

South West Exeter Housing Infrastructure Fund: Update on project including approval for submission of planning application and to award tenders

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.

Recommendations: that the Cabinet be asked

- (a) to delegate authority to the Head of Planning, Transportation and Environment in consultation with the Cabinet Member for Climate Change, Environment and Transport to progress the proposals for
 - i. Devon Hotel roundabout and Trood Lane signal-controlled junction
 - ii. Alphington village enhancements
 - iii. Southern spine road
 - iv. A379 junctionsincluding going out to tender and to award contracts for the schemes within the project budget;
- (b) to delegate authority to the Head of Planning, Transportation and Environment in consultation with the Cabinet Member for Climate Change, Environment and Transport to make any necessary changes to the design and progress the proposals for the community building and GP surgery. This includes the submission of a planning application, going out to tender and to award contracts, subject to available project budget and necessary legal agreements to facilitate delivery;
- (c) to conditionally approve the proposals in relation to the allocation of funding recovered from developers including up to
 - i. £5.5 million towards the electricity substation
 - ii. £2 million towards Cranbrook community building;
- (d) to approve the allocation of part of the Housing Infrastructure Fund grant towards the purchase of land and undergrounding of electricity cables associated with the delivery of the electricity substation and the proposal to enter into a contract with Western Power Distribution for the undergrounding of the cables.

1. Summary

Devon County Council was successful in its bid to the Housing Infrastructure Fund (HIF) and since commenced delivery of the first pieces of infrastructure included within the bid. This report seeks to provide an update on the project as well as requesting approval for some elements to allow for the continual progression of the project.

2. Introduction

As set out in previous Cabinet reports on this project, South West Exeter is a strategic allocation of 2,500 dwellings and 5 hectares of employment within the administrative areas of Teignbridge District Council and Exeter City Council. It is a complex site, with various constraints including a key arterial road (the A379) which bisects the development area, it is close to the Exe Estuary Special Protection Area, 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.

DCC was successful with its bid of £55.14 million to the Housing Infrastructure Fund (HIF), under the forward funding tranche of the programme. The HIF funding will enable the early delivery of the infrastructure to support the planned housing development at South West Exeter. The infrastructure to be delivered includes:

- Delivery of four signal junctions on the A379
- Realignment of Chudleigh Road
- Southern Spine Road
- Devon Hotel Roundabout upgrade
- Alphington Village enhancements
- School access road
- Pedestrian / cycle bridge
- Suitable Alternative Natural Green Space (SANGS)
- New electricity substation
- Community building which is intended to include a GP surgery.

Previously included was a new roundabout to serve employment land at Peamore and an upgrade to the foul drainage system. Both of these schemes are now proposed to be delivered by developers without HIF funding. This has not impacted the total amount of HIF funding available for South West Exeter, with funding for these schemes remaining within the overall project.

A plan identifying the development location and infrastructure to be delivered is included in Appendix 1.

Progress is being made with the infrastructure. Two new signal junctions have been delivered and a contract has recently been awarded for the delivery of the pedestrian / cycle bridge with work expected to start on site in the Summer. The first phases of the SANGS, which is being delivered by Teignbridge District Council, are due to open to the public shortly. Although not included within the HIF project, a new all-through school is being delivered by the Department for Education and work commenced on site for this in October last year.

3. Proposal

Electricity Substation

The HIF project includes the delivery of a new electricity substation to increase the electricity capacity in the area. This is expected to provide sufficient capacity for development at South West Exeter as well as additional future development,

including the level of development expected to be allocated in the emerging Exeter Local Plan. The substation will connect into existing 132kV overhead cables and as such needs to be located in close proximity to these cables. A consultation was undertaken, commencing in January 2021, to seek views on three potential site options as well as providing an opportunity for alternative sites to be identified. Following this an officer decision was made to progress a planning application for the site at Matford Home Farm. The consultation and options appraisal reports are available on the project website – www.devon.gov.uk/swexeter.

DCC is progressing discussions with the landowner regarding the acquisition of the site and preparing a planning application which it is expected will be submitted in the Autumn. DCC is working closely with Western Power Distribution (WPD) on the design and requirements for the substation.

Since the initial proposal for the substation, additional costs have been identified. Firstly, the type of substation required has changed. The type of substation is informed by WPD based on what is required to provide power taking into account existing and future demands on the electricity network. The proposed solution is a bulk supply point that requires a much larger site than originally envisaged, which will need to be purchased. Secondly, it is now proposed to underground the cables both through the development site and to the north, underneath the A379. Whilst these are additional costs for the scheme, they are considered necessary to secure the electricity required, whilst seeking to minimise the impact on the development. The benefit from the additional electricity to be provided by the scheme will be capacity for both South West Exeter and development in the wider area.

