


## LOCAL AUTHORITY MAJOR SCHEMES PRE-QUALIFICATION POOL: EXPRESSION OF INTEREST

<b>Scheme Name</b>	<b>Kingskerswell Bypass (A380 South Devon Link Road)</b>
<b>Local Authority</b>	<b>Devon County Council</b>

### SENIOR RESPONSIBLE OWNER DECLARATION

I confirm that Devon County Council wishes Kingskerswell Bypass (A380 South Devon Link Road) to be taken forward for consideration for funding in the Spending Review period. I understand that any cost incurred in submitting the scheme through the prioritisation process is at the authority's own risk.

As Senior Responsible Owner for Kingskerswell Bypass (A380 South Devon Link Road) I confirm that I have the necessary authority to make the above declaration.

<b>Signed:</b>	
<b>Name:</b>	Ian Harrison
<b>Position:</b>	Deputy Executive Director of Environment, Economy and Culture

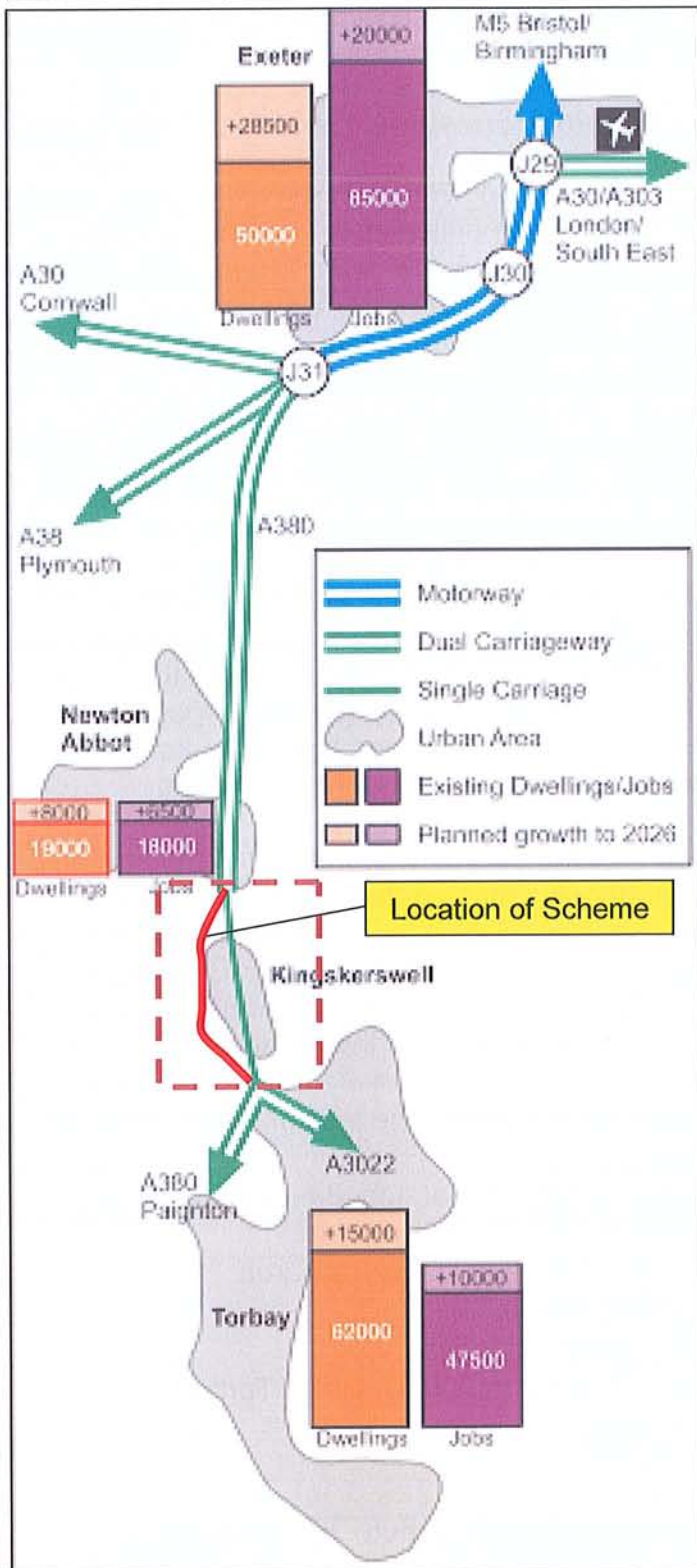
**SECTION 1: THE SCHEME AS PREVIOUSLY CONFIGURED**

