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24 May 2019

FULL COUNCIL

To all Members of Teignbridge District Council

A meeting of the **Full Council** will be held on **Tuesday, 4th June, 2019** in the **Council Chamber, Forde House, Brunel Road, Newton Abbot, TQ12 4XX** at **10.00 am**



Phil Shears
Managing Director

Please Note: Filming is permitted during Committee meeting with the exception where there are confidential or exempt items, which may need to be considered in the absence of the press and public. By entering the Council Chamber you are consenting to being filmed.

A G E N D A

Part I

1. **Apologies for absence**
2. **Chairman's announcements**
3. **Declarations of interest**
4. **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

RECOMMENDED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of item 10 on the grounds that it involves the likely disclosure of exempt information as defined in the relevant paragraphs 3 and 5 of Part 1 of Schedule 12A of the Act.

5. **Public questions session under Council Procedure Rule 4.5(j) (if any)**
6. **Councillor questions under Council Procedure Rule 4.5(k) (if any)**
7. **Notices of motion under Council Procedure Rule 4.5(l) (if any)**

Notice of Motion's shall be referred to the appropriate Committee meeting. The mover of the motion can outline the proposal and then it will stand adjourned. The motion may be debated to assist debate later if agreed by two-thirds of Council Members.

8. **A382 Improvements Contribution** (Pages 1 - 8)
9. **Dawlish Link and Bridge** (Pages 9 - 14)

Part II: Item suggested for discussion with the press and public excluded

10. **Budget Approval for Estates Management Issue - report to follow**

If you would like this information in another format, please telephone 01626 361101 or e-mail info@teignbridge.gov.uk

COUNCIL

Leader: Cllr Gordon Hook

Portfolio Holder: Cllr Gary Taylor

DATE: 4 June 2019

REPORT OF: FERGUS PATE, PRINCIPAL DELIVERY OFFICER

SUBJECT: A382 IMPROVEMENTS CONTRIBUTION
PART I

RECOMMENDATIONS

Council is recommended to:

- (1) **Approve a contribution of up to £5.1 million towards phase 1 of the A382 improvements. This will be paid to Devon County Council by 2022/23 subject to:**
 - a) **Sufficient funding being available within that timeframe; and**
 - b) **Confirmation of the Local Enterprise Partnership Growth Deal contribution towards the scheme.**
- (2) **Reflect this funding commitment in future Teignbridge Capital Programmes**
- (3) **Delegate Authority to the Business Manager Strategic Place (in consultation with the Section 151 Officer and the Solicitor to the Council) to complete an associated funding agreement with Devon County Council.**

1. PURPOSE

- 1.1. To agree Teignbridge's Community Infrastructure Levy contribution towards phase 1 of the A382 improvements (indicated at appendix 1). The first phase of works between Forches Cross and Newton Abbot is due to commence during Autumn 2019 and will be delivered by Devon County Council.

2. BACKGROUND

- 2.1. Teignbridge's Council Strategy includes the 'Moving up a Gear' super project. This identifies improving the A382 into Newton Abbot as its first priority. It also explains that we will use the council's capital programme to invest in transport provision which boosts economic performance, healthy transport choices and sustainable access.
- 2.2. The Local Plan also firmly supports the A382 improvements. At policy HT1, for example, realignment of the A382 Bovey Tracey Road between Newton Abbot and Drumbridges roundabout is supported in order to improve connectivity and accessibility within the Heart of Teignbridge. This policy proposal also calls for the provision of separate cycle lanes.
- 2.3. The Teignbridge Infrastructure Delivery Plan similarly identifies the first phase of A382 improvements between Forches Cross and Newton Abbot as a 'critical' priority

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and one that is required in order to deliver the strategic vision and objectives of the Local Plan. The project cost is estimated at £13 million and the Infrastructure Delivery Plan recognises a funding gap of £5.1 million.

