



Report to Cabinet

Date:	4 th January 2024
Title:	South East Aylesbury Link Road Phase 2
Cabinet Member(s):	Councillor Martin Tett- Leader of the Council, Councillor Steven Broadbent - Cabinet Member for Transport, Councillor John Chilver – Cabinet Member for Accessible Housing and Resources
Contact officer:	Steve Bambrick, Corporate Director for Planning Growth and Sustainability and Richard Barker, Corporate Director for Communities
Ward(s) affected:	Aston Clinton & Bierton, Wendover, Halton and Stoke Mandeville
Recommendations:	<p>1. To amend the Cabinet delegation in December 2022 and delegate authority to the Corporate Director of Communities and Planning Growth and Sustainability, in consultation with the Leader of the Council, to:</p> <ul style="list-style-type: none">a) Proceed with the delivery of Phase 2 of the South East Aylesbury Link Roadb) To take all necessary steps including to enter into any associated agreements, contracts or licenses required associated with the delivery and funding of the works in relation to a. above. <p>2. To approve and release an increase to the budget in the Capital Programme for SEALR 2 as set out in the Confidential Appendix B, funded from reappportioned HIF grant subject to Homes England approval, HS2 Funding Agreement and S106 contributions.</p>

Reason for recommendation: To enable the phased delivery of the South East Aylesbury Link Road, within required timeframes to achieve the intended programme and to give effect to the decision of the 9th November 2021 and 10th December 2022.

1. Executive summary

- 1.1 The South East Aylesbury Link Road (SEALR) project is the construction of approximately 1.1 miles of dual carriageway including 3 new roundabout junctions. This report relates to SEALR Phase 2, between B442 Lower Road and the Stoke Mandeville Relief Road being constructed by HS2.
- 1.2 The Stoke Mandeville Relief Road is mitigation identified through the HS2 Act, arising from the closure of the A4010. The A4010 is main route between Aylesbury and Princes Risborough and is a blue light route.
- 1.3 The Council have previously entered into a funding and delivery agreement with HS2 for the SEALR phase 2 project, which enables the Council to replace a section of the single carriageway Stoke Mandeville Relief Road with a dual carriageway road and a new roundabout providing access to the future South West Aylesbury Link Road.
- 1.4 The funding agreement is the contractual mechanism whereby HS2 provides partial funding, based on the cost of delivering the single carriageway Stoke Mandeville Relief Road, in return for the Council delivering SEALR Phase 2, within a specified time period.
- 1.5 This report seeks the necessary delegations to deliver SEALR Phase 2, within the required timeframes to achieve the intended programme and meet its contractual obligations with HS2.

2. Background

- 2.1 The South East Aylesbury Link Road (SEALR) project is the construction of approximately 1.1 miles of dual carriageway including 3 new roundabout junctions. The project is being delivered as one project but in two phases. This new road will join the A413 Wendover Road with the B4443 Lower Road (SEALR Phase 1) and the B4443 Lower Road to a new roundabout junction (Phase 2) with both the Stoke Mandeville Relief Road (SMRR) and the South West Aylesbury Link Road (SWALR). This is shown in the plan below (figure.1).



Figure 1: Approximate SEALR route

- 2.2 Both phases of the SEALR form part of the Aylesbury Orbital Link Road as identified in the Aylesbury Transport Strategy and the Vale of Aylesbury Local Plan. The delivery of SEALR in its entirety will complete a significant section of the Aylesbury Orbital Link Road.
- 2.3 On 9th November 2021, Buckinghamshire Council’s Cabinet agreed the funding and delivery agreement from HS2 for the SEALR phase 2 project, which enables the Council to deliver the section required from HS2 and replace a section of the single carriageway Stoke Mandeville Relief Road with a dual carriageway road and a new roundabout providing access to the future South West Aylesbury Link Road (SWALR). HS2 have retained the right to use its powers under the HS2 Act to build out the single carriageway scheme if Council cannot fulfil the contractual obligations in that agreement and deliver the works pursuant to the Cabinet decision of 9th November 2021.
- 2.4 Planning permission was granted on 13th July 2021 for SEALR Phase 1 and on the 23rd June 2023 for SEALR Phase 2. Early works have taken place and been completed already on SEALR Phase 1 including archaeological investigations, vegetation clearance, construction of site accesses, utilities, and cabling.
- 2.5 In November 2021 Cabinet resolved to:
- 1) *Accept the funding and delivery agreement from HS2 for the SEALR Phase 2 project and the SEALR Phase 1 Lower Road roundabout.*
 - 2) *Note the previous Leader decision on 19 March 2021 to submit the SEALR Phase 2 planning application when completed.*
- 2.6 In December 2022 Cabinet resolved to:

1. Note and endorse the approach the Council is taking to negotiate with Homes England, HS2 and the Department for Transport to use external funding to help deliver the Aylesbury link roads. This includes negotiating extra flexibility of the £172m Housing Infrastructure Fund (HIF) to ensure delivery continues.

2. Delegate authority to the Corporate Director, Planning Growth & Sustainability in consultation with the Leader and s151 officer to:

a. finalise the budget for the project (and HIF programme), following further target cost considerations, and subsequently varying HIF financial contributions in conjunction with Homes England.

b. agree the HS2 funding contract for the Bridge Assurance in Phase 1 of works.

c. subject to a and b above, award contracts in 2023 for the phased construction of works, subject to the target cost and all other project related forecast costs being within the budget. This would commence with work on new junctions on Wendover Road and Lower Road. These contracts include detailed design fees, utilities costs, main construction contracts and land acquisition costs.

3. Approve the draft budget and release of funding for the delivery of Phase 1 and Phase 2 of SEALR to a combined value of £112.8m. This is subject to the final budgets (which may increase or decrease as detailed in recommendation 2a.), agreements of request to vary HIF funding, and external funding. Details are set out in confidential Appendix B & C.

2.7 In October 2023 the Leader resolved to:

To amend the Cabinet delegation in December 2022 and delegate authority jointly to the Corporate Director of Communities and Planning Growth and Sustainability to:

a. Acquire the land required for the Lower Road (B4443) roundabout and SEALR Phase 2

b. Proceed with the delivery of the roundabout junctions on Wendover Road (A413) and Lower Road (B443)

c. To take all necessary steps including to enter into any associated agreements, contracts or licenses required associated with the delivery of the works in relation to a. and b. above.

d. To draw down £9.4m of Housing Infrastructure Fund in accordance with the HIF funding agreement and/or express approval with Homes England

and utilise the funding under The Stoke Mandeville Relief Road HS2 Funding Agreement

- 2.8 This provided authority and flexibility to give effect to the Cabinet decisions of 9th November 2021 and December 2022.
- 2.9 Works started on the Wendover Road roundabout on the 11 December 2023, with works due to commence on the Lower Road roundabout on 8 January 2024.
- 2.10 The delegations provided in December 2022 were conditional and time limited, based on predicted triggers being met, however these have been unobtainable. Therefore, to give effect to the past Cabinet decisions, a revised delegation is now being sought.
- 2.11 This report seeks the necessary delegations to deliver SEALR Phase 2, within the required timeframes to achieve the intended programme and mitigate HS2 closure of the A4010.

3. South East Aylesbury Link Road Phase 2

- 3.1 The Council is taking a lead role in delivering the link roads in Aylesbury to unlock housing delivery:
- a) Co-ordinating and requiring the provision of relevant new roads by developers in its role as local planning authority.
 - b) Delivering new roads to mitigate HS2 and accommodate increased traffic in the future.



Figure 2: Site Allocations in the Vale of Aylesbury Local Plan

- 3.2 Aylesbury is a key area of growth in the UK with just over 16,000 homes planned and in 2017 Aylesbury obtained Garden Town designation.
- 3.3 SEALR Phase 2 provides a roundabout access, which will facilitate the later delivery of the South Western Link Road through AGT2. AGT2 is a site allocation in the Vale of Aylesbury Local Plan for 1,400 dwellings, including the delivery of a new link road, primary school and linear park (please refer to Figure One). The delivery of AGT2 is essential in terms of the Council’s future housing land supply, noting that the Council is required to demonstrate a rolling 5-year housing land supply.
- 3.4 Figure Two below shows the progress to date in delivering the link roads, and current estimated completion dates. These are subject to a combination of planning consent, securing funding and or developer delivery.