*For schemes with a bid for Programme Entry (or PE combined with other approval stages) with the Department this section should describe the scheme as submitted in the business case. Please state separately if there had been any changes since business case submission prior to June 2010.*

*For schemes with a previous approval (Provisional Approval or Programme Entry) please describe the scheme as previously approved, stating separately any subsequent changes previously notified to or discussed with DfT prior to June 2010 or identified in the scheme as prioritised within the former Regional Funding Allocations.*

**1.1 Description of the scheme** This should clearly state the scope of the scheme and describe all of its key components.

**Scheme as Proposed in Business Case Submission**



The Scheme location is illustrated in the adjacent figure. The Scheme is a 5.5km dual two lane carriageway road between Newton Abbot and Torbay that will complete the improved A380 dual carriageway link connecting Torbay and South Devon to the M5 motorway. It will provide a bypass to the village of Kingskerswell where there is considerable congestion, severance and air quality problems.

It commences south of Newton Abbot with a flyover providing relief to a congested signalled roundabout. Heading south there is a short section of urban standard dual carriageway, which would be provided by widening the existing road, to the north of Kingskerswell where a junction would provide access to Kingskerswell. From here the dual carriageway swings west to bypass Kingskerswell and connects to the dual carriageway Torbay Ring Road at a traffic signal controlled junction. There would be 50 mph speed limit on the urban standard dual carriageway.

## **1.2 What are the primary objectives of the scheme?**

*Please limit this to the primary objectives (ideally no more than 3) such as reducing congestion; the problems to which this scheme is the solution. Do not include secondary objectives i.e. things that the scheme will contribute to (for example it may be an objective of a new road scheme to include improved facilities for cyclists, but that is not a primary objective)*

### **Objective 1 – Encouraging Economic Growth by Reducing Congestion Problems solved by the scheme**

The Regional Economic Strategy (RES) singles out Torbay as unique amongst the south west urban areas; in that it is the only major urban area where productivity levels are both significantly below the national average and are continuing to decline (productivity was 37% below the UK average when the strategy was drafted). The RES recognises infrastructure provision as one of the key issues to aid Torbay's economic regeneration.

The A380 is the strategic link between Torbay and the trunk road network; in its current form the congestion acts as a constraint to the Torbay and South Devon areas, seriously limiting their opportunities for growth.

The A380 carries approximately 35,000 vehicle trips per day, making it one of the busiest single carriageways in the UK. There is very little hourly or directional variation in flow for the majority of the day throughout the week, and virtually no growth in traffic since 1988, indicating that the road's useful capacity was reached over two decades ago. These high flows lead to long journey times, poor journey time reliability and frequent congestion.

The Scheme is essential for connecting Torbay with the rest of the strategic road network and reducing peripherality, making the area more resilient to meeting economic challenges and is imperative to Torbay and South Devon being able to deliver key planning and economic objectives. There is a clear link between the problems of accessibility and the economic performance of Torbay. As a result the wider economic benefits of the proposed scheme would be:

- Contribute to the development and avoid the loss of local businesses, retail and tourism activity.
- Open up the potential for investment that, together, could create an additional (net) 7,960 jobs - some of higher value
- Provide around 3,500 of these jobs in the Torbay area
- Create 750 of these jobs in the tourism industry
- Reduce local unemployment and deprivation
- Contribute to the delivery of up to 15,000 dwellings Torbay

### **Objective 2 – Promoting Sustainable Travel**

Currently there is a good bus service along the route, but its usage is constrained by unreliable timekeeping (over 50% of busses are not on time, the majority being late or very late) resulting directly from the congestion on the corridor. The provision of the Scheme would provide the bus with a congestion free route. Stagecoach the bus operator has expressed strong

support for the scheme for reasons related to journey time reliability, fleet efficiency and customer satisfaction.

Pedestrian / Cycle conditions are also severely hampered by the current high levels of traffic on the A380 and parallel routes making travel by these modes particularly unattractive. Some existing road space on the route through Kingskerswell would be allocated to National Cycle Route 28 to provide a dedicated high quality cycle connection along the corridor.

All current schools have travel plans and employer travel plans are being developed for adjacent employment areas. These travel plans are reliant on the development of alternative modes of travel such as bus, rail and cycle.

