

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.