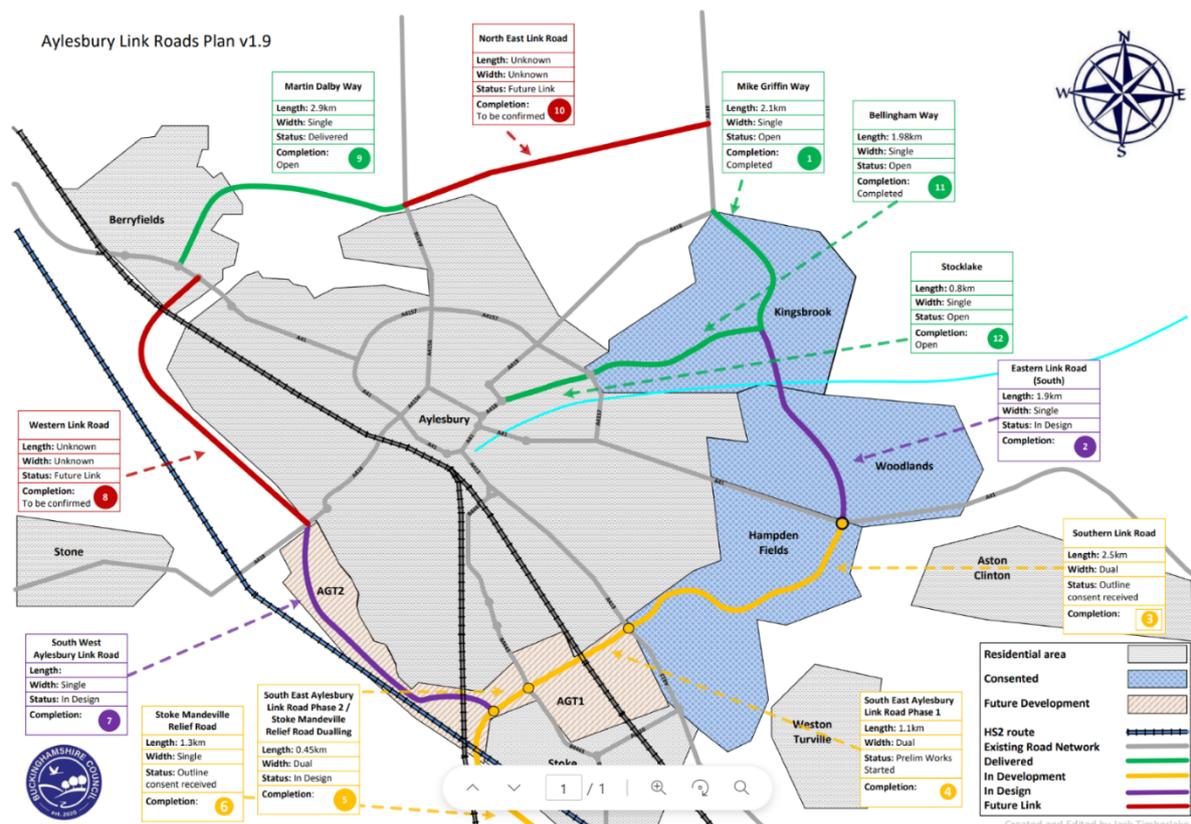


Figure 3: Link Road Delivery Plan

Land

- 3.5 There is no Compulsory Purchase Order (CPO) in place for SEALR Phase 2. There are two landowners on the Phase 2 scheme. The Leader Decision of the 30th October 2023, delegated authority to the Corporate Director for Planning Growth and Sustainability to acquire the land required to deliver SEALR Phase 2.
- 3.6 The Council has worked closely with its land agents and solicitors, with Heads of Terms having been agreed with landowners. Subject to the finalisation of draft

agreements and transfers, it is envisaged that all land necessary to commence works on SEALR Phase 2 will be acquired by the beginning of January 2024.