### **Objective 3 – Improving the Environment in Kingskerswell**

The extremely busy nature of the A380 acts as a barrier through Kingskerswell, causing community severance. As a result it is very difficult to cross the road unless use is made of pedestrian crossing facilities which are a distance apart and generally have relatively long cycle times. Since 95% of the traffic on the route will be removed by the Scheme the environment for pedestrians wishing to cross the road will be massively improved.

High levels of traffic also lead to poor air quality along the corridor. The District Council have declared the route of the A380 through the village of Kingskerswell an AQMA for annual mean nitrogen dioxide. Road transport is the dominant local source of pollutants and roadside concentrations of nitrogen dioxide are high. The Scheme is predicted to result in a decrease in pollution concentrations where traffic is diverted onto the new link road. This decrease affects more than 1,250 properties.

There have been over 130 accidents on the 5 kilometre stretch of road through Kingskerswell in the last 5 years. The removal of traffic from the route will mean this level of accidents will reduce to less than 10 once the scheme is open and 95% of the traffic is removed.

The congestion along the road also encourages higher flows onto alternative parallel routes; this rat-running traffic has obvious environmental and safety impacts. The Scheme will reduce flows on these roads by in the order of 70%. This will allow measures to be introduced to ensure these routes revert to their function as local access roads.

The Scheme reduces the amount of carbon per vehicle kilometre by 15% by providing a more efficient network.

### **1.3 What are the key milestones for delivery, including estimated start and completion date of the scheme as proposed?**

*Please list all relevant milestones with dates including start and completion of statutory processes, public inquiries procurement etc. For the purposes of this question assume that no Full Approval decision will be given before December 2011 and no DfT funding will be available before 2012/13. Please describe any implications arising from the non-availability of DfT funding until 2012/13 if that represents a delay to your previously assumed timetable.*

The future dates listed below represent a delay to the previous key milestones, also shown below:

#### **Revised Key Delivery Milestones:**

##### Statutory Process:

- Public Inquiry into Scheme Orders: closed October 2009
- DfT received Inspector's Report: January 2010
- Minister's decision on Orders: April 2011 (delayed due to funding availability)

##### Main Works Procurement:

- Re-invite tenders due to delay: August 2011
- Revised tenders received: January 2012
- Starting date for enabling works: June 2012 (Subject to DfT funding availability)
- Scheme opening: December 2015

##### Funding:

- Revised Submission for Full Approval: February 2012 (to fit with re-tender schedule)
- **Full Approval Received: April 2012**

#### **Previous Key Milestones**

##### Statutory Process:

- Public Inquiry into Scheme Orders: closed October 2009 (achieved)
- DfT receive Inspector's Report: January 2010 (achieved)
- Minister's decision on Orders: September 2010 (suspended)

##### Main Works Procurement:

- Invitation to tender: August 2009 (achieved)
- Tenders received: January 2010 (achieved)
- Contractor appointed: July 2010 (suspended)
- Starting date: December 2010 (suspended)
- Completion date: December 2014 (suspended)

##### Funding:

- Submission for Full Approval: March 2010 (achieved)
- Full Approval received: October 2010 (suspended)

#### **Implications arising**

1. The suspension and consequent delay to the Full Approval process has necessitated a re-tendering of the works and ancillary works contracts.
2. DfT contributions will not be required until 2012/13.
3. The delay to delivery will increase the overall scheme cost due to the effects of inflation.
4. Previous high state of readiness allows these to be simply managed.

**1.4 What are the key risks to the delivery to this timetable, aside from the availability or otherwise of DfT funding?**

*Please list the biggest risks (ideally no more than three) that have a potentially significant impact on the timing of the scheme. For each risk please describe its likelihood, and quantify the potential time delay.*

- 1. Time allowance for re-tender** – The timetable allows for a re-tender as a consequence of delayed appointment of contractor. The time allowance is identical to that provided for the earlier tender process to ensure that this risk is effectively mitigated.
- 2. Inspector's Report recommends Orders be confirmed however Minister does not confirm Orders** – The timetable assumes that the authorities receive a 'minded to confirm' decision in February 2011 so that the authorities have confidence to progress the re-tender. The latest date for confirmation of Orders is April 2012, so that land entry can be achieved by June 2012.