- 2.4. Planning permission was granted for the full extent of the route between Drumbridges and Newton Abbot in June 2017. A Compulsory Purchase Order (CPO) for phase 1 was recently confirmed. During the CPO process Teignbridge confirmed unanimous support for the scheme by agreeing a letter to Devon County Council at the October 2018 Full Council meeting.
- 2.5. The phase 1 works will include a separate strategic pedestrian and cycle facilities and support new and existing bus services in the Newton Abbot area. They are programmed to commence in Autumn 2019.
- 2.6. Before then, the Local Enterprise Partnership is due to confirm its £6.5 million funding contribution. In order for that to happen it is essential that Teignbridge's local contribution towards the scheme is confirmed.

3. BENEFITS OF THE A382 IMPROVEMENTS

- 3.1. The A382 scheme has been the subject of a detailed business case process associated with the government's Growth Deal programme. It was also identified as a key Local Plan priority as a result of a thorough and independently examined process. Key benefits of the project are as follows.

Safety

- 3.2. Safety improvements will result from the implementation of modern A road design standards. The A382 is one of the worst performing A roads in Devon, whose collision rate is 55 per cent higher than the national average for this type of road.

Sustainable travel

- 3.3. A new strategic walking and cycling route will be provided alongside the widened 10 metre carriageway in order to facilitate connectivity between Newton Abbot, Heathfield, Bovey Tracey and beyond along the Wray Valley trail. The walking and cycling route will also provide an entirely new link to existing and new destinations along the A382 corridor. This includes linking with the development that is allocated at Houghton Barton.
- 3.4. The route will enable new and attractive bus services to be provided. Once the main street through Houghton Barton has been delivered it will support the creation of a new bus loop service that would run along the A382 Bovey Tracey Road, down the Houghton Barton main street and back into Newton Abbot town centre along the A383 Ashburton Road.

Highway capacity

- 3.5. Significant enhancements to vehicular capacity will result from the scheme improving journey times and reliability on a route whose peak average speeds can be as low as 25 miles per hour (the speed limit is 60 mile per hour).
- 3.6. The road improvements will help to support and address the impacts of additional development growth across the Heart of Teignbridge, including development that is coming forward in Newton Abbot and Kingsteignton. The scheme will also help to

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accommodate future development on allocated employment sites and renewal of Newton Abbot's town centre.

- 3.7. Without any intervention, the A382 would become over capacity as allocated developments come forward. The capacity of the road is estimated at 1,100 vehicles per hour in each direction but with flows expected to increase to 1,500 additional capacity is required. Realising these necessary improvements will help to increase the attractiveness of Newton Abbot and the Heart of Teignbridge's as an economic driver and destination for investment.

4. FINANCIAL CONSIDERATIONS

- 4.1. The A382 improvements represent the type of strategic project for which the Community Infrastructure Levy (CIL) was designed. All CIL receipts flow through lower tier district councils and none go to upper tier authorities like Devon County Council.
- 4.2. With Teignbridge's support, Devon County Council have secured a £6.5 million government contribution towards the scheme as part of a package through the Local Enterprise Partnership administered Growth Deal. The identification of local match funding is essential to successfully harnessing Growth Deal support.
- 4.3. Table 1 confirms that an additional £1.4 million in developer S106 contributions to Devon County Council have been earmarked for this project. With a £5.1 million contribution through Teignbridge's CIL, the total £13 million funding package will be comprised as follows:

Funding Source	Amount
Growth Deal <i>Local Enterprise Partnership</i>	£6,500,000
Developer Section 106 contributions <i>Devon County Council</i>	£1,400,000
Community Infrastructure Levy <i>Teignbridge Council</i>	£5,100,000
Total	£13,000,000

Table 1: A382 Phase 1 funding sources

- 4.4. Teignbridge's capital programme to 2021/22 identifies an initial contribution of £2.5 million towards the project using CIL receipts. This amount and timing reflects other existing CIL commitments and forecast future CIL income.
- 4.5. Officers had been working towards reflecting the total £5.1 million A382 funding shortfall in next year's capital programme through the addition of a further £2.6 million 2022/23 commitment. However, this now needs to be confirmed immediately in order for the County Council to be able to draw down the Growth Deal monies.