It is proposed that contingency in the project will initially be used to fund the delivery of the substation. Whilst there is sufficient funding currently within the contingency to facilitate this, there are a number of schemes still to be delivered and there have been increases in prices and staffing costs which may impact future schemes. In order to mitigate against this risk, it is proposed that should there be insufficient funding available within the contingency to deliver all of the remaining HIF schemes, funding recovered from developers can be used to meet any shortfall, up to a total of £5.5 million. Homes England are aware of the intention to use recovered HIF funding for this purpose, although formal approval will be required, and recognise that its use for the substation will support future development beyond South West Exeter.

In order to progress the substation, it is proposed to enter into a contract with WPD for the undergrounding of the existing overhead cables. This is in addition to the contract which DCC has entered into for the delivery of the substation. It is expected that there will be a contribution to this from WPD as well as the existing landowner, although the exact apportionment of costs is to be confirmed.

Devon Hotel Roundabout and Trood Lane

Design has been undertaken for improvements to the Devon Hotel Roundabout, which includes a number of elements. An extra lane on the western A379 entry arm is proposed. In addition, the exit of the western A379 arm is planned to be reduced to a single lane to remove an existing issue with the roundabout which is a conflict

between vehicles from the eastern arm travelling towards Marsh Barton and those travelling straight ahead and a reduction in the central island. Pedestrian and cycle crossing facilities are also proposed, recognising the expected increase in these trips from the development. A toucan crossing is included on the western arm and options for a crossing on Bad Homburg Way are being investigated. The aim is to provide a signal crossing on Bad Homburg Way but there are constraints in the land available to achieve this. Should a signal crossing not be achievable, noting the constraints of the location, an uncontrolled crossing will be investigated. The scheme is not dependent on the outcome of these investigations. There is an existing signalised crossing on the eastern arm.

The HIF Project Board has made a decision to combine the delivery of the Devon Hotel Roundabout scheme with the delivery of a new signal junction at Trood Lane. As well as a new signal junction, the Trood Lane scheme will provide pedestrian and cycle connections and new bus laybys on the A379. Combining the two schemes allows traffic management between them to be coordinated and brings forward the delivery of the Trood Lane scheme. As a larger package it has the potential to achieve better prices through the procurement process.

The current expectation for the scheme is to progress to tender in July with commencement on site expected in Autumn 2021. A plan of the scheme is included in Appendix 2.

Alphington Village Enhancements

A consultation was carried out on proposals for Alphington from December 2021 to January 2022. The consultation included various options for schemes to be delivered within Alphington, with views sought on these. The options are included in Appendix 3. A report on the responses to the consultation is currently being produced. Following this and taking into account responses received to the consultation, the budget available and constraints of the existing highway, it is proposed that a scheme will be developed based on the options shown in Appendix 3.

A379 Junctions

Detailed design for the remaining junctions on the A379 is progressing. A plan of the scheme is included in Appendix 4. The A379 junctions are proposed to be delivered following the construction of the necessary earthworks to be delivered as part of the Chudleigh Road scheme. Options to combine these two schemes together and tender as a single package will be reviewed at the appropriate time.

Community Building

Initial design for the community building, which includes a GP surgery, has been undertaken. The requirements for the building have been informed by Exminster Parish Council, the NHS / GP surgery and the South West Exeter Development Framework. Whilst the requirements were aspirational, the cost estimate for the building is significantly over the budget allowed for in the HIF funding. This is impacted by an increase in the cost of construction and challenges relating to the

land identified for the building. Whilst it may be possible to make savings, this is unlikely to be of the order required.

It remains the intention to deliver a community building including GP surgery as this is considered important to meet the needs of the development and foster a sense of community. It is therefore proposed to revisit the design and requirements with the stakeholders to develop an alternative proposal. The suggested alternative is to deliver the building in phases. Additional phases could be delivered at a later date to meet community needs as the development progresses and in line with future funding, such as Community Infrastructure Levy that the parish council will receive from the development. This approach also reduces the operational costs in advance of the development being fully built out. It is recommended to deliver the GP surgery, community meeting rooms and managed office space. This could be used flexibly during the early stages of the development with the potential for hall space to be available at the neighbouring scheme which is expected to open in September 2023.

Appendix 5 shows the site layout for the costed scheme. As currently shown, it allows for the delivery of a GP surgery of approximately 500m², with the potential to expand this at a later date as indicated on the plan. The footprint of a first phase is indicated in blue on the plan, although this would require further design.

On completion it is expected that the building will be transferred to Exminster Parish Council for its operation and discussions are ongoing to ensure that a viable building is delivered. This will require approval by the parish council at the appropriate point.

Subject to a suitable proposal, it is intended to progress the delivery of the building, including going out to tender and award of tender.

Southern Spine Road

The spine road will connect the three development parcels to the south of the A379 together. The completion of the Eastern Junction works provides the first section of this and design is continuing for the spine road through the remaining two parcels. Planning applications are proposed to be submitted for each section in Autumn 2022, with tender proposed early 2023. Plans showing the expected alignment of the Spine Road are included in Appendix 6. The exact alignment will be informed through discussions with the relevant developers / landowners.

