

**Please provide a detailed cost plan for the scheme proposed to be fully or part funded by HIF.**

Filename	Description
6.1.9 A.pdf	Cost Plan for Highways and Acquisiton/Demolition Works
6.1.9 B.pdf	Network Rail Cost Plan

**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)**

All of the land costs associated with this scheme are based around the acquisition of the Triangle site. As already explained at 1.1.3, the acquisition and demolition of all property located on the Triangle is fundamental to the delivery of highways enhancements. The main body of the Triangle site comprises a variety of retail, residential and office buildings.

Local land agent specialists Curchod & Co. were appointed in September 2018 to prepare a valuation report for the Triangle (appendix 6.1.10 A). The nature of the report was a 'desk top' review but Curchod were able to supplement this with their specific knowledge of various properties within the site. This has enabled Curchod to form a conclusion as to the full value of the properties within the site that is as accurate as possible. Information has also been cross referenced with Land Registry, Valuation Office and Planning Records as appropriate.

The values that have been provided relate to the buildings as they presently exist and where there may be some enhanced value obtained in respect of any redevelopment, refurbishment or conversion opportunities. When calculating the current land value figure, the redevelopment of the whole site in its entirety, nor any impact on the existing properties as a result of proposed works in the immediate vicinity which may be to its detriment is taken into account.

The acquisition report lists each property (or collection of properties) on the Triangle and provides a description of the type of property and its build, as well as history of lease and freehold ownership. As referenced elsewhere, the total land cost of the triangle is estimated to be £24,990,000.

Please note appendices added to Management Case Additional Information, as not possible to add more than one appendix to the Financial Case Additional Information.

**Please attach any evidence to support how the land cost has been assumed**

Filename	Description
6.1.10 A.pdf	Triangle Site Valuation Report

## Funding and Financing Sources

Have you applied for or received, other public funding or financing for the scheme?

Yes

Please provide details of the public funding applied for and / or received

Details of funding	Funding type	Status
EM3 LEP: funding of £523k to commission NR to undertake GRIP1 & 2 appraisal of bridge replacement options.	LEP Funding	Received
WBC: contribution of £132k to Network Rail GRIP1 & GRIP2 costs	Other (please detail)	Received
WBC: £75k to commission NR to undertake a Land Strategy appraisal to look at housing development opportunities.	Other (please detail)	Received
WBC: £317k for professional support to develop the Business Case and highways design.	Other (please detail)	Received

What are the overall funding sources for the infrastructure scheme?

Description	Source	Total amount	Amount secured	Amount to secure	18/19	19/20	20/21	21/22	22/23	Future years
	HIF (this bid)	£94,922,700	£0	£94,922,700	£0	£23,730,675	£23,730,675	£23,730,675	£23,730,675	£0
NR identifies deck replacement works as a cost it would have to pay irrespective of bridge replacement and therefore forms their contribution.	Other non-Central Government	£10,000,000	£0	£10,000,000	£0	£0	£0	£5,000,000	£5,000,000	£0
WBC will provide advanced funding of £10m via a loan from the PWLB. This advance funding will be repaid in due course from CIL contributions.	PWLB	£10,000,000	£0	£10,000,000	£0	£2,500,000	£2,500,000	£2,500,000	£2,500,000	£0

**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**

It is anticipated that the majority of funding for this scheme (£94,922,700) is sourced from HIF. This represents 82.6% of the total scheme cost and enables a degree of certainty to be applied to the expenditure plan and associated cashflow, should full funding be received. The remaining £20m required for the scheme (17.4%) will be equally sourced from WBC and Network Rail.

WBC will be providing the lead (as agent for SCC) on the delivery of the infrastructure. WBC will provide advanced funding of £10m via a loan from the Public Works Loans Board. This advance funding will be repaid in due course from CIL contributions resulting from the developments that this scheme will unlock i.e. based on the likely CIL from the 4,555 units, an aggregated contribution of £10m can be claimed from this source. This approach will enable contributions from developers to be paid over a longer timescale than the project itself requires.

The final contribution of £10m will come from Network Rail as part of their contribution to the deck replacement works that would have to be undertaken at Victoria Arch regardless, to support delivery of their grade separated junction project. The £10m will be deducted from payments to Network Rail over the 18 month bridge replacement timetable, as part of their commitment to the delivery of the overall bridge replacement element.

Contingency sums have been added to key elements of the scheme to ensure that the risk of cost over-run is mitigated. This applies to the highways works which have an allocated contingency sum of £281,674 (5%) and the demolition works on the Triangle of £365,700 (also 5%). All highways and demolition costs have also been based on an inflation increase of 4% to projected scheme mid-point of Q3 2020.

The other key element of the scheme is the replacement of Victoria Arch with a widened bridge. This work has to be delivered by Network Rail which has applied its own costing and contingency arrangements. The way Network Rail produce cost plans is specified by the Network Rail Cost Planning Procedure. At GRIP (Governance for Railway Investment Projects) stage 1 and 2 the confidence in the base cost estimate is significantly lower than at later GRIP stages therefore an 'allowance' is applied to derive the 80% confidence level (otherwise known as the 'P80'). The 'allowance' applied to the 'Base Cost Estimate' to derive the 'P80' value is 66% for GRIP Stage 1, which is the position that the current design of the bridge is at. For the purposes of this HIF bid, it is considered prudent to apply the full 66% Risk Allowance to ensure a robust estimate. It is worth noting, however, the risk allowance will drop to 40% at GRIP Stage 2. At GRIP stage 3 and onwards a Quantitative Cost Risk Assessment (QCRA) is carried out to provide the P80 value.

The contingency that has been assigned to each element of the works is considered adequate to cover cost increases that arise during implementation. Any excess above the contingency will initially be funded by WBC but the full amount will be financed on a 'first call' on income resulting from land surplus as part of the disposal of site 7, which WBC will have acquired as part of the scheme. This potential source of funding will be a useful tool to de-risk the deliverability of the project.

Cost management arrangements will also seek to minimise the risk of cost overruns. In the first instance, value engineering solutions will be applied during the design and tendering phases to resolve any cost increases that might arise.

The cashflow management will be undertaken by WBC and it will therefore carry the inherent risk of cash-flow variances, particularly where contributions from third parties are concerned. This risk is considered to be low as the contributions from Network Rail will be direct deductions from payments to it as part of the bridge replacement works, and the contributions from CIL are being advanced funded by WBC itself.