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- 4.6. Teignbridge's planning and finance teams closely monitor CIL income and forecast receipts in order to robustly inform future expenditure. They have worked together to assemble this report. Taking existing commitments into account, including SANGS expenditure, it is anticipated that sufficient funding will be available in order for Teignbridge's £5.1 million contribution to be made in full by March 2023.
- 4.7. Nevertheless, CIL forecasts cannot be absolute and income rates may vary with changes in the housing market. It will therefore be appropriate to insulate the Council from these pressures by committing to the £5.1 million A382 contribution in 2022/23, subject to sufficient income having been received by then. The contractual agreement would allow later payment if the pace of CIL income diminished.
- 4.8. Other existing CIL provisions and incurred expenditure, excluding the proposed £5.1 million A382 contribution, amount to £20 million. In terms of income, Teignbridge can expect to have received approximately £27 million by 2022/23, which would be sufficient to meet the proposed commitment.

5. LEGAL IMPLICATIONS

- 5.1. There must also be some prospect that the whole CIL regime may change. Whilst it is unlikely that funding from development will not continue to flow over the coming years, a change in mechanism may materialise and the proposed funding agreement should address this prospect so far as it can.
- 5.2. It is recommended to delegate authority to Business Manager Strategic Place and the Solicitor to the Council to complete a funding agreement with Devon County Council. Our authorities already have a track record of having prepared similar agreements in relation to funding for Kingsteignton Primary School and Marsh Barton Station.
- 5.3. The agreement will confirm the following provisions:
 - a) The funding will be passed to the County Council by March 2023, subject to it being available as described in section 4 above.
 - b) Transfer of funds will occur following completion of the project and in response to a demonstration of incurred expenditure
 - c) If there is a reduction to the overall project costs, this will be shared proportionately between the Growth Deal and CIL funding sources.

6. TIMESCALES

- 6.1. The phase 1 A382 works are expected to commence during autumn 2019. They are due to be completed by March 2021.
- 6.2. The £5.1 million Teignbridge contribution would be paid to Devon County Council by March 2023.

7. FUTURE A382 PHASES

- 7.1. Improvements to the A382 within the area indicated at Appendix 1 are intended as the first phase of a wider programme of enhancements along the corridor between Drumbridges and Newton Abbot. The overall strategy is to deliver upgrades to the remainder of the route as a priority.

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- 7.2. A new planning application for the Jetty Marsh II link and cycleway between Whitehill Cross and Newton Abbot Hospital is due to be submitted to Devon County Council imminently. A pedestrian and cycle connection along Exeter Road from Churchills Roundabout connecting to Whitehill Cross is also proposed which would come forward following completion of the Jetty Marsh II connection.
- 7.3. The remainder of the route between Forches Cross and Drumbridges already benefits from planning permission. Further work to assemble the necessary land is underway.
- 7.4. None of the future phases of the A382 enhancement programme are currently funded. However, Government has recently confirmed the route as falling within the new Major Road Network (MRN). The MRN comprises 'the most important local authority roads' across the country.
- 7.5. Government has also confirmed a £3.5 billion programme that will be used to support MRN schemes that reduce congestion; support economic growth; support housing delivery; support all road users; and support the strategic road network.
- 7.6. Devon County Council is assembling a bid for MRN funding this year with a view to completing subsequent upgrades to the A382 corridor by around 2024.

8. KEY RISKS

- 8.1. The risks associated with making this funding commitment are relatively limited. Project delivery carries some risks but these will not have a direct bearing on the funding commitment, particularly on the basis that Teignbridge's CIL contribution would be paid following project completion.
- 8.2. There is some risk that insufficient CIL funding will be available by 2023 but a contractual provision that would account for this potential and allow later payment if the pace of CIL income diminished would entirely mitigate this matter.
- 8.3. There is a risk that only phase 1 of the A382 programme will be delivered and future phases will not come forward. The recommended Council decision has little direct bearing on that risk. Failure to commit Teignbridge's CIL now would prevent the County Council from being able to draw down government Growth Deal support. In that scenario it is considered less likely that future funding for upgrades to the whole transport corridor would materialise.

9. ALTERNATIVE OPTIONS

- 9.1. There are two main alternative options available to the Council. These are to either:
 - a) Only confirm the exiting £2.5 million 2018 – 2022 Capital Programme A382 provision.
 - b) Choose not to fund the A382 improvements at all.
- 9.2. In either of these scenarios the Growth Deal funding will not be available, the Phase 1 improvements will not be delivered and the delivery of the whole A382 transport corridor would be at risk.