Recovered funding

As alluded to above and set out in previous Cabinet reports on this project, a key benefit of HIF is the ability to recover the cost of the infrastructure from developers and recycle it for use on future projects. Funding will be recovered as development is delivered and will be in accordance with terms within legal agreements. To date section 106 agreements have been signed for the development and a bespoke legal agreement in relation to the Eastern Junction has also been signed. It is expected that further bespoke legal agreements will be signed with developers in advance of infrastructure being delivered. It is proposed to allocate £2 million of recovered funding towards a new community building at Cranbrook. This is conditional on

recovering funds from developers. This funding is in addition to the £5.5 million identified above for the substation and the previously approved £6.55 million towards the A382 improvement scheme.

4. Options/Alternatives

The alternative to delivering the infrastructure as set out above is for DCC not to progress the delivery of the infrastructure. Instead, developers could deliver the infrastructure themselves. As identified above, there are two schemes which developers have opted to deliver themselves and DCC is not in a position to object to this. No HIF funding is available to these schemes. Direct delivery by developers involves them accepting greater risk and generally is likely to lead to a more piecemeal approach with developers only delivering infrastructure as it is required for each phase. This removes the benefits of coordination that DCC's role will have. As infrastructure is delivered, there will be some unavoidable disruption on the highway network. This has a greater potential of being minimised if DCC delivers the infrastructure as it can work across the scheme as a whole. This is being demonstrated by combining the Devon Hotel Roundabout scheme with the delivery of the Trood Lane signal junction.

Another alternative would be to take a more gradual approach to progressing the project. In principle, this would allow the infrastructure delivery to be aligned to the housing sites as they come forward. The risk of this is not delivering the infrastructure within the timescales of the funding stream and could result in being in breach of the funding contract, which requires funding to be spent by the end of March 2024. This would also remove the coordination benefit.

A key benefit of the funding is being able to recover the funding from development as housing is delivered and recycling this into future schemes. Removing or slowing down DCC's role in the delivery of the infrastructure could impact the amount of funding recovered and the future benefits of this funding.

5. 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.

Consultation is also being undertaken throughout the project and varies according to the specific piece of infrastructure. Where the infrastructure to be delivered requires planning applications, these will be subject to appropriate consultation through the

planning process. Public consultations have also been undertaken for both the electricity substation and Alphington village enhancements to seek stakeholder and public feedback. In addition, DCC is working closely with stakeholders for the delivery of the community building, namely the NHS and Exminster Parish Council, to ensure that the building to be delivered will meet requirements.

Efforts are being made to ensure that stakeholders are kept up to date with the project. A dedicated project website has been set up (www.devon.gov.uk/swexeter) which is updated regularly to reflect progress on the project and newsletters produced at relevant points.

6. Financial Considerations

The HIF funding is a capital grant to the Local Authority, with DCC able to draw down funding in arrears on a monthly basis. To date claims have been made for approximately £7.5m. The funding approvals set out above are within the remaining funding available, with contingency available within the project to account for any overspend.

In addition, the proposals include allocating recovered HIF funding to the schemes set out in the table below. This is dependent on receiving the money from development.

Scheme	Approval amount
Electricity substation	£5.5 million
Cranbrook community building	£2 million

Forward funding of the recovered funding is not anticipated to be required. For the substation, use of recovered funding would only be required if there is insufficient contingency available. Whilst the site acquisition may take place in 2022/23, there is anticipated to be sufficient contingency for this. The undergrounding of cables is expected to be later during the substation construction, in advance of the substation going live, by which point further funding is expected to be recovered from developers. Forward funding of Cranbrook community building is not proposed and whilst recovered funding will be available for the project, the project will need to consider how this is forward funded if required.

7. Legal Considerations

There are no specific additional legal considerations to those which were set out in the previous Cabinet reports for this scheme, as the proposal involves following the course of action set out in the original funding bid.

Legal agreements will be required for the delivery of the infrastructure and recovery of funding, which will be progressed on a case by case basis. This approach is considered to be achievable, with three agreements already entered into with developers, in addition to section 106 agreements as part of the normal planning process.

In awarding the works contract, DCC will comply with the Public Contracts Regulations 2015.

8. Environmental Impact Considerations (Including Climate Change)

The planning applications for both housing and employment at South West Exeter, which includes consideration of the infrastructure that is needed to support it, have considered the environmental impacts of the development. These planning applications span the administrative areas of Exeter City Council and Teignbridge District Council. Planning applications for the infrastructure where required will be submitted to Devon County Council and have similar requirements, including the need to provide biodiversity net gain. All of the authorities that have or will determine planning applications are signatories to the Devon Climate Declaration.

