

EXECUTIVE 18th November 2021

Report Title	Major Road Network – Grant for Development Costs 2021/22 – A509 Isham Bypass
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Lead Member	Councillor Graham Lawman, Executive Member for Highways, Travel & Assets.

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number for exemption from publication under Schedule 12A Local Government Act 1974	

List of Appendices

None.

1. Purpose of Report

- 1.1. To inform the Executive of the grant received from the Department of Transport (DfT) for the development work for the A509 Isham bypass and the intention to spend these amounts to progress this scheme to Outline Business Case and planning permission.

2. Executive Summary

- 2.1 The A509 Isham bypass forms the first part of a strategy to dual the whole A509 between the A45 and A14 trunk roads at Wellingborough and Kettering respectively.
- 2.2 The scheme has been progressed to varying degrees since the early 1990s. In 2020, work restarted on the scheme with £1m of funding provided by the Borough Council of Wellingborough (BCW). As a result of this work an

enhanced Strategic Outline Business Case (SOBC) was submitted to the Department for Transport (DfT) in December 2020.

- 2.3 On 27th October 2021, DfT confirmed that they would be making a funding contribution of £1,859,000 in 2021/22 for development work on the A509 Isham bypass scheme up to and including the production of an Outline Business Case (OBC) as defined in the DfT's Transport Business Case guidance.
- 2.4 The SOBC application outlined a requirement of a total of £2,817k for developing the scheme from SOBC to the completion of OBC and obtaining planning permission. This was based on a £1,878k contribution from the DfT and a local funding contribution of £939k. The DfT have granted a sum which is £19,000 less than the requested sum. At this stage, it is expected that this amount can be met by contingencies built into the project budget.
- 2.5 To date, work has progressed using the local funding contribution. Confirmation of the DfT funding enables the Council to progress with the work to develop the OBC and the planning application.
- 2.6 Whilst planning permission was previously granted for the scheme, a revised application is now required to take account of a change in alignment due to the Symmetry Park development taking place at the north end of the scheme.

3. Recommendation

- 3.1 It is recommended that the Executive:
 - a. Note and accept the receipt of the government funding totalling £1,859,000 for development work on the A509 Isham bypass; and
 - b. Agree to spend the funding on developing the Outline Business Case (OBC) and planning application for the A509 Isham bypass.
- 3.2 Reason for Recommendation
 - Utilisation of government funding to progress the development work for the A509 Isham bypass scheme.

4. Report Background

- 4.1 The A509 Isham bypass forms the first part of a strategy to dual the whole A509 between the A45 and A14 trunk roads at Wellingborough and Kettering respectively.
- 4.2 The scheme has been progressed on-off since the early 1990s. In 2020, work restarted on the scheme with £1m of funding provided by the Borough Council of Wellingborough (BCW). As a result of this work an enhanced Strategic Outline Business Case (SOBC) was submitted to the Department for Transport (DfT) in December 2020.

- 4.3 The SOBC sets out the case for investing in the scheme, identifying economic and social benefits by reducing congestion, speeding up journey times and making journeys more reliable. An approved SOBC tends to lead to the development of a more detailed Outline Business Case (OBC). There is a risk in preparing the SOBC and OBC because they both require significant amounts of funding to prepare and yet there is no certainty that funding for future stages, including construction, will be approved. The Isham SOBC shows that the scheme continues to demonstrate very high value for money, with a benefit: cost ratio of 7.13:1. (In summary - for every £1 spent it will return £7.13 in added benefit).
- 4.4 On 27th October 2021, DfT confirmed that they would be making a funding contribution of £1,859,000 in 2021/22 for development work on the A509 Isham bypass scheme up to and including the production of an Outline Business Case (OBC) as defined in the DfT's Transport Business Case guidance.
- 4.5 The SOBC application outlined a requirement of a total of £2,817k for developing the scheme from SOBC to the completion of OBC and obtaining planning permission. This was based on a £1,878k contribution from the DfT and a local funding contribution of £939k. The local funding was made up of the balance of £780k of BCW funding remaining after completion of the SOBC and a £159k contribution of funds held by Northamptonshire County Council (NCC) under section 278 of the Highways Act 1980 (that is funds provided as part of the planning process to improve public highways). The DfT have granted a sum which is £19,000 less than the requested sum. At this stage, it is expected that this shortfall can be met by contingencies built into the project budget.
- 4.6 The funding has been identified to enable the Council to:
- Prepare and submit an OBC to the DfT;
 - Update the bypass design for a new planning application;
 - Prepare and submit a new planning application;
- with a view to securing funding from the DfT for the A509 Isham bypass scheme.
- 4.7 Some work has progressed prior to the confirmation of funding from the DfT using the local funding contribution from both NCC and BCW, but further work is required. More recently, the team have focused on seasonal work (ecology surveys) that needs to be undertaken at this time of year (i.e., autumn). Confirmation of the DfT funding enables the Council to progress to a conclusion the OBC and the planning application.
- 4.8 At the time of submitting the SOBC to DfT, construction was programmed for October 2023, with opening in October 2025. However, the delay in receiving confirmation from DfT that they would fund the preparation of the OBC has impacted the proposed programme. It is now likely that construction will begin in summer 2024 with opening in summer 2026, however the development and construction timetable will be reviewed and updated during the preparation of the OBC.