In relation to the question: '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.' Please see the following response:

This purpose of this scheme is to deliver necessary infrastructure within the town centre that is required to unlock 13 development sites as listed at 1.2.9. The scheme itself will not deliver housing; each site will be developed by external developers on a case by case basis. For this reason it is not yet possible to provide a funding and financing strategy for the housing scheme.

Whilst formal discussions are underway with a range of private investors to secure housing development for all of the sites, detailed designs and costings for each site is not yet known. The reason for this is simply because many of the sites cannot deliver housing of the scale and density that is required within the town centre, without the local area first benefiting from the necessary infrastructure that HIF will deliver. The transport modelling undertaken as part of this bid confirms that existing infrastructure would not be able to cope with the additional traffic associated with a substantial increase of homes in town centre, and at a practical level, planning permission would not be granted as per WBC local plan policies.

The allocation of HIF and the commitment to deliver the necessary town centre infrastructure will be a solution to the current market

failure and will provide developers with the certainty they require. This certainty will allow developers to commit to the significant investment necessary to take their proposals to the next stage, taking into account aspects such as costed appraisals, financing and planning applications etc.

Having said the above, significant progress has been made and a number of agreements have already been signed with land owners/developers to demonstrate joint commitment to delivering housing. Confidential agreements for some of the sites can be provided on a case by case basis on request (please note that we have been advised not to upload confidential documents of this nature onto the portal).

We can also demonstrate an example of financing and scheme viability for sites 2 and 5. These sites are on land owned by Network Rail. Network Rail was commissioned in April 2018 to undertake a Woking Land Strategy Site Development Report. The purpose of the report was to strategically assess Network Rail's operational requirements at Woking Station, including sites 2 and 5, to identify the redevelopment potential of its landholdings. The report covers local planning and housing demand, development considerations, build costs, programme and sequencing. The report was completed in October 2018 and is attached at appendix 6.1.6 A. The findings of the report are based around a Minimum, Medium and Maximum level of development that takes account of the scope of development and the number of new homes that can be delivered. All 3 options have been fully costed as detailed in the Development Appraisal document (appendix 6.1.6 B).

Filename	Description
6.1.6 A.PDF	Woking Land Strategy Site Development Report
6.1.6 B.pdf	Network Rail Development Appraisal

**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 - please reference the above table in your answer**

No attachments

## Gross Development Value

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

£1,618,300,000

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

Private sale	£705,100,000
Rent income	£291,300,000
Affordable sales income	£576,500,000
Commercial income	£45,400,000
Other	£0

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

The GDV assumptions and calculations used in this bid have been based on the following:

- The residential GDV assumptions used in the Economic Case are based on full market prices and were calculated by local property agents Curchod and Co. Curchod & Co. also calculated the commercial GDVs at those sites where commercial activity will take place. These have been used to populate the table in 6.3.2 above; and
- The GDVs reported in 6.3.1 and 6.3.2 are based on the assumed proportions of affordable properties, rental properties and 'full market price' properties at each of the 13 sites.

These proportions are as follows:

- Site 1: 65% shared ownership 'affordable sale', 35% market sale;
- Site 2: 35% affordable rent, 65% market sale;
- Site 3: 35% shared ownership 'affordable sale', 65% market sale;
- Site 4: 35% shared ownership, 65% market sale;
- Site 5: 35% affordable rent, 65% market rent;
- Site 6: 100% affordable rent;
- Site 7: 65% affordable rent, 35% market rent;
- Site 8: 35% shared ownership 'affordable sale', 65% market sale;
- Site 9: 35% affordable rent, 65% market rent;
- Site 10: 35% affordable rent, 65% market rent;
- Site 11: 35% affordable sale, 65% market rent;
- Site 12: 100% affordable rent; and
- Site 13: 35% affordable sale, 65% market sale.

For affordable housing units, the assumption is that these are available for 20% less than the full market price (based on information covering various types of affordable housing from the Government).

No attachments

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

Filename	Description
6.4.1 A.pdf	Cashflow

## Recovery

### Do you aim to recover any of the funding (to be retained locally)?

Yes

### Please provide assumed profile of recovery

<b>Up to 2020</b>	£846,494
<b>2020-2025</b>	£35,964,195
<b>2025-2030</b>	£910,209
<b>2030-2035</b>	£0
<b>Future years</b>	£0

### How will the funding be recovered?

WBC will use the development management process to capture part of the value that will be generated as a consequence of delivering the scheme. WBC will use both the Community Infrastructure Levy (CIL) and Section 106 Planning Obligation as the means for the value capture. WBC has a standard approach for calculating the CIL Charge and it is estimated that a total of £20,720,898 will be derived from the 4,555 homes that this scheme will help to unlock. This will be used to repay the PWLB loan of £10m (plus £1m interest), with the remainder being reinvested to support local infrastructure in Woking. The Section 106 Agreements will be site specific based on the individual proposals that will come forward, but will take into account any contribution that would have been sought for transport improvement had the scheme not been implemented. The amount that will be captured will be recycled to deliver other necessary infrastructure such as education, green infrastructure, Suitable Alternative Natural Greenspace to support the housing and other types of development that the bid will unlock.

WBC will use an overage clause to recover any value towards Affordable Housing provision that could not be captured at the point of determining the application due to viability issues but which is realised at a future date. The Council has an adopted Supplementary Planning Document that sets out how it would use the overage clause.

As part of the scheme, WBC will acquire the Triangle site to enable the highways works to be completed. Once acquired and with all existing property demolished, land specialists have advised that the anticipated site value will be somewhere in the region of £17m to £20m. This land will be sold to the developer as part of any development agreement. As detailed at 6.2.4, any income derived from this transaction will be used to cover any cost increases that arise during implementation. This potential source of funding will be a useful tool to de-risk the deliverability of the project.

Any surplus will be reinvested to further support local infrastructure. WBC maintains an Infrastructure Deficits 123 list (appendix 6.5.3 A) to which elements of this fund, through agreement via the Woking Joint Committee (WBC and SCC), will be committed. This will support the continued delivery of housing in the town centre and further afield.