HS2

- 3.7 On 9th November 2021, Buckinghamshire Council's Cabinet agreed the funding and delivery agreement with HS2 for the SEALR phase 2 project, which enables the Council to replace a section of the single carriageway Stoke Mandeville Relief Road with a dual carriageway road and a new roundabout providing access to the future South West Aylesbury Link Road.
- 3.8 The funding agreement is the contractual mechanism whereby HS2 provides partial funding, based on the cost of delivering the single carriageway Stoke Mandeville Relief Road, in return for the Council delivering SEALR Phase 2. The agreement took effect upon execution on the 13th April 2022.
- 3.9 The current funding agreement requires the Council to deliver SEALR Phase 2 by 17th January 2024, in line with HS2's original programme resulting in the closure of the A4010.
- 3.10 The Funding Agreement with HS2 is in the process of being varied to take into account changes to the HS2 programme. This will require the Council to deliver SEALR Phase 2 so that it is practically completed and open to traffic by the 1st December 2024. It is important to note that delays to delivery of SEALR Phase 2 currently result in financial penalties being imposed by HS2 on the Council, offset against the final payment instalment (please refer to Confidential Appendix A).

Construction Programme

- 3.11 The programme for SEALR Phase 2 is extremely tight due to the requirement for the road to be open to traffic by the 1st December 2024. In order to meet this deadline, the Council will be required to issue the notice to proceed to the contractors by February 2024.
- 3.12 There are several risks to the construction programme including the discharge of pre-commencement planning conditions, Thames Water diversions, ground conditions, land acquisitions and access arrangements.

HIF

- 3.13 The Cabinet decision of the 6th December 2022 endorsed the use of the £172m Housing Infrastructure Fund to provide more flexibility and ensure delivery continues, including the South East Aylesbury Link Road. This recognised that due to cost inflation, energy prices, and unforeseen issues there was insufficient funding to meet all the infrastructure requirements originally forming part of the HIF business case.

- 3.14 The Council has therefore been engaged in negotiations with Homes England regarding reallocation and reprofiling of the HIF funding with Homes England, DfT, DLUHC and the treasury. Due to the complexities of the negotiations, this has taken longer than originally expected to be resolved.
- 3.15 The Council has however received confirmation from Homes England that the draft budget presented to Cabinet on the 6th December 2022 has been agreed. The Council is currently in the process of formally varying the funding agreement with Homes England to reflect this position.

Costs

- 3.16 The Cabinet Decision of 6th December 2022 approved the release of funding for the delivery of Phase 1 and Phase 2 of SEALR to a combined value of £112.8m. It was noted that this would be subject to finalisation of budgets for the project and HIF programme, following further target cost consideration.
- 3.17 The Council will not receive revised target costs from its contractor until the end of January 2024. The Council has however undertaken a number of cost reviews of the SEALR Phase 2 and the latest construction cost estimate, taking into account project inflation, is set out in Confidential Appendix B. No contract for the main construction works will be entered into until the Target Cost is confirmed. In the event that the target cost exceeds the updated budget envelope for SEALR 2, a separate decision will be needed.
- 3.18 There are a number of risks to the overall project cost including Part 1 Land Compensation Claims and the possibility that inflation could increase further beyond the identified budget. The breakdown of costs, including risk, as contained in Confidential Appendix B.
- 3.19 In order to meet the construction programme, the Council is required to issue notice under the existing contract for works to proceed no later than 6th February 2024. As a result, specific delegated authority is being sought to enable the Corporate Director for Communities to proceed with the delivery of SEALR phase 2.

4. Other options considered

Do Nothing

Stoke Mandeville Relief Road

- 4.1 If delegated authority is not given and the Council does not proceed with the delivery of SEALR Phase 2 within the required timescales, HS2 Ltd could, under the HS2 Act provisions, proceed to deliver the Stoke Mandeville Relief Road in full as a single carriageway road. HS2 Ltd would be required to serve a Notice to Treat and go

through an amended Schedule 4 and Schedule 17 process and the Town & Country Planning Act.