The HIF project brings forward the infrastructure to support a large development which will function as an urban extension to Exeter. The earlier delivery of the infrastructure will enable access to facilities through sustainable modes at an early stage of development. Improved walking and cycling infrastructure is a specific inclusion in the Devon Climate Declaration and the infrastructure to be delivered includes provision for this. The completion of the spine road will allow access for a through route for public transport and the delivery of a community building and a new Free School will support the creation of a community and reduce the need to travel. In addition, the HIF funding supports the delivery of Suitable Alternative Natural Green Space (SANGS) which seeks to mitigate the development's impact on the Exe Estuary protected areas.

In addition, the HIF project includes the delivery of an electricity substation, which will provide additional electricity capacity in the area to support development in moving towards carbon neutrality in the future.

In terms of carbon the South West Exeter HIF in itself does not induce the creation any more carbon long term. There are no significant enhancements to highway capacity that will encourage more car travel. In terms of construction, the concept of a Carbon Management Strategy for construction is being piloted on a parallel scheme and the results of this, when available, will be incorporated in the design and tenders.

9. 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 in coming to a decision, a decision maker may also consider other relevant factors such as caring responsibilities, rural isolation or socio-economic disadvantage.

This may be achieved, for example, through completing a full Equality Impact Needs Assessment / Impact Assessment or other form of options/project management appraisal that achieves the same objective.

In progressing this particular project an Impact Assessment was prepared, which has previously been circulated to Cabinet Members and is also available on the Council's website at: <https://www.devon.gov.uk/impact/south-west-exeter-housing-infrastructure-fund-hif/>, which Councillors will need to consider for the purposes of this item.

The HIF project will support the development of a new urban extension to Exeter. The delivery of the community infrastructure and school will support the creation of a community. Within the delivery of the infrastructure, consideration has been, and will continue to be, given to safe and sustainable access for all. This includes the provision of pedestrian / cycle routes and crossings, including the provision of a new bridge where volumes of pedestrians and cyclists are expected to be greatest.

10. Risk Management Considerations

This proposal has been assessed and all necessary safeguards or action have been taken to safeguard the Council's position. A risk register is in place for the project which is reviewed and updated monthly in line with Project Board meetings.

The funding contract has inherent risks which will be minimised so far as is possible through appropriate project management to ensure that the conditions of the funding are met. A close working relationship has been developed with Homes England allowing any risks to be raised early and responses progressed as appropriate. As with the delivery of any scheme, there is a risk regarding delivery, with a maximum amount of funding available through the HIF. The bid included an appropriate level of contingency and a contingency sum will be applied to schemes as they progress to minimise the impact of risks. The approach identified above to use recovered funding to meet additional costs for the substation if required will help to address risks relating to the contingency.

There is a risk regarding recovery of funding and the need to enter into legally binding agreements with developers which have yet to be concluded. Developers are aware of the need to enter into contracts and a recovery contract has been entered into with one developer, which suggests the contracts are workable. Failure to enter into funding contracts for future pieces of infrastructure could impact the delivery timescales and/or the amount of funding recovered. The likelihood of this is considered to be small as developers require the infrastructure for the development and DCC has good working relationships with the various developers.

11. 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.

12. Summary

The proposals set out above allow progress with the project to continue. This is necessary to ensure that the funding is spent within the identified timeframe. The project will enable the earlier delivery of infrastructure as well as the coordination of this to minimise the impact of its delivery. Earlier delivery will help to support the creation of a community from the outset. It will also support housing delivery. Development at South West Exeter was stalled for a number of years, but started to progress following the announcement that the funding bid was successful and is now progressing well alongside the delivery of infrastructure, demonstrating the need to continue supporting infrastructure delivery at South West Exeter.

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Electoral Divisions: Alphington and Cowick, Exminster and Haldon

Cabinet Member for Climate Change, Environment and Transport: Councillor Andrea Davis