### How do you intend to use recycling to support future housing delivery in your area?

Any surplus will be reinvested to further support local infrastructure. WBC maintains an Infrastructure Deficits 123 list (appendix 6.5.3 A) to which elements of this fund, through agreement via the Woking Joint Committee (WBC and SCC), will be committed. This will support the continued delivery of housing in the town centre and further afield.

Please note appendix added to Management Case Additional Information, as not possible to add more than one appendix to the Financial Case Additional Information.

### Additional Information

### 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

A detailed cash flow forecast for the infrastructure scheme is attached at appendix 6.4.1 A. The appendix provides an overall cash

flow forecast as well as specifics for the following elements: acquisition, demolition, highways (phases 1 to 4), utilities, professional fees, and Network Rail costs.

A detailed cost plan summary for the bridge works (which includes inflation allowance) has also been provided by Network Rail and is attached at appendix 6.4.1 B.

The cashflow projection reflects the inflation provision allowed within the preliminary budget estimate for the Infrastructure Works prepared by WH Stephens. A 4% inflation provision has been applied to the costs based on the latest industry tender price indices (as prepared by BCIS and Gardiner & Theobald at Q4 2018) to an assumed project mid-point of Q3/Q4 2020. These inflation costs are reflected in the expenditure profile provided.

Please note appendices added to Management Case Additional Information, as not possible to add more than one appendix to the Financial Case Additional Information.

No attachments

## Management Case

### Project Dependencies

Description	Critical	Outside of direct control
Acquisition of the land at the 'Triangle' site. WBC presently own 7% of the site. Agreements in principle are in place, subject to completion, for a further 58% and formal discussions are underway to acquire a further 16% of the site. WBC and SCC are working with businesses to help them to relocate if required. Compulsory purchases could be made if absolutely necessary, so the dependency is within WBC and SCC's direct control, but it will only be used as a last resort.	Yes	No
Agreement from Network Rail to undertake works to Victoria Arch Bridge. Detailed discussions have taken place with Network Rail and they are supportive of building the bridge to SCC and WBC's specifications. A formal agreement will be signed once funding has been secured. Network Rail will also sit on the project board for this scheme to facilitate effective communication between the different organisations, and to ensure that the two aspects of the scheme, the bridge construction and road widening, are aligned.	Yes	Yes
Authorisation from SCC Highways authority to undertake road works. The Highways Authority has been fully involved in the development of this scheme, so it is anticipated that permission will be granted.	Yes	No
Planning permission granted to demolish the 'Triangle'. The Planning departments at SCC and WBC have been consulted and pre application advice will be sought to ensure that plans are acceptable.	Yes	No
Secure development partners to enter into formal agreements to deliver the 13 housing sites to the scale and speed required. Discussions are ongoing to secure delivery partners. Development agreements will specify the speed and scale required.	Yes	Yes
Utilities providers to collaborate with works in a timely fashion. Utility providers have already been consulted on works. WBC and SCC have good working relationships and experience working with utility providers in the town through the Victoria Square Development and WITP.	Yes	Yes

### Project governance, organisation structure and roles

**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)**

WBC and SCC are currently working together to deliver the WITP in Woking town centre. The governance structures and oversight that have been set up and are currently working successfully for this project will be largely the same for this scheme.

The major difference to the organisation structure between WITP and this scheme is the addition of Network Rail to undertake the demolition and reconstruction of Victoria Arch. While Network Rail will appoint their own contractors and have many of their own internal processes for delivering projects, work on Victoria Arch will have to tie in completely with the delivery of the other elements of the A320 Woking town centre project. In addition, as the new Victoria Arch scheme will be paid for by HIF funding if this bid is successful, WBC and SCC will act as clients on the delivery of the bridge, as well as the rest of the project, with the ultimate say in what the specification for the bridge will be and how this will be achieved. As a result Network Rail will be fully incorporated into the governance and oversight structures already in place through WITP but any involvement in decision making will be limited to the bridge element of the scheme.

Project organisation structure

As per PRINCE2 methodology there will be four levels of organisation to manage the project; corporate or programme management, the Board, the project management team, and the delivery team.

The first level of the organisation is the corporate or programme management for the three key delivery partners, SCC, WBC and Network Rail. They have commissioned this project and appointed 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 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.
- Approving change requests to the plans and specifications that exceed the tolerances given to the Project Manager.
- Conducting stage boundary reviews (for more information on stage boundary reviews see the response to question 7.6.1).
- After a stage boundary review, confirming that the next stage can begin and approve the plans for that stage.
- Providing assurance and oversight throughout the project.
- 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.
- Communicating with corporate management and/or programme management and the various organisations involved in the project to ensure that they are updated on the progress of the project.
- Giving the final sign off that the aims of the project have been achieved and that the project can close.

The project Board will be comprised of members from the three organisations delivering the project, SCC, WBC and Network Rail, including the project sponsor from SCC and project clients from WBC (appendix 7.2.3 A). Members of the project management team will also attend Board meetings to provide the Board with information on the progress of the project. Members of the delivery team will also attend as appropriate to ensure the Board are fully informed of progress on the project, or any issues.

The project management team will be responsible for the day to day management of the project. The project management team's responsibilities will include:

- 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 the project management team's 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 more information on Risk Management procedures see the response to question 7.7.2).
- 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.

The project manager will be a member of staff from WBC. Project documentation will be created with the assistance of WH Stephens. The remainder of the project management team will be appointed following a tender process.

The delivery team will be the contractors appointed to build the new transport infrastructure. 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 Board or 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 delivery team will be appointed following a tender process.

#### Key roles and responsibilities

WBC will fulfil the role of client and SCC will provide the sponsor. The sponsor and client roles will sit on the Board and have ultimate say in what the aims and objectives of the project will be and how they will be achieved, both for the road widening and the rebuilding of Victoria Arch. The Chief Executive of WBC will take the role of client lead and will be the ultimate decision maker for the project. The Chief Executive will sit on the project Board.

The project's sponsor will be the Planning Group Manager from SCC. The project sponsors will be responsible for the day to day decision making for the project, whenever a decision is needed that goes beyond the project managers 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 Network Rail on the Board. This will be essential to ensure that delivery of the road works match up with the bridge works (for more information on how this will be managed see the response to question 7.5.1).