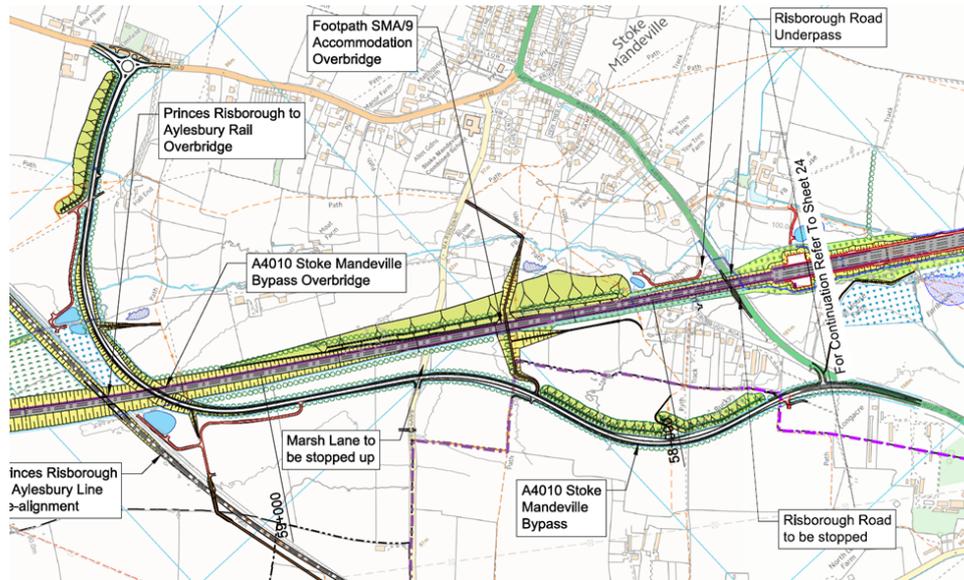


Figure 4: Stoke Mandeville relief road route

Growth Implications

- 4.2 It should be noted that the HS2 Stoke Mandeville Relief Road scheme does not provide any junction arrangements to facilitate the connection and delivery of the South West Aylesbury Link Road. This would impact on the deliverability and timescales for AGT2, which would be likely to impact on the Council's future 5-year housing land supply.
- 4.3 The costs of delivering the roundabout connection as part of SEALR Phase 2 is currently being met through HIF. The Council would seek to recover all or some of this through S106 planning obligations from AGT2(subject to viability). If recovered then this would be available by the Council for subsequent projects to support housing growth, as per the HIF Grant Delivery Agreement. If the AGT2 developers were required to retrofit a junction on the Stoke Mandeville Relief Road, this could impact on the viability of the site resulting in a reduction in a policy compliant scheme on AGT2, as well as network congestion while it is constructed.
- 4.4 All transport modelling undertaken for current planning applications has been on the basis of SEALR Phase (1 and) 2 being a committed scheme to be delivered by the Council, if this position changes it will lead to additional significant work being required and would inevitably delay determination of allocated sites in the Vale of Aylesbury Local Plan, which would be likely to impact on the Council's future 5-year housing land supply.

HIF and Financial Implications

- 4.5 HIF funding secured for SEALR Phase 2 would be reprofiled to the early delivery of the South Western Link Road (forward funding developer delivery), subject to Homes England agreement.

Land Implications

- 4.6 The Council has secured the land required for SEALR Phase 2. This will allow for dualling in the future by the Council or a third party. Any future construction required for the provision of a dual carriageway at a later date would require substantial removal of the single carriageway route and significant disruption to the travelling public.

Do Nothing

A4010 Closure

- 4.7 The Council sought parliamentary assurance that they would be able to deliver the dual carriageway SEALR Phase II, and the Cabinet has agreed the funding arrangements with HS2.
- 4.8 There remains a risk that HS2 applies for the closure of the A4010 without an alternative route in place through Schedule 4 of the HS2 Act. The A4010 is main route between Aylesbury and Princes Risborough and is a blue light route. Under Schedule 4 the Council has 28 days to respond, after which there is a deemed approval. Whilst the Highway Authority could refuse the Schedule 4 application, HS2 have rights of appeal through Secretary of State.

Do Nothing

Delay Decision until greater certainty on target costs

- 4.9 The programme for SEALR Phase 2 is extremely tight due to the requirement for the road to be open to traffic by the 1st December 2024. This is a fixed date under the HS2 Funding Agreement.
- 4.10 In order to meet the construction programme, the Council is required to issue notice under the existing contract for works to proceed at the beginning of February 2024, to allow works to start on site in March 2024. The Council will not receive target costs until the end of January 2024.
- 4.11 Delaying a decision to proceed until such time as the target costs are received, with result in a notice to proceed being delayed until end of February/ beginning of March 2024. The loss of time cannot be accommodated within the Construction

Programme, which is already carrying significant risks associated with ground conditions and in particular Thames Water.