10. MAIN IMPLICATIONS AND JUSTIFICATION

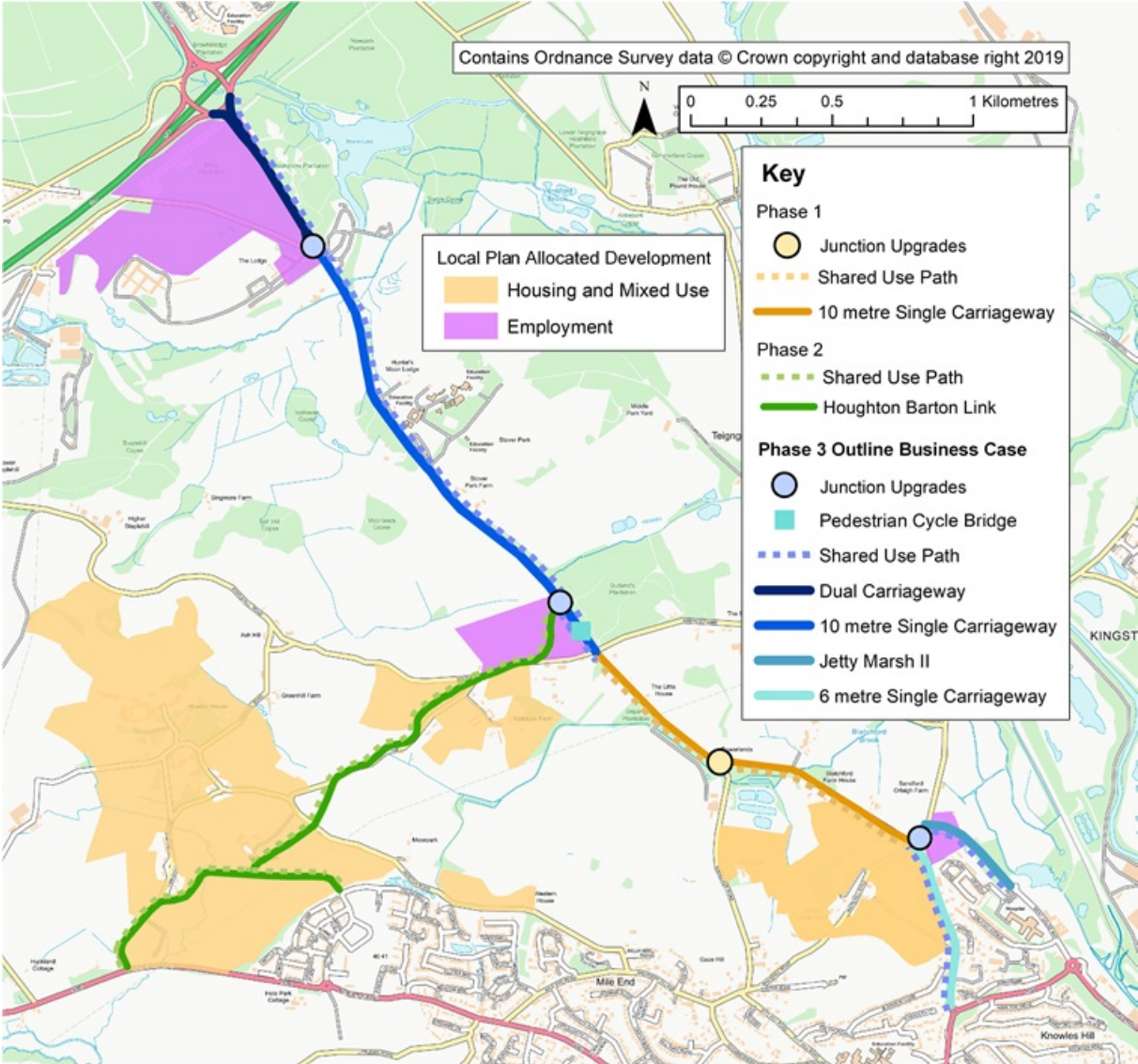
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- 10.1. Investing up to £5.1 million of CIL in phase 1 of the A382 improvements will unlock £13 million needed to complete the project and fulfil a key strand of Teignbridge's Council Strategy and Local Plan.
- 10.2. Making this funding commitment will mean that less money is available to meet the costs of other projects but the A382 improvements are a top priority.
- 10.3. Confirming a commitment to the phase 1 works and moving on to commencement will be more likely to pave the way for government funding support to complete future phases along the A382 corridor. Conversely, a failure to commit to the scheme would risk undermining the entire programme.