**1.5 What is the total estimated outturn cost of the scheme?**

*Please provide the latest estimated cost of the scheme (and for schemes with a live Programme Entry bid with DfT an explanation of any key changes from the costs in the MSBC) broken down by main category (construction, land, utility diversions etc.) and including any eligible preparatory costs as defined in previous guidance. For the purposes of this question please assume no DfT funding available until 2012/13. Include the impact of any delay, if applicable. Please also include the revised funding profile for the scheme and breakdown by funder based on the funding split assumed in the MSBC. Please also state what inflation assumptions you are using.*

The current total estimated scheme cost (formerly the Quantified Cost Estimate) is **£125.011 million**. The effect of a two year delay has increased the QCE from the previously stated £120.860 million due to additional years' inflation costs.

The Current QCE by main category is as follows (including inflation):

Main works: £77.704 million  
 Ancillary works £4.390 million  
 Utility diversions £5.379 million  
 Preparation & supervision: £10.742 million  
 Employers Risk Allowance £5.245 million  
 Land & compensation £21.551 million  
**Total: £125.011 million**

Of the total £10.742 Preparation and Supervision costs, £0.516 million is 50% of the Eligible preparation costs at Full approval.

There are no key changes in any of the main categories, other than the effects of inflation.

Inflation (inclusive of construction inflation) is assumed to be 4% per annum for FY11/12 onwards.

MSBC funding split was: DfT = 90%; LA = 10%.

	TOTAL	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
<b>LA contribution</b>	<b>12.501</b>	<b>6.123</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>2.388</b>
<b>Third Party contribution</b>							
<b>DfT funding requested</b>	<b>112.510</b>		<b>10.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>27.5</b>
<b>TOTAL</b>	<b>125.011</b>	<b>6.123</b>	<b>11.00</b>	<b>26.00</b>	<b>26.00</b>	<b>26.00</b>	<b>29.888</b>

**1.6 What is your best estimate of the scheme's BCR?** *If there is any variance between this and the BCR in your most recently submitted business case, please explain the reason and attach AMCB/TEE tables and supporting information. For schemes that do not have a live business case with the Department please indicate when this BCR was calculated and provide AMCB/TEE tables and any other supporting evidence.*

The best estimate for the Scheme's BCR is given in Table 1.6.1; Table 1.6.2 provides the BCR as reported in the previously submitted MSBC.

**Table 1.6.1: Best Estimate for Scheme's BCR**

Summary of VfM Assessment	
TUBA Benefits	£720.31M
COBA Benefits	£60.86M
QUADRO Benefits	£21.45M
Indirect Tax Revenues	£6.82M
Present Value of Benefits	£809.43M
Investment Costs (Construction)	£75.33M
Investment Costs (Maintenance)	£2.93M
Present Value of Costs	£78.26M
Benefit to Cost Ratio	10.34

TEE Tables are provided at the end of this document

**Table 1.6.2: Scheme BCR as provided in MSBC**

Summary of VfM Assessment	
TUBA Benefits	£744.41M
COBA Benefits	£60.86M
QUADRO Benefits	£21.45M
Present Value of Benefits	£826.72M
Investment Costs (Construction)	£115.33M
Investment Costs (Maintenance)	£2.93M*
Indirect Tax Revenues	-£7.37M
Present Value of Costs	£110.84M**
Benefit to Cost Ratio	7.46***

\*Not included in MSBC tables

\*\*PVC reported as £107,861K

\*\*\*BCR reported as 7.66

The BCR reported in Table 1.6.1 varies from the BCR reported in Table 1.6.2 (the MSBC) for the following reasons:

- Construction delayed by 2 years (costs incurred 2 years later);
- Optimism bias reduced from 44% to 15%, reflecting current stage of the Scheme;
- Benefits accrue 2 years later to align with delayed opening.
- Indirect tax revenues counted as part of the PVB in line with new draft guidance from WebTAG.

**1.7 Are there significant benefits or costs that have not been captured in the above BCR?**

*Please explain whether there likely to be material benefits or costs that have not been captured in the above BCR. Please differentiate between monetised NATA benefits that have not been captured in the above BCR, non monetised NATA benefits and impacts that you do not think are included within the NATA framework. Please provide evidence to support any further impacts claimed. We will ask for more detailed evidence in due course during 2011 for schemes in the Development Pool.*

Economic Growth (Non monetised benefits)

It is projected that 7,960 new jobs could be created as a result of the proposed link road. The net increase in employment for Torbay residents as a result of the proposed link road is forecast to be 3,554 jobs. The gross value added (GVA) generated from the creation of employment of this level (based on 2007 figures) is £125m per annum for Torbay plus another £96.6m from the additional employment within the hinterland giving a combined net additional GVA for the Torbay, South Hams and Teignbridge area of £221.6m.

