

## RELEASE OF FUNDING FOR ABBEY BARN LANE REALIGNMENT

**Cabinet Member:** Councillor David Johncock

**Wards Affected:** Abbey; Ryemead

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### PROPOSED DECISION

That:

- (i) Cabinet agree to forward fund design work and project team costs relating to the Housing Infrastructure Fund bid for the realignment of Abbey Barn Lane up to £250,000 on the basis that this will be recovered from the Housing Infrastructure Fund if and when this funding is released to the Council from Homes England. Delegated authority be granted to the Head of Finance in consultation with the Head of Democratic Legal and Policy Services to release these funds;
- (ii) Cabinet grant delegated authority to the Corporate Director in consultation with the Head of Finance, Cabinet Member for Finance and the Cabinet Member for Planning, to release Housing Infrastructure Fund monies, once the funds are released to the Council and subject to detailed terms and conditions (when available); and
- (iii) Delegated authority be granted to the Head of Finance in consultation with the Head of Democratic Legal and Policy Services to agree the Housing Infrastructure Fund terms and conditions, once they become available.

### Reason for Decision

The Council has received an “in principle” approval of £7.5m for a scheme to realign Abbey Barn Lane and reconfiguration of the junction with Kingsmead Road/Abbey Barn Lane through the Housing Infrastructure Fund; this is subject to detailed terms and conditions and receipt of the funding. To ensure that the Council can keep on track with the programme for delivering the HIF scheme, some forward funding for design work and establishment of the project team is sought. This would then be reclaimed once the HIF funding is received. If the HIF funding is not ultimately released then the funding would likely be at risk as the scheme as currently envisaged could not go ahead due to funding shortfalls.

### Corporate Implications

1. The report sets out two options in relation to the Housing Infrastructure Fund (HIF) funding for Abbey Barn Lane. Option 1 is to forward fund some initial design/feasibility work and project set up costs of up to £250,000 to enable the scheme to keep on track in terms of the delivery programme for the HIF scheme and maximise our chances of the HIF funding being confirmed. Option 2 would involve doing nothing in terms of forward funding. In financial terms there are risks whether the Council decides to forward fund the design work or not. In the short term the key risks relate to the confirmation of the HIF money and the associated terms and conditions that are currently unknown. Further

detail is set out in the body of the report.

2. If the scheme fails to progress to implementation and expenditure does not meet the necessary requirements to be capitalised then any expenditure incurred would need to be charged to revenue. As this would be unbudgeted revenue expenditure there would be an adverse impact on the revenue reserves equal to the expenditure incurred. The £250k as outlined in the recommendations is c2.5% of the available general reserve balances.

### **Executive Summary**

3. An announcement that the Council had secured £7.5m of HIF money for a scheme to realign Abbey Barn Lane was made in February 2018. However, the Council has yet to receive the funding or the associated terms and conditions, and Homes England are currently scrutinising all the successful bids.
4. To help ensure that the HIF funding is confirmed it is important to continue to make progress to ensure that the delivery of the infrastructure and related housing can be achieved within the timeframes set out in the HIF bid. To achieve this it is recommended that up to £250,000 is provided to progress design work and for establishment of the project team. Recommendations are also included to enable the take up of HIF funding when it is released to the Council.

### **Sustainable Community Strategy/Council Priorities - Implications**

5. Improving infrastructure to support the delivery of housing and ensure the local highway network is fit for purpose to support a growing town meets a number of Place, People and Prosperity strands of the Council's Corporate Plan including:
  - Meeting housing needs
  - Using design and place making to improve our built environment;
  - Speeding up the delivery of affordable homes;
  - Further improving the quality of housing;

### **Background and Issues**

6. In November 2014 Cabinet agreed to the release of the Wycombe Reserve Sites known as, Abbey Barn North, Abbey Barn South, Gomm Valley & Ashwells, Terriers Farm and Slate Meadow. The Submission version of the new Wycombe Local Plan formally allocates the sites for development. One of the reasons for releasing these sites simultaneously was to allow the cumulative impacts of the sites to be identified, particularly in respect of transport, so that mitigating measures could be planned and appropriate contributions sought from developments. The High Wycombe Transport Framework (HWTF) was carried out to identify highway opportunities and constraints and to ensure planning decisions are appropriately informed.
7. Modelling and assessment work to support the HWTF concluded that the existing situation in the Abbey Barn Lane area could not be maintained given anticipated traffic growth both from background traffic and new developments. This includes the single lane give-way working over the former railway bridge which has poor intervisibility with vehicles frequently meeting on the bridge, as well as the very steep approach to the junction with Kingsmead Road.