Fergus Pate
Principal Delivery Officer

Wards affected	All in Teignbridge Planning Authority area.
Contact for more information	Spatial Planning & Delivery, 01626 215702
Key Decision	Y
In Forward Plan	N
In O&S Work Programme	N

Appendix 1: A382 corridor improvements and indicative phases.



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COUNCIL

Leader: Cllr Gordon Hook

Portfolio Holder: Cllr Gary Taylor

DATE: 4 June 2019

REPORT OF: FERGUS PATE, PRINCIPAL DELIVERY OFFICER

SUBJECT: DAWLISH LINK AND BRIDGE
PART I

RECOMMENDATIONS

Council is recommended to:

- (1) Approve the receipt and expenditure of £4.9 million of grant funding from Homes England, towards the development costs of Dawlish's Local Plan DA2 allocation link road and associated bridge.
- (2) Delegate authority to the Business Manager Strategic Place (in consultation with the Section 151 Officer and the Solicitor to the Council) to complete:
 - (a) the Homes England funding agreement; and
 - (b) agreement(s) with Devon County Council and the site owners as necessary to secure the delivery of the project.

1. PURPOSE

- 1.1. To agree the deployment of £4.9 million of government grant funding to deliver key elements of the new link road at Dawlish's North West Secmaton Lane Local Plan DA2 allocation.

2. BACKGROUND

- 2.1. The Local Plan allocates a mixed use development at Dawlish that includes at least 860 homes. The allocation sits alongside other recent housing sites and Dawlish Countryside Park.
- 2.2. The allocation includes provision for a link road through the site that will address highway capacity concerns, enable a through bus route and help to mitigate traffic impacts on Elm Grove Road and the surrounding area..
- 2.3. When the Development Framework Plan was prepared for the DA2 allocation, public consultation reflected a clear view that early delivery of the link road was a key priority.
- 2.4. On that basis, when government body Homes England announced the Housing Infrastructure Fund prospectus a £4.9 million bid was prepared for funding to deliver the route, including a new bridge over the Shutterton Brook.
- 2.5. Appendix 1 indicates the extent of the route that was subject to the bid. There are three main development areas at DA2. Areas 3 and 4 were the subject to the bid.

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The developers of area 2 are due to complete their section of the link before occupation of the 50th of 407 dwellings that are due to be constructed on that site.

- 2.6. The bid was submitted in Autumn 2017 and a funding allocation announced in Spring 2018. Members have been kept updated on process and the time it has taken to progress towards drawing down the funds.
- 2.7. Having completed the necessary due diligence, Homes England are in position to finalise a funding agreement. Council approval is sought to complete the agreement, draw down the funds and deploy them with the County Council acting as delivery partner and commissioning the works so that the project can be completed during 2021.

3. LEGAL AGREEMENTS

Homes England Funding Agreement

- 3.1. The terms of the funding agreement are largely prescribed by Homes England. Key components of the agreement will include Council obligations associated with:
 - a) Milestones for detailed design, the letting of contracts and completion;
 - b) Any project underspend to be recovered by Teignbridge and deployed on other projects associated with supporting development;
 - c) Meeting any additional project costs beyond the £4.9 million grant.

Devon County Council Delivery Contract

- 3.2. Only lower tier authorities were able to bid for the HIF funding. Ordinarily, the County Council would lead on securing funding for transport projects like the DA2 link and bridge.
- 3.3. A project Board has been formed with Devon County Council officers to oversee completion of the project. Their Engineering Design Team will coordinate bridge and road design and procurement of works contracts.
- 3.4. It will therefore also be necessary to enter into an agreement with Devon to ensure that relevant Teignbridge obligations to Homes England are observed.