- 4.12 Any postponement of the project would further increase the overall cost of the scheme due to inflationary effects. In addition, under the HS2 Funding Agreement, delays to delivery of SEALR Phase 2 will result in financial penalties being imposed by HS2 on the Council, offset against the final payment instalment (please refer to Confidential Appendix A and Confidential Appendix B).
- 4.13 Delays to the project could result in HS2 taking steps to implement the Stoke Mandeville Relief Road and/or close the HS2 as set out in the do-nothing scenario above.

5. Legal and financial implications

- 5.1 Financial: This project continues to be fully funded by external funding from Homes England and HS2.
- 5.2 Changes to the Capital Programme:
- The Capital Programme currently includes a released budget for SEALR 2.
 - The budget envelope for this project will need to increase in line with the amendments proposed in the confidential appendix. These are currently confidential as they are commercially sensitive; the figures will be published and the formal changes to the Capital Programme in Quarter 4 Capital update to Cabinet, once the target costs have been finalised.
- 5.3 Financial Risks: As the target cost for SEALR 2 has not yet been finalised, there is a risk that the cost for SEALR 2 exceeds the amended budget envelope. Should this happen, a separate decision to release further HIF funding from reappropriated HIF funding would be required. No contracts will be entered into that exceed the agreed amended budget envelope.
- 5.4 Legal: Homes England have provided written agreement to the variation in HIF funding to support the SEALR project in line with the submission requested in June 2022, followed by the Cabinet resolution in December 2022.
- 5.5 This report seeks amendment to the Cabinet decision of December 2022 and specific delegations in relation to proceeding with the delivery of Phase 2 of the South East Aylesbury Link Road, including any associated licences, contracts, and agreements. The decision will give effect to Cabinet decision of 9th November 2021 and seeks amendment to existing approvals for SEALR Phase 1 and Phase 2, as set out in the Cabinet report dated 22nd December 2022.

5a Director of Legal & Democratic Services comment

5.6 The Director has read and approved the report.

5b Section 151 Officer comment

5.7 The recommended increase in the budget is fully funded using HIF funding. This increase can only be made once Homes England have given written approval to this.

5.8 As set out in para 5.3, no contracts will be entered into that could risk exceeding the budget envelope for this project. Should the target cost exceed the budget envelope, a new decision would need to come forward proposing the funding for this, again using HIF funds.

5.9 As set out in the next steps, a follow up report on SEALR 1 target costs will come forward in the early Spring, which again will need to set out assurances on how the project will be delivered without financial risk exposure to the Council.

6. Corporate implications

6.1 Agreeing to the recommendations of this report will allow Buckinghamshire Council to commence delivery of SEALR Phase 2 and give effect to Cabinet decision of 9th November 2021 and December 2022:

- a) **Property** - the works would be undertaken on existing highways land or on land the Council is assembling for the purpose of delivering SEALR Phase 1 and Phase 2.
- b) **HR** - there are no anticipated HR implications resulting from agreeing to these recommendations.
- c) **Climate Change** - Agreeing to the recommendations of this report will enable the SEALR project to progress. The principal aim of the SEALR, and of the Aylesbury Orbital Link Road, is to draw traffic away from the town centre which supports the Aylesbury Transport Strategy.
- d) **Sustainability** - Both phases of the SEALR will achieve at least 10% biodiversity net gain; Phase 1 is expected to achieve 14%. Phase 2 is currently expected to deliver over 40% biodiversity net gain. Agreeing to the recommendations of this report will facilitate the SEALR project, enabling improvements to the ecological character of the area.
- e) **Equality** - An equalities impact assessment was undertaken as part of the Cabinet Decision dated 10th December 2022 and has been updated as part of this report. Please refer to Appendix C.
- f) **Data** - There are no anticipated data implications resulting from agreeing to these recommendations.