In addition it is estimated that a total of 1,136 claimants of Jobseeker's Allowance (JSA), including 693 in Torbay, are likely to take up the employment opportunities forecast for the scheme. The potential cost savings to the Exchequer of the forecast employment creation generated from savings in benefits payments (JSA) are estimated at over £6.6m for Torbay and £4.2m across the hinterland.

The potential addition income to the Exchequer generated through additional employment within Torbay and the Hinterland equates annual figure of up to £4.07m and (using persistence rates to 2024) equates to a net present value to the Exchequer of £25.283m.

Cost savings derived from reduced Housing and Council Tax benefits could total over £13m in Torbay and £5m in the hinterland.

Promote Sustainable Travel (not in NATA framework)

The Scheme removes traffic from the A380 and parallel routes through Kingskerswell; the Kingskerswell environment will also be improved, making travel by sustainable modes significantly more attractive.

The Scheme will also allow the existing bus route through Kingskerswell to be maintained, though without being hampered by current congestion. This will significantly improve service reliability.

Improving the Environment in Kingskerswell (Non monetised benefits)

There will be dramatic improvements to the environment in Kingskerswell through removal of traffic from the A380. Severance, Noise, Air Quality

**1.8 Please describe the latest position regarding any developments associated with the case for the scheme?**

*If the business case for the scheme is associated with housing and commercial developments please describe the latest position regarding each of these developments, particularly where there have been changes since the most recently submitted business case. This should include any changes to numbers of housing, jobs etc. and information on planning consents applied for or granted. If possible please provide a letters or statement of intent from individual developers that state their present intentions regarding the scale, nature and timing of their developments.*

The business case for the Scheme is not directly associated with housing and commercial developments. However, attached is a letter from the developers of the Edginswell Business Park, which is located close to the Torbay end of the Scheme. Given the fragile nature of the development and the significant developer expenditure necessary to create access, S106 contributions to the Scheme were not available.

Edginswell Business Park is newly developing site located at the south end of the proposed Scheme. The current road layout means there is considerable congestion in the area and access is difficult. The Scheme will directly improve access to the business park both from the local area and in particular providing improved access to the national network and sub region.

In the build up to the Public Inquiry letters of support were received from Business groups in Torbay, Hoteliers Association, Freight Transport Association, Coach Operators, etc



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Mr D Black  
Head of Planning and Transportation  
Environment, Economy and Culture  
County Hall  
Topsham Road  
Exeter  
EX2 4QW

8 December 2010

Dear Mr Black

**South Devon Link Road - The Investment Impact**

We have been involved for the last 15 years in working with a wide range of businesses and investors in South Devon with a focus on the Torbay and Teignbridge areas. This has involved the promotion and construction of a £20 million Business Park at Edginswell. The £12 million first phase of new offices is complete, but further investment is likely to be directly linked to the delivery of the South Devon Link Road.

There is a real concern from existing employers that they will be forced to expand outside the area as the local economy continues to decline and they are unable to attract new business and key personnel due to the existing congested access through Kingskerswell.

Our work as commercial surveyors involves us advising occupiers on where they should locate their business and guiding investment funds, which are crucial to secure finance for development and regeneration. Pension Funds have been reluctant to invest in Torbay due to poor growth prospects as a direct result of being commercially disconnected.

It is our firm view that without this road link, the decision makers considering investment, expansion and relocation in the Torbay area, will conclude that it does not make economic sense. The consequence will be further deprivation and a continual decline in the prospects of the area.

I trust the above comments help to give you a private sector view on the impact of any future decision to build the South Devon Link Road.

Yours sincerely

A handwritten signature in black ink, appearing to read "Richard May".