The project manager will be appointed from WBC 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 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 Network Rail to oversee the Network Rail aspects of the project. While they will have responsibility for the day to day management of the demolition and construction of Victoria Arch, they will report to the A320 Woking town centre Board, and will work with the overall project manager and the project management team to ensure that the delivery of the road works match up with the bridge works.

#### Decision making and oversight

Decision making and oversight for the project will centre on the project Board. The Board will meet once a month 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 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 project management team 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.

During the stage the Board 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 sponsor will inform the project manager as a potential scope change.
  2. The 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 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 WITP (appendix 7.2.1 A).

#### 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 already being used successfully in delivering WITP (appendix 7.2.1 B).

**Please provide details of the authority's resourcing for the proposal**

The resourcing for this project will be a combination of WBC and SCC staff and external professionals with the expertise needed to ensure that the project is a success. This is the same approach that has been applied for other large scale infrastructure projects, WITP and Victoria Square Development, which are being undertaken by SCC and WBC.

The WITP project, the scope of which is similar to elements of this scheme and has a budget of £23.4m, is due for completion in June 2019. The timing of this is perfect in the sense that completion will coincide with the planning stage of the HIF works. This means that the experienced project and professional team, currently comprised of combination of WBC, SCC and external consultants/contractors, will be freed up and can move on to the delivery of this scheme if required. The Victoria Square Development is scheduled for completion in April 2020 which will release yet more experienced resources to support this scheme.

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 Network Rail, SCC Highways Authority, and the Chief Executive and Deputy Chief Executive from WBC, who will fulfil the role of clients on the board. The board will have decision making responsibility for the project. All of the individuals sitting on the board have considerable experience in delivering infrastructure projects.

The project manager, with responsibility for the day to day running of the project, will be an SCC or WBC employee. The project manager will have considerable experience of delivering major infrastructure projects. The project manager will be supported by WH Stevens, who will provide Procurement and Contract Management, as well as providing the projects Quantity Surveyors. The project manager and these services provided by WH Stevens will make up the Project Management Team.

The Project Management Team will be responsible for procuring and managing the contractors that will work on the demolition of the Triangle site and the implementation of the road improvements. They will appoint a highways contractor, demolition contractor, M & E contractor, structural and civil engineers and landscape architects. These contractors will be appointed following a tender process.

The remaining element of the project, the demolition and reconstruction of Victoria Arch, will be completed by Network Rail. Network Rail will appoint contractors to complete this work using their own procurement processes. However the project manager and the project management team will feed into the procurement process, and the overall delivery of the bridge, to ensure it is built to the specifications required by WBC and SCC, and that this aligns with the overall project.

In addition to the core project team of the board, project management and project delivery, additional support will be provided to the project by several teams already in place at WBC and SCC. External stakeholder communication, as outlined in detail in the response to question 7.5.2, will be provided by Marketing and Communications teams at the organisations. Support on working with businesses in the town centre will be provided by WBC's Business Liaison team. This will include communicating with businesses that may be affected by the works, but also assisting with relocating businesses currently based at the Triangle site where possible/appropriate.

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

Filename	Description
7.2.3 A.pdf	Organogram

**Project management arrangements and project plan**

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

A detailed project plan has been produced for the delivery of the infrastructure elements of this scheme. This includes a project plan

for the highways and land acquisition/demolition (appendix 7.4.3 A) and a project plan for the bridge replacement (appendix 7.4.3 B). Each plan covers the specific details of:

- 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 attached at appendix 7.4.3 C. This timetable illustrates 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 infrastructure element of the scheme, the biggest risk/constraint is associated with the acquisition and demolition of the Triangle. This is being actively mitigated however and whilst the risk severity is considered to be 'high', the perceived probability of not being able to acquire the site within an acceptable time frame is scored as 'medium-low' (see risk register appendix 7.7.2 A). The reason for this is explained in more detail under 'constraints' below. The other land ownership status for the infrastructure element is relatively straight forward, as SCC owns the highways and Network Rail own the bridge.

Whilst this scheme is high cost and complex in certain areas, confidence in delivering the project as per the overall project delivery plan is considered to be well within SCC/WBC's expertise. Robust project management procedures will be deployed to support Stakeholder Management, Project Assurance and Project Monitoring (as detailed at section 7.5.1, 7.5.2, 7.6.1 and 7.6.2). This project is of a scale that has been delivered in the town centre by the existing team in recent years

#### 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 requirement of development partners to enter into formal agreements to deliver housing across the 13 sites. The purpose of this scheme is to unlock 13 sites to enable the collective delivery of 4,555 homes in Woking Town Centre. The infrastructure deficit currently constrains these developments but work has been ongoing for many years to identify development sites and then engage and identify potential developers. Formal discussions are advanced with the owner of each site that is listed at 1.2.2 and letters of support, indicating a commitment to this scheme and to bring their respective developments to fruition, are attached at appendix 7.3.1 A. The ownership arrangements across the 13 sites are relatively straight-forward in that they are owned or controlled by single interest parties (see 1.2.2). Where this is not the case (site 8, 9 and 13) the lead developers are engaging in a voluntary programme of acquisition. Throughout this process WBC has been in discussion with each party to support and facilitate development potential. The likes of Network Rail, for example, have already undertaken development cost appraisals (appendix 7.3.1 B) for sites 2 and 5. Woking Borough Council itself will acquire site 7 as part of this scheme and can therefore provide a further level of certainty to the 300 units allocated for development on this location. Whilst developer agreement remains a key constraint, it is considered that further progress is unlikely without the allocation of HIF support and delivery of this scheme. The reason for this is simply because many of the sites cannot deliver housing of the scale and density that is required within the town centre, without the local area first benefiting from the necessary infrastructure that HIF will deliver. The transport modelling undertaken as part of this bid confirms that existing infrastructure would not be able to cope with additional traffic associated with a substantial increase of homes in the town centre, and at a practical level, planning permission would not be granted as per WBC local plan policies. The allocation of HIF and the commitment to deliver the necessary town centre infrastructure will unlock the planning impasse and provide developers with the certainty they require. This certainty will allow developers to commit to the significant investment that will be required to take their proposals to the next stage, taking into account aspects such as costed appraisals, financing, planning applications etc.