Licence to Construct the Road

- 3.5. Whilst the road and bridge scheme will be commissioned by the public authorities it will be delivered on developers' land.
- 3.6. The site promoters have supported the bid process from the outset but nevertheless it will be necessary for the public authorities to secure the rights to construct the road before passing control back to the developers whilst they construct the site's new homes.
- 3.7. Through this process and planning conditions public access along the entirety of the HIF funded section of road will be secured, including construction access for developments across the wider allocation.

4. FINANCIAL CONSIDERATIONS

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- 4.1. The amount of grant offered by Homes England reflects the entire amount that was bid for. The bid was informed by County Council Engineering Design Group estimates and endorsed by Teignbridge's Section 151 Officer. Since then, further ground investigation work and surveys have been undertaken, helping to create more certainty that the estimates (which include an allowance for risk) are accurate.
- 4.2. Sufficient funding has been identified to meet the cost estimates of the scheme but this position will be kept under close review by the project board and any changes reported to the Planning Portfolio Holder and council committees. More generally, progress with the scheme will be reported to Overview and Scrutiny Committee through the usual Council Strategy monitoring processes, as it has been to date.
- 4.3. In the event that the project costs turn out to be less than the amount of HIF grant, the Council will be able to recover the difference and subject to Homes England's approval or as otherwise addressed in the funding agreement make decisions on how to use those funds as part of additional infrastructure schemes that support Teignbridge's development growth. Similarly, planning agreements with the developers should ensure that any increases in the house builders' returns will be split equally with the Council and those funds invested in additional infrastructure that supports housing delivery in line with the Local Plan and other planning considerations.
- 4.4. The grant funding will be paid to the Council in tranches that reflect the scheme's cost profile. These sums will then need to be paid to the County Council to meet incurred expenditure.

5. KEY RISKS

- 5.1. Cost estimates invariably carry some risk. This has been diluted by more detailed survey and modelling work and through the inclusion of a substantial risk allowance within the project cost estimate. The project board will still need to carefully and regularly manage the budget and ensure that the project outturn costs are no more than the available funds.
- 5.2. Whilst there is general consensus between the public authorities and the site developers / promoters it will be important that the necessary licences to construct the road are robust and in place before funds for the project works are drawn down. The project board will ensure that funds are not drawn down until then.
- 5.3. Besides the legal agreements, detailed planning consents are still required. The road and bridge will need to be designed in a way that accords with existing Local Plan policy but the principle of the project has already been established through the DA2 allocation, the development framework plan, and an outline planning permission on development area 4 at Langdon Hospital.

6. ALTERNATIVE OPTIONS

- 6.1. The main alternative is for the Council to decide not to enter into the Homes England funding agreement. Failure to complete the agreement would clearly delay if not totally prejudice the project's delivery, creating more uncertainty for the future development of housing the area. Whilst there can be confidence that the developers would ultimately need to deliver the link road, the timescales cannot be certain. Road commencement would rely on housing development commencing first.

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- 6.2. Further, with no HIF funding, the bridge would also be challenging to deliver. This is because the associated financial contributions secured from developers reflect early and less detailed bridge cost estimates that were around half of the current and up to date cost assessment based upon more thoroughly prepared figures. The HIF grant will overcome this gap.
- 6.3. The HIF is also paying to deliver a road that would ordinarily be required of the developers. This is on the basis that development viability would otherwise be reduced. If the road and bridge are not funded through HIF there is a strong prospect that the amount of other infrastructure and/or affordable housing delivered on the development sites would need to be reviewed.

