

South West Exeter Housing Infrastructure Fund: Update on Project and Tender

Report of the Head of Planning, Transportation and Environment

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendation: That Cabinet:

- (a) notes the update on the project and progress with Homes England in entering into the funding contract;**
- (b) delegates authority to the Head of Planning, Transportation and Environment in consultation with the Cabinet Member for Infrastructure, Development and Waste to award the contracts for the Eastern Junction and Interim School Access Junction within a budget threshold of £4.5m subject to funding being secure;**
- (c) approves the proposal to undertake stakeholder consultation and conditional on the response, submission of a planning application for a Park & Ride site at Peamore;**
- (d) approves the proposal to recover repayments from developers against work undertaken to assist the delivery of the infrastructure, subject to a review of costs of this work.**

1. Summary

This report follows a successful bid that was submitted to the Ministry of Housing, Communities and Local Government (MHCLG) in September 2018 for funding from the Housing Infrastructure Fund (HIF). The bid was for funding totalling £55.1 million towards infrastructure to support development at South West Exeter. Devon County Council was advised in February 2019 that it had been successful with the submission and is currently working positively with Homes England, who are acting on behalf of MHCLG, to enter into contract for the funding. This report seeks to provide an update on the project as well as providing approval for elements to allow the project to progress.

2. Background/IntroductionSouth West Exeter

South West Exeter is a strategic allocation of 2,500 dwellings and 5 hectares of employment on the edge of Exeter, which spans two administrative areas – Teignbridge District Council and Exeter City Council. The Teignbridge Local Plan allocates land for 2,000 dwellings and the Exeter Core Strategy allocates land for 500 dwellings. SW Exeter is a complex site. The development straddles a key arterial road (the A379), is close to the Exe Estuary Special Protection Area, requiring additional mitigation, has difficult topography and has multiple land ownerships. It requires a significant amount of infrastructure to enable the development to come forward, much of which is needed early, and involves coordination to minimise disruption. The HIF funding will enable the early delivery of the infrastructure to support the delivery of housing. In order to avoid further delay to the housing coming forward, the aim is to deliver infrastructure in line with developers' timescales.

Housing Infrastructure Fund

The HIF is a government capital grant scheme of £5.5 billion which has been identified to support the delivery of infrastructure related to the building of new homes. There are two streams to the HIF – marginal viability funding and forward funding. DCC was successful with its bid of £55.1 million under the forward funding tranche of the programme.

The submitted bid included:

- Delivery of four signal junctions on the A379 to provide access to the development
- Realignment of Chudleigh Road to provide a safe access onto the A379 and unlock development north of the A379
- Delivery of a southern spine road through development
- New access roundabout on the A379 to unlock employment land at Peamore
- Upgrade to the 'Devon Hotel' roundabout on the A379 to increase capacity for development
- Alphington Village enhancements
- Delivery of access to the school site to enable delivery of the approved Free School
- Pedestrian / cycle bridge to provide a safe crossing of the A379, serving the school, community facilities and providing a key link for sustainable transport
- Suitable Alternative Natural Green Space to mitigate the impact of the SW Exeter and further developments on the internationally important Exe Estuary Special Protection Area required in advance of the delivery of development
- Utility upgrades – new primary sub-station to provide additional capacity to accommodate the residential and employment development (Peamore) and provision of foul drainage to serve the residential development
- Community building to include GP surgery, hall space for sports provision, flexible meeting space and library space.

A letter was received in February 2019 from the Director General, Decentralisation and Growth at MHCLG advising that the county council had been successful with its submission to the HIF. Since this time, officers have been working with Homes England. A number of conditions have been provided by Homes England, requiring information to be provided prior to entering into a funding contract. DCC is working to ensure the necessary information is provided for these. In addition, draft Heads of Terms for the funding contract with Homes England have been provided. It is considered that progress is being made to enable DCC to enter into the funding contract with Homes England.

Recognising the process made to date, it is considered that there is minimal risk regarding the funding contract. Furthermore, reassurances have been provided from Homes England regarding their commitment to entering into a funding contract with Devon County Council.

3. Proposal

In order to ensure that the project remains on programme and seeks to meet developer's timeframes, DCC has been progressing those elements of infrastructure which are on the critical path. The relevant items of infrastructure are discussed in turn below.