8. Modelling also indicates that by 2026 the predominant traffic flow at the Abbey Barn Lane/Abbey Barn Road/Kingsmead Road junction will be from Abbey Barn Lane/Abbey Barn Road. Currently Abbey Barn Lane has to give-way to Kingsmead Road. The HWTF recommends a change in junction priority to support the predicted changes in traffic flows along Abbey Barn Lane.
9. Consultants were commissioned in June 2017 to test the feasibility of realigning the northern end of Abbey Barn Lane through the Abbey Barn North site and reconfiguring the Kingsmead Road/ Abbey Barn Lane/ Abbey Barn Road junction. An outline design of the preferred alignment and junction arrangement is set out in Appendix A. An interim junction layout could be constructed to achieve the access to the proposed development site and enable the new road to be built in phases.
10. The scheme has been costed at approximately £11.4m including professional fees and optimism bias. This level of cost was considered in excess of what would be viable for the adjacent Abbey Barn sites and therefore the Council made a bid under the Governments HIF Marginal Viability Fund in September 2017 for a contribution to allow the scheme to be delivered alongside developer contributions.
11. In February 2018 it was announced the Council would be awarded £7.5m for the Abbey Barn scheme. This would leave a potential shortfall of up to £4m to be met through developer contributions, though the shortfall may be reduced with a reduced level of optimism bias after further design of the scheme is completed depending on the revised costings arising from the further design work.
12. The announcement of the funding award is subject to Home England's (formerly Homes and Community Agency) terms and conditions – these have yet to be provided. No funding has yet been released to the Council and it is understood that Homes England have appointed Deloitte to scrutinise the successful bids in more detail to ensure they are deliverable.
13. Officers are in regular contact with Homes England and it is clear that part of the scrutiny involves ensuring that Councils are continuing to make progress with their schemes, even without the funding being released, to demonstrate that the infrastructure proposals are deliverable and ultimately are going to deliver the additional housing. To ensure the programme for the delivery of the HIF funding is kept on track Cabinet is being asked to forward fund preliminary design work and to set up a project team as well as granting delegated authority to release the HIF funds to deliver the scheme, once released.
14. In relation to the forward funding of early work these costs would be reclaimed from the HIF funding once it has been confirmed. In the event the HIF funding is not confirmed it is unlikely that the scheme as currently envisaged could go ahead in any reasonable timescale due to the costs. Contributions would be sought from developers to deliver what would be a substandard alternative if the developments are permitted to go ahead through the planning process without the full scheme being delivered.

15. Therefore there is a risk of the Council not recovering all its investment if the HIF funding is not secured and there was difficulty in recovering the costs from developers.

### **Consultation**

16. The Local Plan has been subject to very extensive consultation during the course of its preparation, most recently the statutory consultation undertaken in October – December 2017 on the Publication Version of the Plan. Prior to this there was significant consultation and engagement work after the release of the reserve sites including through the Abbey Barn and reserve site infrastructure liaison groups. Further consultation would be held prior to the implementation of the works.

### **Options**

17. There are two main options, as outlined above:
  1. To provide forward funding of up to £250,000 to enable design and project management work to progress on the HIF funded Abbey Barn Lane scheme the HIF funded element of the Princes Risborough Expansion Area to progress in a timely manner;
  2. To not provide forward funding and wait for the funding to be released by Homes England in order to progress the scheme.

### **Conclusions**

18. In order to maintain progress on the delivery of the Abbey Barn Lane realignment scheme it is recommended that Cabinet forward fund necessary design work and project management work so that scheme can remain on programme. Progressing this work now also demonstrates to Homes England that firm progress is being made so that the HIF funding can be released.
19. The request for the forward funding in advance of the HIF being release is similar to the request to June Cabinet in relation to the Princes Risborough HIF funding. However in the case of the Abbey Barn funding, it is unlikely that if the HIF funding is not released that the funding could be secured from development. This is because the scheme as currently envisaged would unlikely be able to go ahead due to the funding gaps that would occur and this being too much for the developments to bear in viability terms.

### **Next Steps**

20. Subject to the release of funding, procurement options will be discussed with the County Council including using a framework such as the Midlands Highway Framework Alliance. Necessary governance arrangements will be put in place between the councils. Further reports will be brought back to Cabinet as and when they are required to progress the work.

### **Background Papers**

High Wycombe Transport Framework (Jacobs, 2016)