Richard May MRICS

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## **SECTION 2: SCOPE FOR REVISED PROPOSALS**

*In this section we are asking for an early indication of your intent, without prejudice to what you might choose to include in your Best and Final Bid in autumn 2011, if selected for the Development Pool. Nothing you include here will be binding upon you or on DfT.*

### **2.1 What changes in scope do you plan to consider as compared against the scheme as described above?**

*Please attach plans and/or maps if necessary to illustrate the nature of the possible changes. You may include more than one option here but please be clear on any 'red line' issues – e.g. reductions in scope below which you would not be prepared to take the scheme forward.*

An extensive review of potential scope changes has been carried out and a series of significant alterations listed below are proposed. These have been examined in sufficient detail to allow their impact on the Scheme's objectives and the BCR to be quantified.

1. Omission of south facing slip roads at grade separated junction at Aller
2. Omission of local link road at Aller Park
3. Omission of local side road at Aller and rail bridge
4. Reduction in scale of Edginswell Junction and omission of rail bridge
5. Reduction in scale of Kerswell Gardens Junction
6. Omission of dual carriageway provision on Hamlyn Way
7. Omission of works in Kingskerswell following scheme opening

**Total savings through scope changes: £5.486 million**

Savings due to value engineering and other measures are noted in 2.4

(See attached plan)

**2.2 Can you describe the likely impact of the scope changes described above on value for money and achievement of your stated objectives**

*Your answer to this question does not need to include a precise value for money calculation (unless one is already available) but it should provide a commentary on where there would be expected to be a material change to costs and benefits (both monetised and non-monetised), and in which direction. Please provide evidence if available.*

The revised Scheme will continue to meet the stated objectives. The changes will not have a significant impact on the journey times along the Scheme and hence will continue to provide the economic impacts stated for Torbay and South Devon through reductions in congestion along the A380 corridor. The revised Scheme retains the dual carriageway bypass of Kingskerswell, the flows through Kingskerswell will be reduced substantially and enable the improved bus / cycle / walking provision originally planned in the Scheme. Furthermore the significant environmental benefits for Kingskerswell will still be achieved.

Table 2.2.1 provides the value for money assessment for the Scheme including scope changes and value engineering as described in 2.1 and 2.4.

<b>Summary of VfM Assessment</b>	
TUBA Benefits	£697.80M
COBA Benefits	£60.86M
QUADRO Benefits	£21.45M
Indirect Tax Revenues	£37.03M
Present Value of Benefits	£817.13M
Investment Costs (Construction)	£68.62M
Investment Costs (Maintenance)	£2.93M
Present Value of Costs	£71.56M
Benefit to Cost Ratio	11.42

Table 2.2.1 Value for Money Assessment for Scheme Including Scope Changes and Value Engineering  
TEE tables are provided at the end of the document

**2.3 Can you describe the impact of the scope changes on your timescales for delivery at 1.3 above**

*For example if they would require restarting statutory processes, procurement etc.*

There would be no significant impacts on the timetable identified in 1.3. The scope changes identified in 2.1 above would be verified during March 2011 (following a 'minded to Confirm Scheme Orders' notification from DfT). These omissions are also considered to be deferred construction items with regard to the planning consent for the Scheme and the Scheme Orders.

**2.4 In addition to any significant changes in scope, can you quantify the potential for savings in the overall cost of the scheme, for example through value engineering?**

*We do not necessarily expect firm costings at this stage but please give some indication of scale.*

Value engineering of the Scheme could deliver savings from:

1. Reduced width cross section of Penn Inn viaduct and approach ramps
2. Omission of street lighting
3. Omission of 1m hard strips from dual carriageway (and imposing 50mph speed limit throughout)
4. Omission of high pressure gas main diversion in lieu of protection measures.
5. Modification to form of contract to reduce site supervision

**Total savings through value engineering: £6.220 million**

Other measures:

1. Omission of the Local Authorities' prior costs.

**Total savings through other measures: £4.994 million**

These changes, plus the changes in section 2.1, would result in an estimated scheme cost of £108.311m, an **overall saving of £16.700 million**. These savings have been included in the BCR result provided in section 2.2.

## 2.5 What is your latest assessment of the cost, feasibility or value for money of any alternatives to the proposed scheme.

*This could include any lower cost alternatives to the scheme as appraised by you in previous business cases or those proposed by third parties. Please make reference to any material differences with the preferred scheme in costs or benefits such as carbon impact.*

Two different schemes have been examined to determine whether there is a viable alternative to the Scheme:

1. The Programme Entry MSBC identified a **Low Cost Scheme** which comprised a single carriageway alternative to the dual carriageway incorporated in the Scheme.
2. Evidence at The Public Inquiry held in 2009 addressed an on-line improvement of the existing road (The **Kingskerswell Alliance Scheme**) using tidal lanes.