Eastern Junction

The Eastern Junction is a new access junction to a development parcel between the Devon Hotel and Matford roundabouts. It unlocks two land ownerships. Design of the access junction has been progressed to date by a single developer, with DCC undertaking a technical check of the design of this junction.

The Eastern Junction is currently being progressed to meet developer timescales. It is considered necessary for DCC to take an active role in the delivery of this junction given that it unlocks two landownerships and is on the extremely sensitive A379. The delivery of the junction by DCC will ensure that the junction is able to unlock both landownerships. If a single developer delivered the junction, there is a strong likelihood that the unlocking of the second landownership would be delayed as the current planning condition is that it does not need to be delivered to the boundary between the two sites until 200 homes are delivered. Subject to modifications of the planning conditions delivery of the junction by DCC will include a mechanism to ensure that both parcels can be unlocked.

Interim School Access Junction

A free school has been secured for South West Exeter, to be delivered by the Education and Skills Funding Agency. In order to facilitate the delivery of this school, it is necessary for DCC to deliver an access suitable for both the construction and opening of the school. It is proposed that this will be a signalised junction, with sufficient capacity for both the school and an early phase of development as well as a road up to the school site. To expedite the delivery the junction will be delivered within the existing carriageway to limit abortive works. The junction will be upgraded at a later date in combination with other works to the A379.

Interim School Access Earthworks

The new school will be located on a parcel of land raised above the existing road level. As such, the road to the school and access junction will be in cutting, which requires earthworks to amend existing ground levels. Earthworks are also required to be undertaken by the developer to ensure appropriate levels for the development site. The developer is proposing to undertake all the earthworks, including those required for the delivery of the junction, in a single contract.

If the developer undertakes the earthworks instead of DCC, the timescales for delivery of the junction would be reduced as the alternative would require DCC to undertake the works as part of the contract to deliver the junction. Whilst the developer is willing to bear the upfront cost of the earthworks to assist the delivery of the junction, they would expect to be recompensed for the cost in some form. The proposal is that this cost will be offset against future repayments of the HIF funding thereby being cost neutral to DCC. The developer will be expected to make sufficient repayments of the HIF funding to cover the cost of the earthworks. Approval is therefore sought to offset the cost of the earthworks against the future recovery of funding. In advance of offsetting the cost, it is expected that DCC would review the cost of the earthworks to ensure value for money.

Pedestrian / cycle bridge

Linked to the delivery of the proposed all-through school is the delivery of a pedestrian / cycle bridge across the A379. This would assist in providing a safe crossing of the road to both the school and wider development as it is delivered.

Initial design has been undertaken of the pedestrian / cycle bridge. It is proposed that this will be a landmark structure, creating a sense of identity for the development at South West Exeter. It will provide a focal point, assisting the navigation through the development towards a crossing point across the A379, which will be adjacent to both the school and other community facilities.

The design proposed is of a skew parabolic arch, plans of which are included in Appendix I. Initial designs of the bridge were undertaken in 2015. The cost estimate for the bridge has recently been reviewed in consideration of the deliverability of a bridge of such a landmark

structure in advance of progressing the detailed design. This has indicated that the design and cost remain appropriate compared to the funding received from the Housing Infrastructure Fund. DCC is currently working with developers to confirm final levels for the bridge to allow detailed design to be progressed.

Peamore Park and Ride

Employment development is proposed at Peamore, close to an existing employment site, known locally as Frank Tuckers. As part of the Housing Infrastructure Fund it is proposed to deliver a roundabout to access the development as well as an upgrade to the electricity infrastructure to support the employment development. As with the residential development, the County Council will recover the cost of the infrastructure. An option instead of a monetary repayment is to secure land of an equivalent value in lieu, or a combination. In relation to this site, it is proposed to secure land for the purpose of delivering a park and ride site. Initial feasibility has been undertaken which has identified a preferred option, included in Appendix II. It is proposed to undertake stakeholder consultation and, depending on the outcome, submit a planning application for this site, based on the preferred option, which is considered necessary in advance of securing the land.

4. Consultation and Stakeholder Engagement

Consultation regarding the proposed development at South West Exeter and the infrastructure to support it has taken place at a number of stages.