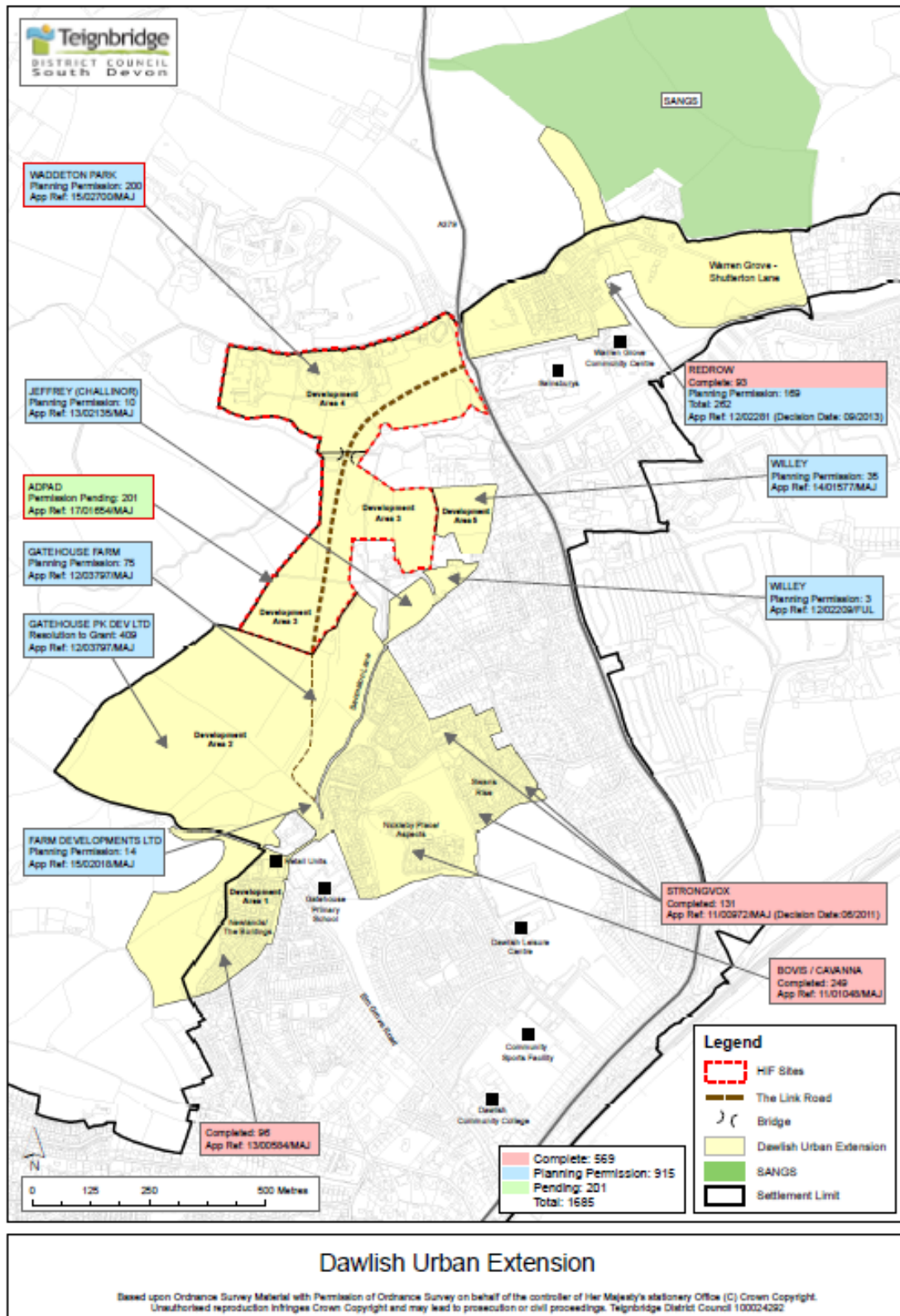
7. MAIN IMPLICATIONS AND JUSTIFICATION

- 7.1. Confirming the grant funding agreement with Homes England will unlock early delivery of the Dawlish DA2 link road and bridge. This will fulfil an important Local Plan and community priority.
- 7.2. Besides officer time in completing agreements and coordinating project funds and delivery the grant funding should result in no additional resource implications for Teignbridge.

Fergus Pate
Principal Delivery Officer

Wards affected	All in Teignbridge Planning Authority area.
Contact for more information	Spatial Planning & Delivery, 01626 215702
Key Decision	Y
In Forward Plan	N
In O&S Work Programme	N

Appendix 1: Dawlish Link and Bridge indicative map



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