- g) **Value for money** - The Council is in contract with the contractor Galliford Try and consultant AECOM under the Midlands Highways Alliance Plus Framework for Medium Schemes and Professional Services. The NEC4 Option C contract being utilised is a collaborative contract which seeks to share risks and pain/gain thereby engendering a collaborative ethos on the project. SEALR was a model project as part of the tendering process for the 3rd iteration of the Medium Schemes Framework within the MHA, which secured 4 contractors to work across the MHA area via a competitive process. Within that process, Galliford Try was successful in achieving regional contractor status in Buckinghamshire and Oxfordshire. Galliford Try have undertaken competitive tendering to sub-contractors during the Early contractor Involvement process in recent years. These have been and continue to be evaluated on a price:quality basis to ensure that the Council takes forward the most economically advantageous bid.
- h) **Health & Safety** - The design and construction works have been and will continue to be undertaken taking due care of Health and Safety matters. The project is being taken forward following the Construction Design and Management Regulations (CDM) 2017 and all other appropriate health safety legislation and guidance.

7. Local councillors & community boards consultation & views

- 7.1 The SEALR project team has met with local elected members on a number of occasions, including the chair of the Aylesbury Community Board. Prior to the main site works commencing, local members will be briefed on the programme and traffic management, as well as providing key points of contact for escalation of issues.
- 7.2 A meeting will be held with local ward members ahead of the Cabinet Decision to provide an update on the project.

8. Communication, engagement & further consultation

- 8.1 SEALR Phase 1 held 2 public consultation events in 2017 and 2018 with Phase 2 holding an online public event in early 2021. The public were also consulted as part of the statutory planning process for Phase 1 and Phase 2.
- 8.2 E-bulletins for the project are produced and distributed to a mailing list. These e-bulletins inform on project progression and key events. These e-bulletins started in 2018 and 48 bulletins have been distributed to date. There are over 400 subscribers to the e-bulletins and links to the project website are included.

- 8.3 The project has a dedicated webpage that is updated regularly:
<https://www.buckinghamshire.gov.uk/parking-roads-and-transport/road-and-infrastructure-projects/view-road-projects-in-development/new-road-south-east-aylesbury-link-road-sealr/> .
- 8.4 A recent project bulletin and press release have taken place in relation to the start of works on the A413 Wendover Road and B4443 Lower Road Roundabouts.
- 8.5 Prior to the main site works commencing on SEALR Phase 2, the communications plan will be enhanced, to ensure that residents and the travelling public are aware of any impacts arising. The main form of communication is the use of e-bulletins which members of the public can sign up to receive via the project website. The use of electronic signs on site also informs road users of up-to-date information that may affect their journey.

9. Next Steps and Review

- 9.1 Cabinet is asked to delegate authority the Corporate Director for Communities and the Corporate Director for Planning Growth and Sustainability to proceed with the delivery of SEALR Phase 2. This will enable the delivery of SEALR Phase 2, within required timeframes to achieve the intended programme and give effect to Cabinet decision of 9th November 2021 and December 2022.
- 9.2 A further report will be brought forward in relation to the progression of SEALR Phase 1 in the early part of 2024.

10. Background papers

- 1.2 There are confidential appendices to this report, which are exempt by virtue of paragraph 3 of Schedule 12A of Part 1 of Schedule 12a of the Local Government Act 1972 because they contain information relating to the financial or business affairs of any particular person (including the authority holding that information).
- Appendix A (Confidential Paper HS2 Funding Agreement)
 - Appendix B (Confidential Paper Project Finances and Risks)
 - Appendix C (EQIA)
 - *Cabinet Decision 9th November 2021*
<https://buckinghamshire.moderngov.co.uk/ieListDocuments.aspx?CId=337&MId=16782>
 - *Cabinet Decision 10th December 2022*
<https://buckinghamshire.moderngov.co.uk/ieListDocuments.aspx?CId=337&MeetingId=17464>

- *Leader Decision 30th October 2023*

<https://buckinghamshire.moderngov.co.uk/ieDecisionDetails.aspx?ID=1166>

11. Your questions and views (for key decisions)

- 11.1 If you have any questions about the matters contained in this report, please contact the author of this report. If you have any views that you would like the cabinet member to consider, please inform the democratic services team. This can be done by email to democracy@buckinghamshire.gov.uk.