Consultation was undertaken at the Local Plan Stage on the allocation of development in this location. This was undertaken by both Teignbridge District Council and Exeter City Council. In addition to public consultation, the Local Plans were subject to examination by an independent Planning Inspector. Following the adoption of the Local Plans, further work was undertaken by the city and district councils through the production and consultation of a Development Brief for the development within Exeter and a Development Framework for the development within Teignbridge. These documents provide further detail on the infrastructure that is proposed to be provided at South West Exeter.

With regard to the two junctions which it is proposed will be delivered first, these have been included within planning applications, which are subject to public consultation.

Where planning applications are required for future items of infrastructure to be delivered through the Housing Infrastructure Fund, these will also be subject to appropriate consultation.

Stakeholder consultation will be carried on the proposal for a Park & Ride at Peamore. Subject to this a more formal consultation will be carried out as part of the Planning Application.

5. Financial Considerations

HIF funding is a capital grant to the Local Authority. Information received to date suggests that, once the funding contract is signed, the County Council will be able to draw down funding in arrears on a monthly basis.

Whilst the proposal is to forward fund the infrastructure, in advance of entering into the funding contract with Homes England, for the Eastern Junction, a legal agreement will be in place to secure the repayment of the funding, prior to appointing the contractor. This will ensure that the developer will pay back the cost of the works as development is delivered. In order to secure repayment in advance of development coming forward, the ability to secure land of an equivalent value in lieu of a financial contribution will also be an option.

For both pieces of infrastructure, once a funding contract with Homes England is entered into, it is expected that funding to cover these items can be recovered from the HIF.

Considering the budget threshold of £4.5 million, It is proposed that £2.5 million will be funded through corporate forward funding and that £2 million will be funded by unallocated Basic Need in the Medium Term Capital Programme. In addition, both Teignbridge District Council and Exeter City Council will be contacted regarding Community Infrastructure Levy towards the school, including the access works.

Indications are that the funding contract with Homes England will be entered into in advance of tendering for other infrastructure works. The HIF funding will be recoverable from developers as development comes forward and legal agreements will be entered into with developers and / or landowners to secure this repayment. Once funding is recovered, it can be recycled by the County Council. Decisions on how recovered funding is recycled are expected to be made once the funding has been collected and will be subject to the normal approval process.

If HIF funding has not been secured for some reason via contract with MHCLG, the Eastern Road Junction would be funded from S106 (or LTP) and the Schools Access Junction would be funded from Schools Basic Need grant.

6. Environmental Impact Considerations (Including Climate Change)

The planning applications for the 2,500 dwellings and employment, which includes consideration of the infrastructure that is needed to support it, have been supported by Environmental Statements. These planning applications span the administrative areas of Exeter City Council and Teignbridge District Council, both of which are recent signatories to the Devon Climate Declaration along with Devon County Council. We are aware negotiations are currently taking place between the developers and the planning authorities to reduce the carbon generation of the development. In addition, as part of the overall HIF infrastructure plan, we are considering an option to ensure sufficient electric capacity is available for the whole development to go carbon neutral in the future

The long-term aim, by 2030, is to work with our supply chain to enable carbon neutrality. This is in the process of emerging, we will therefore work with the suppliers of the HIF works to encourage them to reduce carbon emissions from their operations.

Looking more specifically at the transport infrastructure discussed. The carbon footprint of end users of this infrastructure has been considered through the design of pedestrian/cycle provisions which include linking the new development with the existing strategic pedestrian/cycle network. Furthermore, the proposed pedestrian/cycle bridge will not only provide a gateway structure but also ensure low carbon transport modes are safe and desirable for pupils and residents alike. Improved walking and cycling infrastructure is a specific inclusion in the Devon Climate Declaration. An important aspect of the HIF infrastructure is the delivery of a spine road through the development. A key purpose of this is to enable good access to public transport with every house being within walking distance of a bus stop.

The Park & Ride provides an opportunity to reduce carbon emissions further through reducing vehicle movements. This site also has the potential for the installation of a solar PV roof over parked vehicles. If this recommendation is approved, Devon County Council will encourage proposals for solar PV over the Park and Ride site in the stakeholder consultations. Using renewable energy systems and new public transport infrastructure are also specific aims of the Devon Climate Declaration.