Local Government Act 1972: List of Background Papers

Contact for Enquiries: Sarah Ratnage

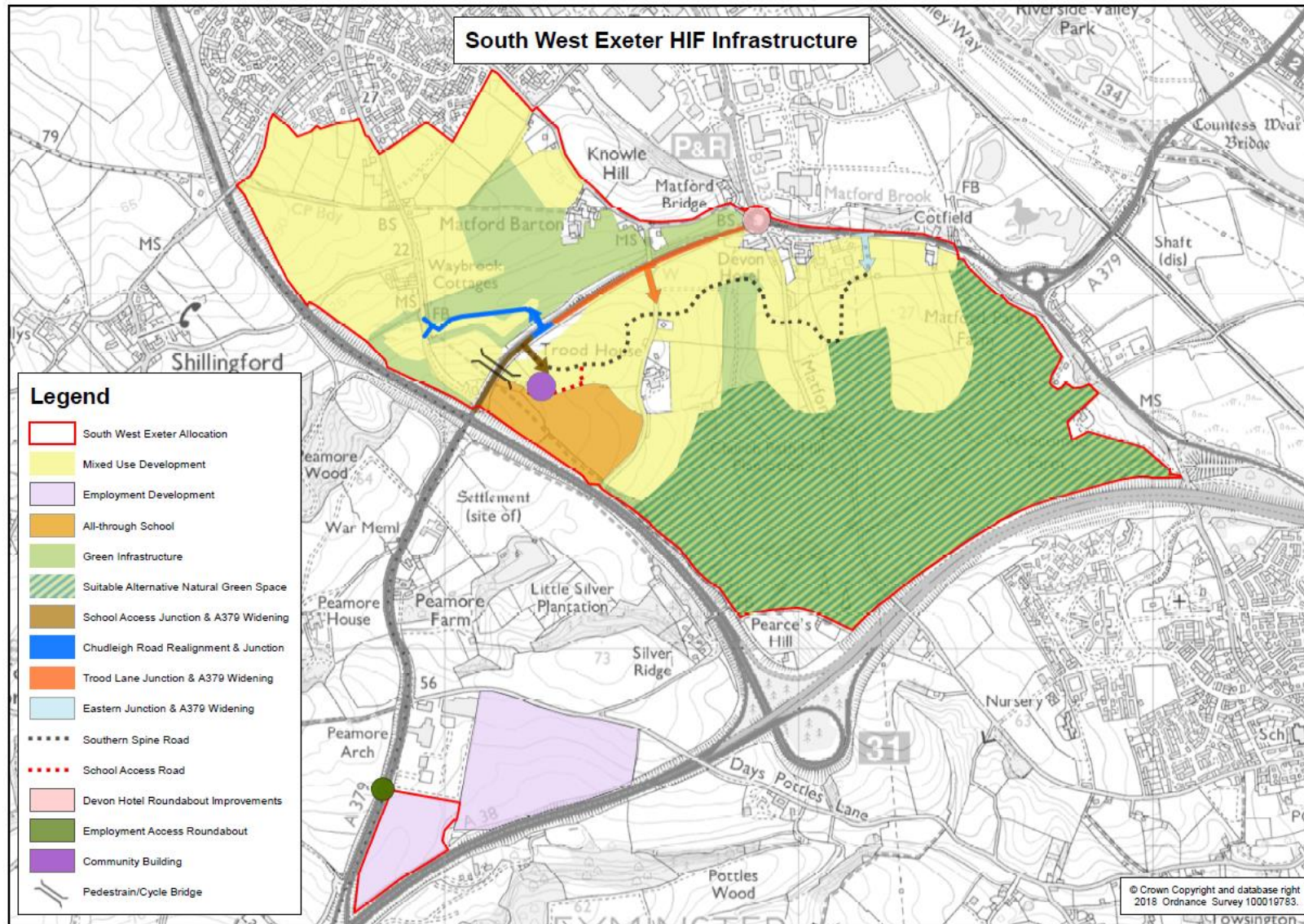
Tel No: 01392 383554 Room: 120, County Hall, Exeter, EX2 4QD