The latest assessment of the **Low Cost Scheme** identified at MSBC program entry is given in table 2.5.1

Summary of Vfm Assessment	
TUBA Benefits	£106.27M
COBA Benefits	£13.31M
QUADRO Benefits	£19.94M
Indirect Tax Revenues	-£2.75M
Present Value of Benefits	£136.78M
Investment Costs (Construction)	£53.14M
Investment Costs (Maintenance)	£0.74M
Present Value of Costs	£53.88M
Benefit to Cost Ratio	2.54

Table 2.5.1 Latest Assessment of Low Cost Scheme identified at MSBC Program Entry

Note: The assessment has assumed a delay to construction of 2 years during the calculation of TEE benefits compared with the assessment documented in the MSBC submission. Indirect tax revenues have now also been counted as part of the PVB in line with the other updated assessments.

The Scheme constitutes poor value for money compared to the promoted Scheme, with a significantly lower BCR despite costs being 75% of those for the promoted Scheme.

In addition the scheme does not fulfil the objectives of the scheme:

1. It would not provide sufficient capacity to fully relieve through traffic in Kingskerswell or remove "rat running" traffic on side roads
2. There would be a lower level of road safety and accidents savings
3. There would be a lower level of air quality and severance improvements
4. Future employers are likely to consider it a sub-optimal and fragile road access which in the long term could be detrimental to their efficiency and customers base.

The congestion would be detrimental to public transport and opportunities for allocating existing road space to non car modes would be reduced.

The latest value for money assessment of the **Kingskerswell Alliance Scheme** is given in Table 2.5.2:

<b>Summary of VfM Assessment</b>	
TUBA Benefits	£191.71M
COBA Benefits	N/a
QUADRO Benefits	N/a
Indirect Tax Revenues	£2.51M
Present Value of Benefits	£194.22M
Investment Costs (Construction)	£52.73M
Investment Costs (Maintenance)	£0.00M
Present Value of Costs	£52.73M
Benefit to Cost Ratio	3.68

Table 2.5.2 Latest Value for Money Assessment of the Kingskerswell Alliance Scheme

Note: The assessment has assumed a delay to construction of 2 years during the calculation of TEE benefits compared with the assessment documented in at Public Inquiry. Indirect tax revenues have now also been counted as part of the PVB in line with the other updated assessments.

The Kingskerswell Alliance Scheme was examined during Public Inquiry in 2009; it was shown to fail to achieve the stated objectives in a number of areas. These are summarised as follows:

1. There will be limited additional capacity on the A380 corridor. These measures are unlikely to significantly improve access for motorists and coaches that wish to gain access to Torbay as a Tourist destination.
2. Some additional capacity would be provided for traffic commuting out of Torbay in the morning, and into Torbay in the evening, which are the highest movements. This will not assist in encouraging regeneration of Torbay, it will only encourage out commuting. It will not encourage new employers to relocate in Torbay.
3. The scheme has a number of high risk delivery issues. Requiring land from front gardens of properties, numerous service diversions and complex interactive traffic management requiring gantries and complex innovative junction layouts.
4. There are no measures to provide for improved bus or cycle facilities. In fact, bus services maybe slightly disadvantaged by the Kingskerswell Alliance scheme.
5. Traffic flows through Kingskerswell will increase so community severance and air quality will be worse. It is likely that accidents will increase.
6. Traffic flows on parallel routes such as Kingskerswell Road and St Marychurch Road will increase from 2008 levels. The environment on these roads will be significantly worse than in the current situation.
7. PVC is 74% of the Scheme's PVC and it is therefore not low cost

It is believed that the Kingskerswell Alliance Scheme is unlikely to gain support of local residents, particularly in Kingskerswell as it does not address any of the environmental problems and in fact exacerbates many of them.

### **SECTION 3: FUNDING**

*Please quote all amounts in £m to three decimal points (i.e. to the nearest £1000)*

#### **3.1 Taking into account the range of possible scope changes and cost savings described in Section 2, what is the extent of the potential reduction in the overall cost of the scheme from the figure provided in Section 1.5?**

The scope changes identified in 2.1 (£5.486 million) and value engineering measures identified in 2.4 (£6.220 million) would lead to a reduction in the QCE from £125.011 million to £113.305 million; a saving of £11.706 million.