7. Equality Considerations

Where relevant to the decision, the Equality Act 2010 Public Sector Equality Duty requires decision makers to give due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
 - advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
 - foster good relations between people by tackling prejudice and promoting understanding, taking account of age, disability, race/ethnicity (includes Gypsies and Travellers), gender and gender identity, religion and belief, sexual orientation, pregnant women/ new and breastfeeding mothers, marriage/civil partnership status
- incoming to a decision, a decision maker may also consider other relevant factors such as caring responsibilities, rural isolation or socio-economic disadvantage.

An Impact Assessment has been prepared, a copy of which has been circulated to Cabinet Members, and is available on the Council's website at:

<https://www.devon.gov.uk/impact/published/>

Both junctions include provision for pedestrians and cyclists along the A379. The Eastern Junction scheme also provides for a pedestrian / cycle crossing of the A379, providing a connection to an existing cycle route.

8. Legal Considerations

Legal agreements will be required for both junctions with the relevant developers. Both will include access rights to enable the junction to be delivered as well as a mechanism for securing the adoption of the road and junction and to enable use by the public in advance of this. The Eastern Junction legal agreement will include provision for repayment of the cost of delivery of the junction.

9. Risk Management Considerations

Whilst legal agreements have been drafted to enable the delivery of the junctions, there is a risk that these are not acceptable to the developers. In the case of the Eastern Junction, these works would not be progressed if a legal agreement securing repayment cannot be achieved. With regard to the Interim School Access junction, the legal agreement does not include a repayment mechanism and as such the risk is considered to be lower. Failure to deliver this junction could impact the delivery timescales for the school.

As with the delivery of any highway works, there is risk regarding delivery. A suitable contingency sum will be included in the estimated costs to minimise the impact of risks.

10. Public Health Impact

The infrastructure is proposed to support sustainable development at South West Exeter. As part of this there will be the provision of sustainable transport which will encourage active travel and have the potential for a public health benefit.

Designs for the junctions include provision of suitable pedestrian / cycle crossing facilities. Prior to approval of the design, the junctions are subject to safety audit, with issues raised within the safety audit addressed as appropriate.

11. Options/Alternatives

An alternative would be to not progress the delivery of the junctions in advance of entering into contract with Homes England. This could have the impact of delaying the delivery of

development given the upfront costs to the developer. This would impact an adjacent development parcel which is dependent on the access works and would be delayed if DCC did not deliver the scheme.

In addition, a delay in the delivery of the Interim School Access Junction would have the impact of delaying the delivery of the all-through school at South West Exeter, which cannot be delivered in advance of the junction works and access. The risk of a delay to the delivery of the school is the loss of the free school. This would have a significant cost implication for the county council as the cost of the free school is estimated to be in excess of £30 million. There would likely also be a delay to the delivery of the school, which is a significant risk as there is considerable pressure for secondary school places in Exeter.

DCC could choose not to offset the cost of the earthworks from the future recovery of funding from the developer. This would impact the programme for the delivery of the junction, potentially affecting the timescale for delivery of the school.

12. Reason for Recommendation/Conclusion

The aim of the Housing Infrastructure Fund in relation to South West Exeter is to unlock development through the upfront, coordinated delivery of infrastructure. Although the funding contract with Homes England has not yet been entered into, progress in relation to this is being made. The delivery of the junction works will help to meet the aims and timescales identified in the HIF bid. Furthermore, it will help to support the delivery of the all-through school as well as supporting the delivery of development.

Dave Black
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Electoral Divisions: Alphington & Cowick; Exminster & Haldon

Cabinet Member for Infrastructure, Development and Waste: Councillor Andrea Davis

Chief Officer for Communities, Public Health, Environment and Prosperity: Dr Virginia Pearson