5. Issues and Choices

- 5.1 The funding supplied by DfT is ring-fenced to the Isham bypass project and cannot be assigned to other projects by the Council. Accordingly, the only

options open to the Council are to proceed with the OBC for the Isham bypass, or to not progress the scheme and allow the DfT to recoup the funding from the Council.

- 5.2 Failing to progress with the OBC would delay the development of the A509 Isham bypass and risk its future delivery. It would also have a detrimental impact upon the Council's ability to deliver social and economic benefits for the area.

6. Implications (including financial implications)

6.1 Resources and Financial

- 6.2 The DfT have confirmed in writing that the grant will be paid under Section 31 of the Local Government Act 2003 and is awarded subject to the following conditions, as laid out in the DfT funding letter:

- a) The funding is capital in nature and therefore the Council must be able to capitalise the expenditure to which it relates;
- b) The funding is to undertake work on the scheme as described in the application for funding from the Major Road Network programme and should not be used for any other purpose such as advanced purchase of land, utilities diversions etc. Any significant updates or changes to this scope should be agreed with DfT.
- c) the DfT reserves the right to seek reimbursement from the Council if the scheme is not constructed;
- d) The development work and OBC must be consistent with the DfT's Transport Business Case guidance and Transport Appraisal Guidance (TAG);
- e) the Council is responsible for meeting all costs of producing the OBC over and above the grant;
- f) the OBC will reflect the needs of, and deliver benefits for all users, including cyclists, pedestrians, disabled people and public transport users;
- g) A DfT representative may attend Project Board meetings as observer and Project Board papers and minutes should be provided to DfT on request.
- h) In general, updates of progress, and information on work carried out should be shared to DfT on an open and transparent basis and no reasonable request for information withheld.

- 6.3 The local funding element has previously been approved for spending by the sovereign authorities.

- 6.4 The DfT shortfall of funding of £19,000 is expected to be met by contingencies built into the project budget.

- 6.5 The Isham scheme already forms part of the authority's Capital Programme, to which the DfT funding will be allocated.

6.6 Legal

6.7 The council must utilise the DfT funding in line with the restrictions and requirements as set out in the agreements linked to that funding. It must also ensure that the statutory provisions relevant to the funding are complied with.

6.8 Risk

6.8.1 The deliverability of the Capital Programme is monitored by each accountable project manager and senior officer. There is further review throughout the financial year reported through the Executive.

6.8.2 If any overspends or emerging pressures are identified during the year, then mitigating actions will be sought and management interventions undertaken.

6.8.3 Details of pressures, risks and mitigating actions implemented will be provided as part of the project highlight reports as the year progresses and reported through the Strategic Capital Board.

6.8.4 Based on the current programme of works, it is anticipated that this phase of development work will be delivered through KierWSP, the current Highway services provider for North Northamptonshire. The delivery timetable will be carefully monitored and managed to consider the end of the contract. Further work will be required on the scheme after the end of the current contract therefore, consideration will need to be made about how to procure the necessary expertise to complete the scheme.

6.9 Consultation

6.9.1 The resulting planning application will be subject to public consultation in line with statutory requirements.

6.10 Consideration by Scrutiny

6.10.1 Not applicable at this stage. Scrutiny may choose to scrutinise highways schemes as they develop.

6.11 Climate Impact

6.11.1 The Isham bypass is expected to improve traffic flows and reduce congestion along the A509 as well as enabling social and economic growth in the local area. The conditions of the grant require cycling and walking to be considered as part of the road scheme. During the future construction stages, there will be an opportunity to consider ways in which to reduce the embodied carbon within the scheme.

6.12 Community Impact

6.12.1 These proposals can be considered to have a positive impact on the community by improving traffic flows, reducing traffic through Isham and enabling planned economic and residential development to support future generations in North Northamptonshire.

7. Background Papers

7.1 Northamptonshire County Council Cabinet: 10th March 2020: Transport Studies and Highway Scheme Preparation