Background Paper	Date	File Reference
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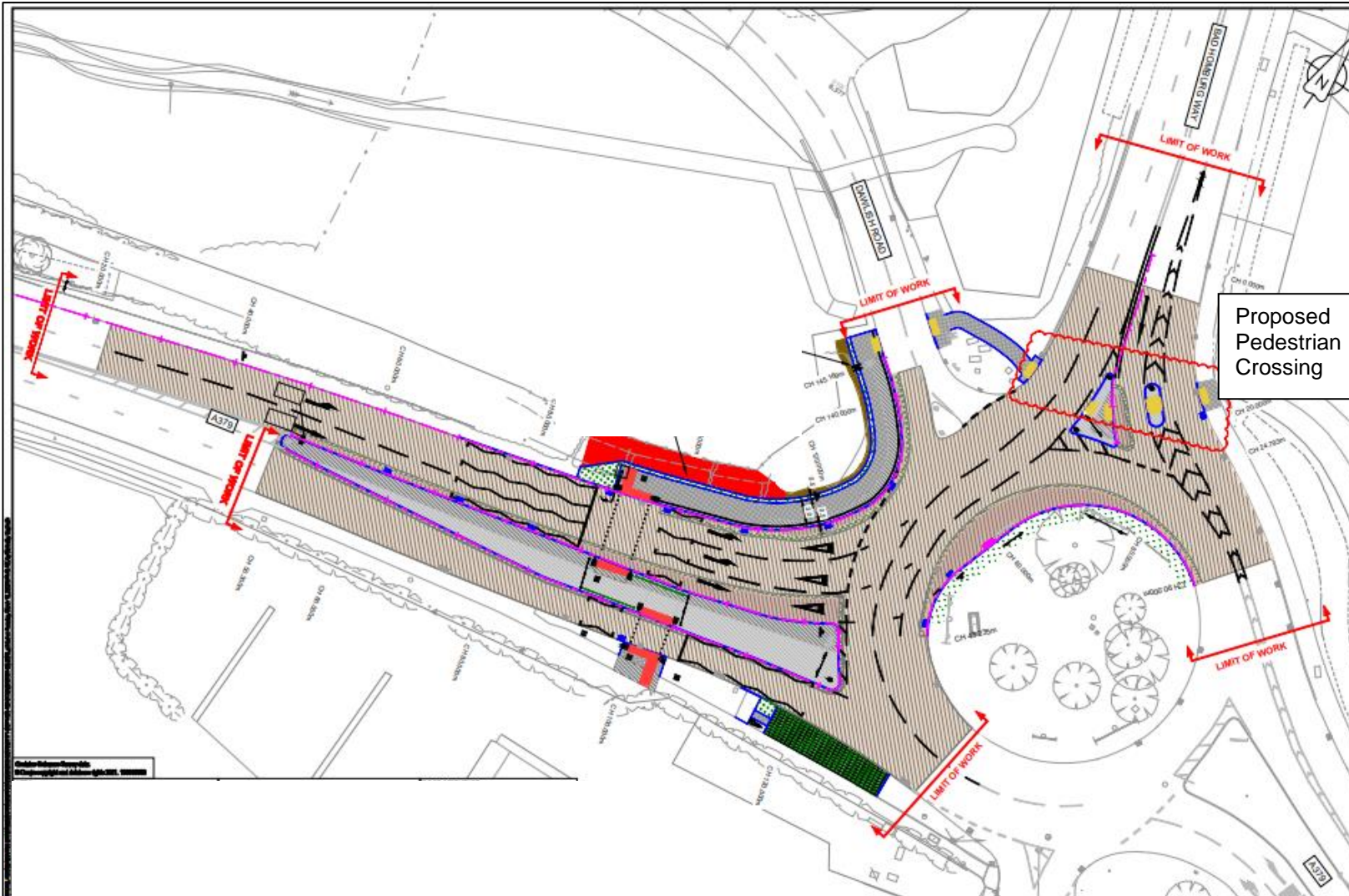
Nil

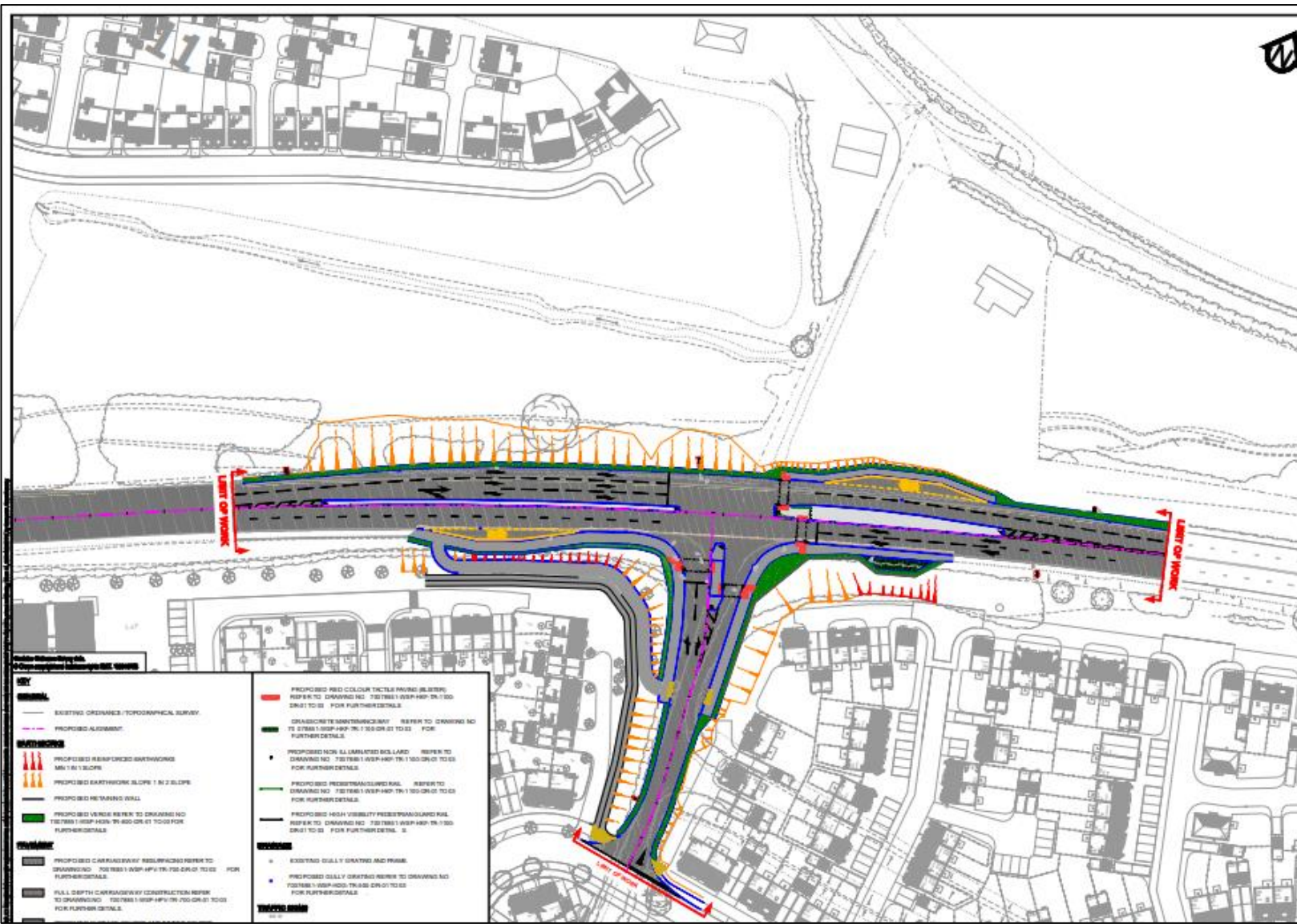
South West Exeter Housing Infrastructure Fund: Update on project - Final