Local Government Act 1972: List of Background Papers

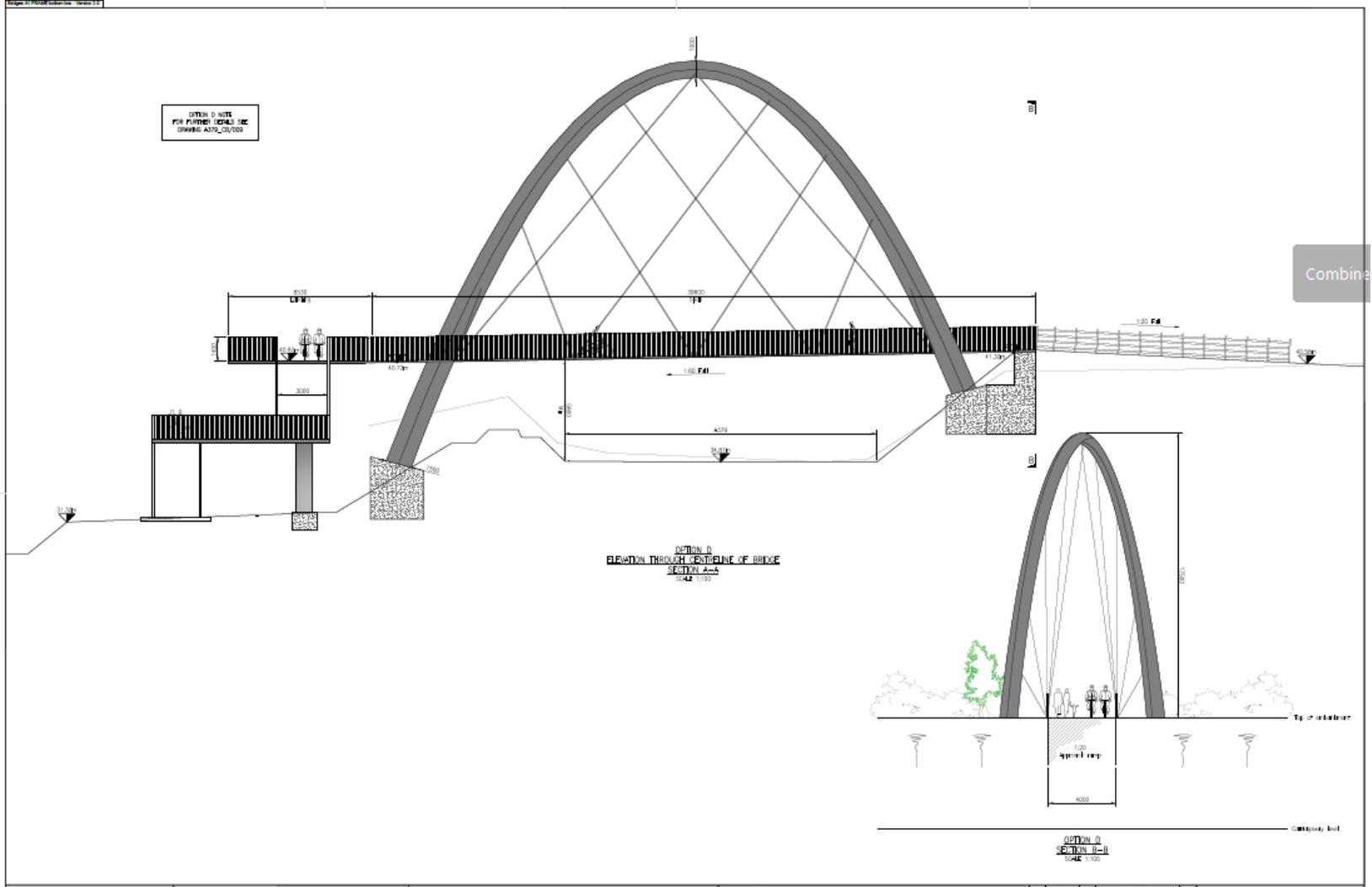
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Background Paper	Date	File Reference
Impact Assessment	September 2019	https://www.devon.gov.uk/impact/published/

Appendix I to PTE/19/36 – Pedestrian / Cycle Bridge



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JOB
**A379 WEST OF EXETER
 CYCLE BRIDGE**

DRAWING TITLE
OPTION D - SINGLE SKEW PARABOLIC ARCH

No.	Date	Drawn	Reviewed	Chk

**FEASIBILITY
 ISSUE**

Do not scale from this drawing in either hard or electronic format. No responsibility is accepted where this drawing is used for construction other than that for which it was originally prepared and issued.

Drawing Number	A379_CB/008	Revision	0
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Appendix II to PTE/19/36 – Peamore Park and Ride