2. Another key constraint is the requirement to fully acquire the Triangle site to enable the highways works to commence. The

strategic importance of the Triangle' is such that the scheme cannot progress unless this site can be acquired and demolished to enable the widening of the highway. To mitigate this, WBC has been acquiring parts of the site for some time and currently owns 7% of the site, with agreement in principle to purchase a further 58%. Discussions are underway to acquire an additional 16%. At this stage it is estimated that the site will be acquired around April 2019 and all indications, based on ongoing discussion/negotiation with land agents and property owners, is the CPO will not be required.

3. The requirement to enter into agreement with Network Rail to deliver a replacement bridge that is in line with our design requirements is another key constraint. Not only will the replacement bridge need to meet our requirements but it will also need to be delivered to a schedule that fits in with the wider programme. This constraint has been mitigated due to the fact that Network Rail are fully committed to the scheme and have already produced an indicative delivery programme (appendix 7.4.3 B). Network Rail has a plan to mobilise and commence works on site by March 2021 with a planned completion date of September 2022. The Network Rail programme is fully aligned to the wider scheme to ensure that highway and bridge works can run in parallel and will cause as little disruption as possible.

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

#### Project Interdependencies

Each element of this scheme is entirely dependent on the next. Although traffic capacity constraints need to be removed through the introduction of a dual carriageway, the carriageway cannot be delivered without the acquisition and demolition of the Triangle as well as the widening and replacement of the bridge. The scheme programme details the specific order of delivery, but first and foremost the Triangle must be acquired and demolished to enable the highways works to commence. The highways and bridge works will overlap but these can be delivered in such a way that disruption to the public will be minimised.

External dependencies include 1) coordinating this scheme with other Town Centre developments that are underway, 2) ensuring that NR's internal procedures and delivery times are aligned to the wider scheme and 3) scheduling the various housing and commercial development sites to be delivered at an accelerated rate that is both realistic and sustainable for the town.

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

All three parties, Surrey County Council, Woking Borough Council and Network Rail 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 all parties 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 Woking Borough Council and Network Rail will dedicate highway rights to Surrey County Council on any land in their ownership that forms part of the new highway scheme. For Woking Borough Council this will include the portion of the triangle site that will become highway and for Network Rail, the widened area under the new bridge.

#### **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 comes forward on the sites**

WBC will lead directly on acquiring site 7 which is pivotal to the overall infrastructure implementation.

WBC as planning authority will seek, through Section 106 agreements associated with each site, to secure the tenure types illustrated at 1.2.10. These agreements will be binding upon the developer and through the planning and market mechanisms, it should ensure both the number of units and the tenure types. Whilst the table outlines the total number of units by site, there will inevitably be variations in these numbers and tenure types through the planning process but the planning authority will seek to ensure that the aggregate numbers are achieved in consistency with its adopted core strategy which covers the proposal period to 2027.

It is also possible at this stage to provide an indicative timetable of the delivery of each site should funding be received in full. This timetable is based on ongoing discussions with each developer and is attached at appendix 7.4.3 C. This timetable illustrates the full

life cycle of each development, from submission of planning application to consent, to commencement of build and through to completion.

The progress of the development timetable, and commitment of developers to deliver, will be subject to ongoing review. The WBC Chief Executive and Deputy Chief Executive are in direct discussion with developers to enable as much preparation as possible and the status of the HIF bid forms a big part of this dialogue. Confidential development agreements have been signed for some of the sites which can be provided on a case by case basis on request (please note that we have been advised not to upload confidential documents of this nature onto the portal). Once the infrastructure is in place, development agreements will be sought with each developer to ensure joint commitment to delivery.

**Please summarise your maintenance strategy for ongoing costs for the scheme**

Highways

Surrey County Council will maintain the completed highways infrastructure element of the scheme as set out in its Maintenance Strategies. These are:

- Highway Prioritisation Policy and Criteria (appendix 7.3.4 A).
- Highway Safety Inspection Policy (appendix 7.3.4 B).

Road maintenance works 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 this is the A320 and 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.

Victoria Arch Bridge

The Victoria Arch Bridge is currently subject to an annual visual examination, this is standard for all NR assets and would continue to be required after renewal.

Currently the bridge is subject to a tactile detailed examination every 3-years. The renewed asset would be subject to a detailed examination every 6-years, this could be extended to a longer return period depending upon the risks present with the new design.

Current NR standards require all assets to be subject to an assessment of the capacity every 18-years, this would be the same for the existing and the new structure.

**Project milestones**

**Please provide actual or estimated dates for the following infrastructure delivery milestones:**

<b>First infrastructure planning permission granted</b>	30/04/2019
<b>Last infrastructure planning permission granted</b>	30/06/2020
<b>All land assembly completed (if required)</b>	31/03/2019
<b>Project infrastructure works started</b>	01/09/2019
<b>Project infrastructure works completed</b>	30/11/2022

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

<b>First residential units commenced</b>	30/04/2019
<b>Last residential units commenced</b>	29/09/2023
<b>First residential completion</b>	31/10/2020
<b>First residential completion</b>	29/09/2026

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

Filename	Description
7.4.3 A.pdf	Project plan for highways and acquisition/demolition works

**Please list planning references for the infrastructure works**

Planning applications have not been submitted. Feasibility designs and initial consultation have been undertaken for all elements to assist the planning application process. The next step is to engage in preplanning application discussions.

**Please list all statutory powers or consents required and already obtained to deliver the HIF works**

All three elements of the proposed bid i.e. demolition of triangle site, new road layout and widened bridge will require the benefit of planning permission. There will be early engagement with Surrey County Council as Planning Authority by way of pre-application discussions on all three elements. This will significantly improve the efficiency and effectiveness of the application process and enable better coordination between public and private resources and improved outcomes for the community. The level of information/advice provided to the applicants is wholly dependent on the depth/quality of the information submitted to the Council.

The overall proposal will be assessed (screened) against the Environmental Impact Assessment Regulations (EIA) to ascertain whether the development would be EIA development and as such whether an Environmental Statement (ES) would be required to be submitted with the application. Following (or at the same time as submitting the screening request) Surrey County Council (as applicant for the demolition of the triangle site and new road layout) and Network Rail (for the bridge) will submit scoping requests to ascertain the areas which the ES should cover. Surrey County Council has a designated EIA officer, Dr Jessica Salder.

The site is located within the urban area of Woking. The site is located within a Conservation Area and is designated as a Shopping Parade and a Major Highway Improvement Scheme. The following planning policies would apply: CS18, CS1 and CS4 (amongst others).