Appendix 1 to PTE/20/16 – Development and Infrastructure Plan

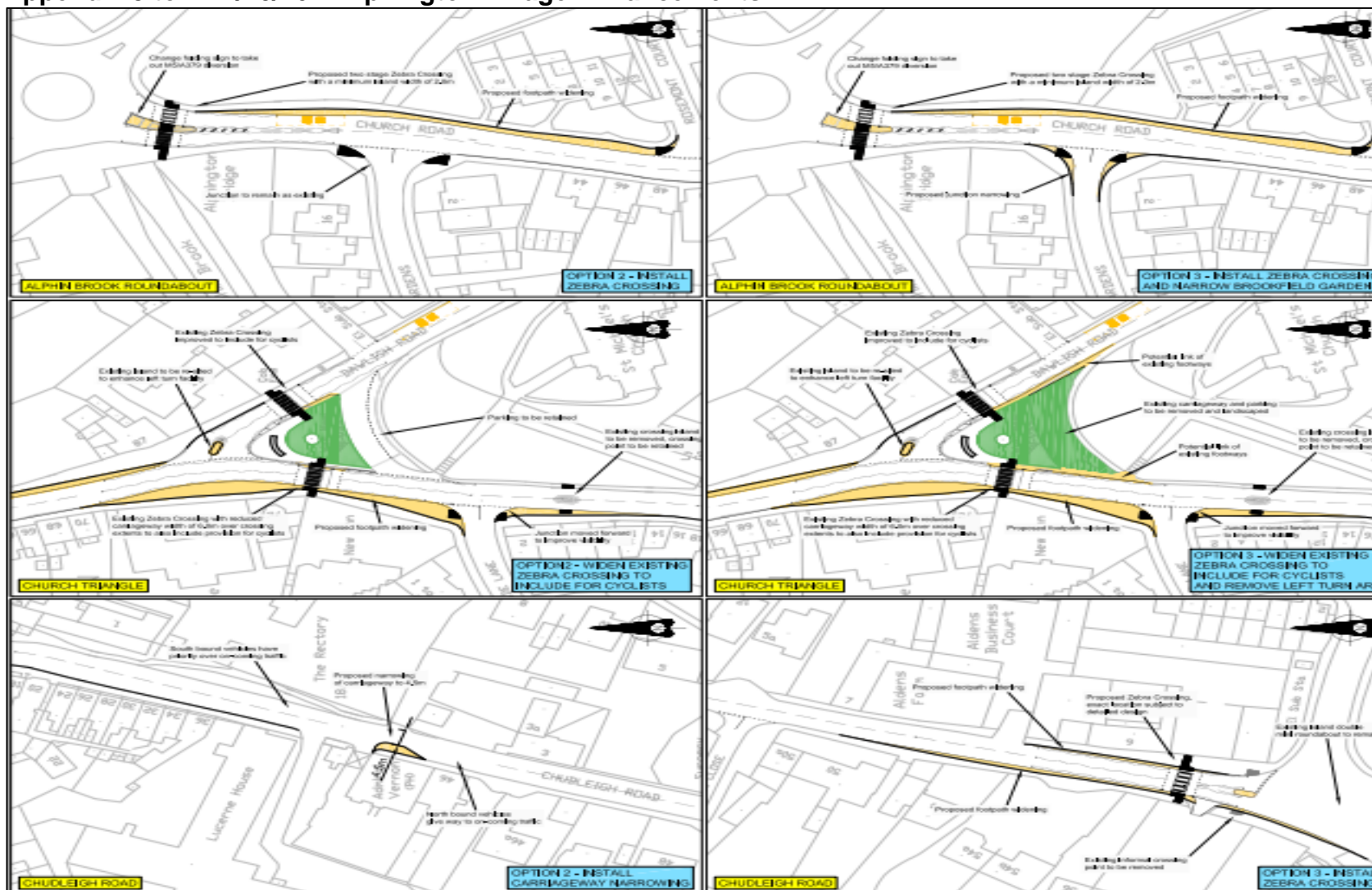


Appendix 2 to PTE/20/16 – Devon Hotel Roundabout and Trood Lane





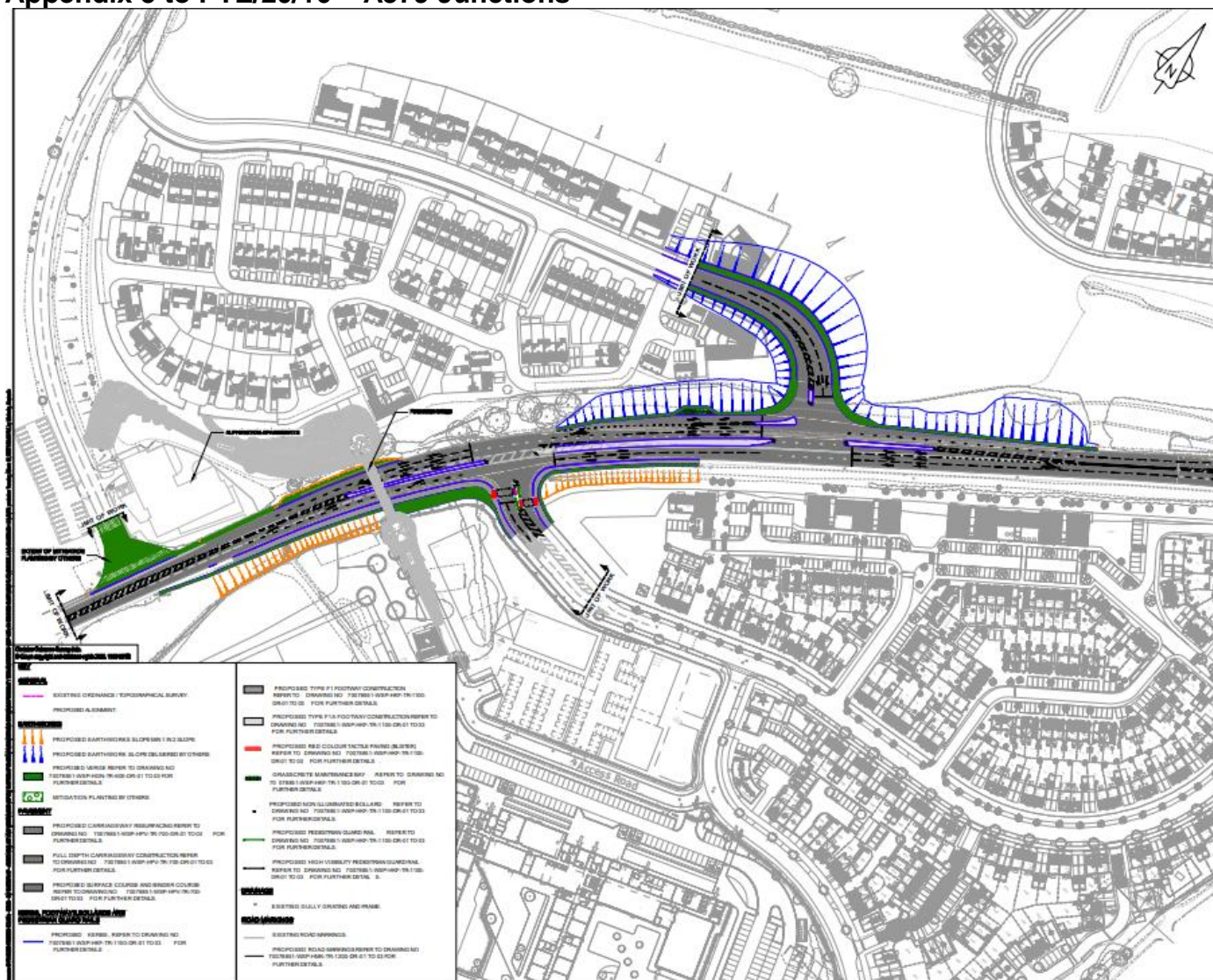
Appendix 3 to PTE/20/16 – Alphington Village Enhancements



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Blue
Recommended
Phase 1 - GP
surgery, community
meeting rooms and
managed office
space. Plus
parking.

Appendix 5 to PTE/20/16 – A379 Junctions



Appendix 6 to PTE/20/16 – Southern Spine Road