The local authorities' total contribution to the Scheme since programme entry (including all preparation costs and land and property purchase) is £4.994 million. This sum would be netted off the forecast scheme cost giving a revised QCE of (£113.305 – £4.994 =) £108.311 million.

#### **3.2 Third Party contributions**

*Please specify the third party contributions proposed so far and the extent of the further contributions that you think would be possible? Please state each potential third party organisations and their role or interest in the scheme. Please support this by attaching any funding commitments or letters of intent from individual funders wherever possible.*

As part of the emerging Local Development Framework in the Torbay Growth area there are up to 15,000 dwellings being considered. It is anticipated a Community Infrastructure Levy will be formed which could generate a contribution toward the scheme.

#### **3.3 Local Authority funding**

*Please specify the scale of the funding contribution you would be prepared to consider providing from your own resources.*

Devon County Council and Torbay Council are prepared to provide £33.311 million from their own resources. This is in addition to the £4.994 million contribution already committed to the scheme and now removed from the revised scheme estimate.

This funding would be provided jointly by the two Authorities through a combination of sources:

- Direct contributions from the Authorities capital resources
- Contribution from the resources provided from the New Homes Bonus
- Contribution from the resources provided by a Community Infrastructure Levy for development in Torbay

### 3.4 DfT funding to be requested

*Taking into account the extent of the potential for reductions in overall cost and additional third party funding what is the scale of reductions in the previously requested DfT contribution.*

#### **DfT funding requested: £75 million.**

The previously requested DfT contribution was £108.774million (90% of the original QCE of £120.660 million). The revised scheme cost resulting from the delay to delivery is £125.011 million. If the previous funding proportions applied this would result in a DfT contribution of £112.5m (see 1.5 above).

Scope changes, value engineering and other measures would reduce the cost of the scheme to £108.311 million (saving approximately £17m).

The proposed increases in Local Authority funding described in 3.3 above will reduce the DfT contribution to £75.0 million, i.e. 62% of the original MSBC scheme estimate of £120.860m, or 60% of the delayed scheme estimate of £125.011m before scope, value engineering and other changes.

The table in section 4 below indicates the funding profile for the modified scheme described in 3.4.

## **SECTION 4: ADDITIONAL INFORMATION**

*Please add any additional information that is relevant to your expression of interest that is not covered elsewhere in the form*

The gestation of the scheme has been through numerous processes. The Council took the scheme over from the Highways Agency which at that time had prepared Orders for a 3 lane dual carriageway with major grade separated junctions. The process started with an independent review of multi modal options. This identified a highway scheme was required and suggested a more balanced multi modal strategy. As a result a more modest highway scheme was developed with 2 lanes, urban standards where possible and lower levels of junctions.

The current scheme has been examined extensively at a Public Inquiry and an inspector's report is with the DfT.

**The table below indicates the funding profile for the modified scheme described in 3.4**

	TOTAL	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
LA contribution	33.311	0.928	5.000	5.000	5.000	8.768	8.615
Third Party contribution							
DfT funding requested	75.000		5.000	25.0	25.0	20.0	
TOTAL	108.311	0.928	10.00	30.00	30.00	28.768	8.615

## **SECTION 5: FURTHER WORK**

*We will be providing you separate technical guidance on the information that we will require for schemes in the Development Pool in the first part of 2011, particularly on modelling and appraisal, prior to the submission of Best and Final Funding Bids. Based on the requirements of this guidance, please provide an indication of what further modelling and appraisal work you would need to undertake if selected for the Development Pool and an indication of the earliest that you would be able to submit a Best and Final Funding Bid.*

The modelling and appraisal assessment recently carried out by DfT shows five 'green lights' for the RAG indicators with only one minor area of concern regarding annualisation factors in the appraisal assumptions assessment. Therefore no further modelling and appraisal work is needed, subject to agreement being reached on the annualisation factors used.

The earliest that a Best and Final Funding Bid could be submitted is February 2012. This date is controlled by the need to re-tender the construction works.

**CONTACT DETAILS FOR FURTHER ENQUIRIES****Lead Contact:****Position:****Tel:****E-mail:**

Paul Ewings

Chief Engineer (Highways and Traffic)

01392 382656

paul.ewings@devon.gov.uk

**Alternative Contact:****Position:****Tel:****E-mail:**

Dave Black

Head of Planning and Transportation

01392 383247

Dave.black@devon.gov.uk