The National Planning Policy Framework (NPPF) directs that applicants should, before the submission of any application, engage with the local community and, where relevant, with statutory and non-statutory consultees (in this case The County Highway Authority, Network Rail, and the Borough's Environmental Health Team, amongst others). They should allow time for public consultations prior to submission, record responses, show what has been done to take into consideration the comments and submit all of this information with the planning application.

During the pre-application stage, the planner will go through the National and Local Validation requirements. They will set out all the documents required for the planning submission. Officers will also look at any draft documents to ensure all is in order prior to submission.

Once submitted, the determination period for a major development is 13 weeks (16 weeks if EIA development) however this can take longer if amendments and re-consultation are required.

Consultees and residents will be notified of the proposal for a 21 days period. The application will be assessed against the National Planning Policy Framework (NPPF), the Woking Core Strategy 2012, the Development Management Policies Development Plan Document 2016 as well as any other supplementary documents and guidance.

The application would be a committee item which will be factored into the programme so as not to cause delays to determination.

#### Specific Network Rail Consents

Network Rail currently advise that the land required for any permanent solution as part of the bridge replacement works is already Network Rail land, therefore no special consents are required as works can be undertaken under permitted development arrangements. Full confirmation of this will be provided at later GRIP stages. Any land required for temporary works/site compounds etc. would be gained through either a Transport Works Act Order or private purchase.

#### Stakeholder management

##### **Please summarise how the key delivery partners will work together effectively**

WBC and SCC have a shared vision for the future of Woking town centre. Both organisations have a commitment to develop Woking as a great place to live and work, and as a place that provides much needed housing for Woking. 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 WBC and SCC have a considerable commitment to this scheme and are invested in its successful delivery.

WBC 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 the town centre through the Victoria Square development and the WITP. In order to achieve these ambitious projects, robust governance and project management procedures have been put in place. These same procedures will be used for A320 Woking Town Centre scheme to ensure that WBC and SCC will continue to work together successfully.

Clear governance structures (outlined in detail in the response to question 7.2.1) will ensure that both organisations are represented in the decision making process for 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 managers agreed tolerances. The project sponsor will also sit on the project Board, which will have the overall decision making power for the project. The client roles for the project will come from WBC and will also sit on the board, ensuring that that both WBC and SCC are part of the decision making process which will ensure that the goals of both organisations are realised. This is vital in ensuring that both organisations remain fully committed to the scheme. This also provides one of many channels of communication between the two organisations.

As well as ensuring that both organisations are fully represented, the governance structures also show a clear chain of command for the project (see organogram, appendix 7.2.3 A) and outline who has decision making powers within certain tolerances (see responses to question 7.6.1 and 7.6.1), 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 approval from both organisations for small decisions, ensuring that WBC and SCC continue to work together successfully. However, as the tolerances and the overall specification for the project, is decided by the project Board, this does not compromise WBC or SCC's ability to ensure that their objectives are met.

There is a change control process in place for this project (outlined in detail in the response to question 7.2.1). This process ensures that anyone from the Board can issue a change request to be considered and that the Board as a whole will need to agree the change. Both organisations have the opportunity to suggest changes, but both have to agree the changes for them to take place. Again this ensures that the needs of both organisations are met. The change control process for this project has been taken from the one already being successfully used to deliver WITP (appendix 7.2.1 A).

Many members of the project team for this project from WBC and SCC have already been working together for several years on WITP or the Victoria Square development. This means that affective working relationships have been developed across the organisations.

The project manager for the scheme will be appointed from WBC, but a clearly documented part of that role will be to keep the sponsor and client from both organisations 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 corporate and programme management at SCC and WBC informed on progress of the project. The project Board will also

meet once a month to discuss the project. This meeting will be attended by the Board; which will comprise sponsor, WBC's Chief Executive and Deputy Chief Executive acting as client for the scheme and a representative from Network Rail. It will also be attended by the project manager and representatives from any contractors as appropriate. This will be an important method of communication in the project and will give a forum for decision to be made and decision makers to be kept informed.

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 managers and sponsors in keeping their respective organisations informed and the role of Board as a communication tool within the project.

Unlike the WITP project, from which the procedures outlined above stem, there is a rail element to this scheme, and Network Rail will form part of the partnership to support delivery of the project. Like WBC and SCC, Network Rail also has a strong commitment to rebuilding Victoria Arch as it is a necessary step to achieve their ambitions for Woking, with an expanded train station and services, and for the Wessex line as a whole. WBC and SCC have been in detailed communication with Network Rail to discuss the scheme and agree how it will be delivered.

While SCC, WBC and Network Rail all have a strong commitment to this scheme, they have different, but aligned, non-conflicting objectives for the work. The widening and heightening of the bridge is not essential to Networks Rail's plans, but they are prepared to build the bridge to meet WBC and SCCs specifications if they fund the construction. WBC and SCC will act as clients on the bridge aspect of the scheme with Network Rail delivering the bridge. These lead to clearly defined roles for the different partners that have been formalised in a Basic Services Agreement (appendix 7.5.1 A).

Network Rail will be fully incorporated into the communication strategy and project procedures outlined above. They will have a representative on the project Board, who will be able to ensure that Network's interests are met and that the Victoria Arch aspect of the scheme aligns with the road works.

**Please summarise how you will work with the other key stakeholders to ensure project success (i.e. local residents / businesses)**

The key purpose of the project is to unlock housing sites to enable developers to build houses. WBC is in detailed communication with developers to ensure that the housing is delivered once the sites are unlocked. Until the transport infrastructure improvement works are confirmed, developers cannot submit planning applications for these sites, as they will not be approved while the current strain on the road infrastructure continues. WBC will continue to communicate regularly, in person and by email, with developers to ensure that they are ready to progress these sites as soon as the new infrastructure is agreed.

WBC and SCC have a track record of working with businesses in the town centre. Throughout the WITP project WBC and SCC have worked with businesses to ensure disruption is kept to a minimum, with works taking place around the needs of businesses.

WBC has a dedicated team working with businesses and improving Woking for businesses. WBC will use these strong relationships to ensure that the project achieves the greatest possible benefits for businesses with the minimum of disruption. There has already been considerable support for the scheme from the business community.

Property owners and businesses in the Triangle area face the most potential disruption as this land must be acquired to allow the project to take place. WBC has already begun working with these stakeholders to assist with relocations where possible, or whatever action is most suitable for the business or property owner.

A detailed communications strategy will be developed to ensure a co-ordinated approach to internal and external communications so that residents, visitors, commuters, businesses staff, members, partners and other key stakeholders are informed about the project during its delivery. The strategy will also will include details of working with any businesses that are adversely affected by the project. This strategy will be viewed in conjunction with SCC's highway-specific communications strategy/plan and Network Rail and South Western trains communication strategies.

This communications strategy will be highly detailed, with specific information on communications activities including costing and dates. While this level of detail can not 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 road or rail is caused.
- Inform audiences of the highways and rail works and what these will entail.
- Ensure that audiences are aware of the reasons behind the project.
- Ensure that residents and visitors know that Woking remains open for business.
- 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 for Woking town centre, including the increased housing and retail opportunities that the project affords, to ensure maximum positive media coverage and reduce the risk of negative coverage.

We have identified the key stakeholders that we want to ensure we keep fully informed throughout the project:

- Residents and businesses based in Woking town centre
- Commuters – road and rail
- Shoppers visiting the town centre
- Chamber of Commerce
- Local Joint Committee
- WBC and SCC staff
- Elected Members
- Local schools and colleges
- Hospitals and doctor surgeries
- Interest groups such as freight associations, pedestrian groups, cycling and motoring groups, disability and mobility groups
- Residents' groups
- Residents across the Borough
- Neighbouring local authorities

There will be several key messages that we will communicate with these stakeholders:

- These multi-million pound highway and rail works will significantly improve the local highways network, whilst stimulating economic growth in the Town Centre.
- Project will widen A320 and Victoria Arch, reducing congestion in the town centre and improving the links between the north and the south of the town centre.
- Project will enable improvements to the rail network that will reduce congestion on services in and out of Woking.
- Additional cycling provision will be developed as part of the scheme.
- Improved environment in and around Victoria Arch will improve pedestrian access to the town centre.
- Project will allow 1000s of additional homes to be built in the town centre, many of which will be affordable homes.
- 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 housing and highway improvements that will benefit everyone in Woking Borough.
- WBC supports local business.

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 local businesses: to fully understand the concerns of local businesses. It will ensure that the Council is listening to these concerns and efforts will be made to work with local businesses to ensure the scheme works for all.
- Dedicated webpages on corporate site: the focus will be on the overall development project, but feature day-to-day updates and information about 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 traffic changes.
- Monthly update newsletter: a simple, electronic newsletter will be produced every month providing details of forthcoming works and updates on progress (appendix 7.5.2 A).
- Media relations: will be used to set out the broader objectives and to communicate that Woking is open for business through regular press releases and editorial features in local publications.
- 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.
- Woking Magazine: articles will give a wider update on projects on a regular basis.
- Advertising: to support directly impacted retailers at strategic locations around town centre. For instance, digital screens at train station or sponsoring one of Eagle Radio's morning competitions where listeners can win prizes donated by individual business.

WBC and SCC have considerable experience working with stakeholders on a transport infrastructure project in Woking town centre through WITP. 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 WITP (appendix 7.5.5 B). We will also have the opportunity to incorporate any lessons learned into the detailed communications strategy to ensure we build on the current success.

## **Project assurance**

### **What are your project assurance processes, such as gateways 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 any of the infrastructure to be built as well as descriptions. These product descriptions will be agreed by Surrey County Council, Woking Borough Council 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 Woking Borough Council, Surrey County Council 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 inline 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 A320 Woking Town Centre project has already been in place for two years delivering the WITP. This team already have a system of monthly board 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, that cannot wait for the monthly board meeting, a process will be in place for a member of the project team 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 the process that is already in place for the WITP project and working successfully (appendix 7.2.1 B). The process allows the contractors or WBC and 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 (CNCE) 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 CNCE 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:

- How many homes have been delivered? (The target for this indicator will be broken down so that there are targets to deliver a certain number of homes each year, in addition to the overall target of 4,555 homes delivered).
- How many affordable homes have been delivered?
- How many homes, by tenure, have been delivered?
- Has Victoria Arch been widened to required width?
- Has road been widened?
- Have improved cycling and pedestrian provision been put in place?
- How many passengers able to travel on rail services to and from Woking?
- How many rail services are running to and from Woking?
- How much congestion on rail services running to and from Woking?
- How long is the average journey time along the A320 in Woking town centre at various peak and non-peak times?

Before the project begins a base line measure will be taken 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, but is expected to be around 10 years for all the housing and rail improvements to be fully realised.

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.

In the WITP project external project assurance has been provided by EM3, who have invested £11 million in the scheme. 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.

### **Please provide details of your proposed internal monitoring approach for the scheme**

The longer term monitoring and evaluation of this scheme is 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 demand
- 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 WBC. The project will be assigned a project manager and sponsor. The project manager will attend the monthly project board meetings and 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 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 sponsor, who will sit on the project board and attend the monthly project board meetings, will have overall responsibility for the project and will ensure that corporate management are updated on the progress of the project.

To assist in monitoring the project, the project will be added to WBC's project management system that assesses the 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:
  - o Green if project is within budget and is expected to remain within budget.
  - o 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%.
  - o 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
  - o Green if project is within timescale and expected to remain within timescale.

- o Amber if project is expected to go over timescale but remain within 25% of total project timescale.
- o Red if project is expected to go over original timescale by more than 25%.

- Risk

- o Green if risks have need identified and successfully mitigated against.
- o 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.
- o 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

- o Green is issues are being successfully mitigated against.
- o 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.
- o 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 Councillors, corporate management and any other interested members of staff. It is also made available for the public. The report details the progress of projects, RAG flags for each of the indicators, the spend against budget and the time taken against estimated time needed. The report is presented at meetings of the Executive. At this meeting Councillors have the opportunity to ask further questions on the progress of the project. This allows for political oversight of the project.

## Risk Management

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

<b>Number</b>	1	<b>Likelihood</b>	Medium low	<b>Impact</b>	High
<b>Description</b>	Availability of Network Rail to undertake their element of the scheme (bridge replacement) in the required timeframe. Works will need to be planned and coordinated to fit in with the overall requirements of the scheme.				
<b>Mitigation</b>	<ul style="list-style-type: none"> <li>• Continue to work with NR to set clear time frame requirements.</li> <li>• Hold regular planning meetings to ensure that NR is briefed as to the progress/status of the HIF bid.</li> <li>• Compile an overarching project plan and submit to stakeholders for agreement.</li> </ul>				
<b>Number</b>	2	<b>Likelihood</b>	Medium low	<b>Impact</b>	High
<b>Description</b>	Unable to agree timing/duration of bridge works with the main line operator, South Western Railway. Any works will likely result in travel disruptions that will need to be carefully managed.				
<b>Mitigation</b>	<ul style="list-style-type: none"> <li>• Work with NR to engage South Western Railway early in the process to ensure that timings are transparent and their concerns are addressed.</li> </ul>				
<b>Number</b>	3	<b>Likelihood</b>	Medium low	<b>Impact</b>	High
<b>Description</b>	Acquiring all of the necessary land associated with the 'Triangle' in a timely and cost effective manner to enable demolition.				
<b>Mitigation</b>	<ul style="list-style-type: none"> <li>• Acquisition costs and land assembly strategy now developed.</li> <li>• Discussion/negotiation with land owners has been underway for some time and is making good progress.</li> <li>• CPO (although not the preferred choice) is a tool that can be deployed if need be.</li> </ul>				
<b>Number</b>	4	<b>Likelihood</b>	Medium high	<b>Impact</b>	High
<b>Description</b>	Secure development partners to enter into formal agreements to deliver the 13 housing sites to the scale and speed required.				
<b>Mitigation</b>	<ul style="list-style-type: none"> <li>• Discussions are ongoing to secure delivery partners.</li> <li>• Development agreements will specify the speed and scale required.</li> </ul>				
<b>Number</b>	5	<b>Likelihood</b>	Medium high	<b>Impact</b>	Medium high
<b>Description</b>	Unknown cost/disruption of service/utility diversions and responsiveness of providers to undertake works in a timely manner.				
<b>Mitigation</b>	<ul style="list-style-type: none"> <li>• Relationships have been established with service providers as part of the WITP and Victoria Square project.</li> <li>• Ensure that the project programme has realistic schedule allocated to all service works.</li> </ul>				

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. 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 risk register (appendix 7.7.2 A) 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 (above 12) 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 in the WITP. There will be a standard item on the monthly board 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 board 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 their 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 to the Board 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.

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

Filename	Description
7.7.2 A.pdf	Woking Town Centre HIF Risk Register

#### **Additional information**

**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**

To support the question 'Please attach an outline delivery programme for your proposal and the key milestones required to achieve it' please find attached additional information as follows:

The detailed project plan for the highways and acquisition/demolition works is attached at appendix 7.4.3 A. The detailed project plan for the bridge works undertaken by Network Rail is attached at appendix 7.4.3 B. Each plan covers the specific details of:

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

A timetable of the delivery of each housing development site, which is based on ongoing discussions with each developer, is attached at appendix 7.4.3 C. This timetable illustrates the full life cycle of each development, from submission of planning application, to consent, to commencement of build and through to completion.

<b>Filename</b>	<b>Description</b>
7.2.1 A.pdf	WITP Change Management Process
7.2.1 B.pdf	WITP Issue Management Process
7.4.3 C.pdf	Sites Delivery Schedule
7.5.1 A.docx	Basic Services Agreement between Network Rail and WBC and SCC
7.5.2 A.pdf	WITP Newsletter
7.5.2 B.doc	WITP Communications Plan
7.3.4 A.pdf	Highway Prioritisation Policy and Criteria
7.3.4 B.pdf	Highway Safety Inspection Policy
8 A.pdf	Equalities Impact Assessment
7.4.3 A.pdf	Project Plan for Highways and Demolition Works
7.4.3 B.pdf	Network Rail Project Plan for Victoria Arch
7.3.1 B.pdf	Network Rail Development Appraisal
6.1.6 A.PDF	Woking Land Strategy Site Development Report
6.1.6 B.pdf	Network Rail Development Appraisal
6.1.10 A.pdf	Triangle Site Valuation Report
6.4.1 A.pdf	Cashflow
6.1.6 B.pdf	Sites Delivery Schedule
6.4.1 B.pdf	Network Rail Victoria Way Cost Plan
7.2.3 A.pdf	Organogram
7.7.2 A.pdf	Woking Town Centre HIF Risk Register
7.3.1 A.pdf	Letters of Support from Developers
4.1.6 A.pdf	Curchods Market Analysis
4.1.6 B.pdf	Seymours Market Analysis
4.1.7 A.XLSX	Woking PV Calculations Final
6.5.3 A.pdf	Infrastructure Deficits 123 List

## 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**

### State Aid

This is a public highway and rail scheme aimed at improving road and rail capacity to facilitate growth in the town centre, reduce congestion, and improve general accessibility to the advantage of the wider regional economy. The project is not designed to provide any discrimination against or advantage to any commercial organisation. For these reasons we consider the scheme to be State Aid Compliant

### Equalities Act 2010

There is a need to provide a significant number of housing in Woking Town Centre, enhance Woking Town Centre's role as a transport and economic hub as well as developing it as a regional focus for economic prosperity.

The scheme is designed to provide critical infrastructure which will remove a local bottle neck, provide additional road and rail capacity, reduce congestion and improve general accessibility. The scheme could be considered controversial as the proposals could potentially affect anyone living or travelling in or around the Woking area, including:

- Anyone who travels through the Woking area (any and all modes).
- Visitors to, and residents of, Woking
- Anyone who currently cycles for transport, leisure or sport
- Anyone who currently walks for transport, leisure or sport
- Individuals who use the bus or train
- Other road users including motorists
- Businesses

As there is a potential impact an Equalities Impact Assessment (EIA) has been carried out in line with the Equalities Act 2010. This assessment has looked at the equality issues in relation to the proposed scheme. The outcome of that assessment is that there are no anticipated impacts that cannot be mitigated. The EIA is attached at appendix 8 A (please note that this is saved in the 'Additional Information' question in section 7 as the this section only allows for one attachment to be added.).

Please note appendix added to Management Case Additional Information, as there is no space to add appendices for this question.

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

Filename	Description
8 B.pdf	Section 151 Officer Sign Off