CABINET

9th OCTOBER 2018

ACTING EXECUTIVE DIRECTOR PLACE & COMMERCIAL: IAN BOLL

CABINET MEMBER WITH RESPONSIBILITY FOR TRANSPORT, HIGHWAYS, ENVIRONMENT AND PUBLIC PROTECTION: COUNCILLOR IAN MORRIS

<table>
<thead>
<tr>
<th>Subject:</th>
<th>A509 Wellingborough Development Link Phase 1 (Isham Bypass)</th>
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</table>
| Recommendations: | That Cabinet:  
1. Note the loss of £25m of SEMLEP Growth Deal funding towards the A509 Wellingborough Development Link Phase 1 due to the inability to deliver the scheme within funding timescales;  
2. Agree that work on the project is paused due to the unaffordability of the current scheme;  
3. Agree that the scheme remains a high priority for the County Council and that work should resume at such time as further funding can be secured as set out in section 7 of this report. |

1. Purpose of report

1.1 The purpose of this report is to update Cabinet on the current situation with regards to delivering the A509 Wellingborough Development Link Phase 1 (Isham Bypass) and to agree the way forward for the scheme.

2. How this decision contributes to the Council plan

The Council’s vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county’s communities and/or safeguarding the county’s communities.

The proposed decision reflects the need for the Council to live within its financial means.

3. Background

3.1 The A509 Wellingborough Development Link seeks to improve the whole section of the A509 between the A14 south of Kettering and the A45 south-west of Wellingborough to accommodate the traffic flows consequent upon planned growth in the county, particularly the growth in Kettering and Wellingborough identified in the North Northamptonshire Joint Core Strategy. Phase 1, formerly known as the A509 Isham Bypass, provides a dual carriageway extending from the A14 to the south of the village of Isham. The scheme is shown on the plan at Appendix 1.
4. **Financial Implications**

4.1 The current allocation budget of £2.9m for scheme preparation has now been spent in full.

4.2 The current cost of constructing the scheme is at least £41m. £25m had been secured, subject to a satisfactory business case being approved by the Department for Transport, through the SEMLEP Local Growth Deal. This left a funding gap of at least £16m.

<table>
<thead>
<tr>
<th>Funding secured: SEMLEP Local Growth Deal</th>
<th>£25m</th>
<th>Subject to business case approval by Department for Transport. To be spent by 31 March 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding gap</td>
<td>At least £16m</td>
<td></td>
</tr>
<tr>
<td><strong>Total funding required</strong></td>
<td><strong>At least £41m</strong></td>
<td></td>
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4.3 No other sources of Government funding are currently available for which a bid could be submitted. Given the financial pressures which the County Council is experiencing at the current time, it is not possible to meet a funding gap of this scale from within our own resources.

4.4 The only other funding contribution which has been identified was from the Symmetry Park development adjacent to A14 Junction 9, where the developers were to be required to either dual the A509 between the A14 and their development access or make an equivalent financial contribution towards the road. However, the planning application was refused by Kettering Borough Council in April 2018. While an appeal has been lodged against this refusal, until the outcome of this is known, or an alternative scheme (which is acceptable to the local planning authority) is approved, there is a degree of uncertainty in relation to the contribution that any development will make to the costs of Phase 1.

4.5 Working with SEMLEP, the County Council has approached the Borough Council of Wellingborough and Kettering Borough Council to enquire if they would make a significant contribution towards closing the funding gap, but they are unable to do so.

4.6 Without any means of closing the funding gap in the short-term it would not be possible to deliver the scheme on a timescale which allows the SEMLEP Local Growth Deal funding by the 31 March 2021 deadline. SEMLEP have therefore reluctantly concluded that the £25m funding allocated to the A509 must be reallocated to other projects within their area that can deliver within this timescale.

5. **Alternative Options Considered**

5.1 Alternative route options have been explored in earlier Cabinet reports.
5.2 Options for reducing the cost of the current scheme have been explored. Construction of a single carriageway road would save around £4.7 million, reduced to £3.7 million if provision was made – through earthworks and structures – for future dualling. This would have reduced the funding gap for the scheme from £16 million to around £11 million, but that still represents an unaffordable amount for the County Council to find.

5.3 Further savings could be made by reducing the scale of the earthworks. However, the necessary redesign and approvals (planning application, Compulsory Purchase Order inquiry) cannot be achieved ahead of the March 2021 deadline by which the SEMLEP Local Growth Deal funding would have to be spent.

6. Proposal to pause work on scheme

6.1 The loss of the SEMLEP Local Growth Deal funding means that there is currently no funding allocated to continue the development or construction of the A509 Wellingborough Development Link Phase 1. In the short term, therefore, the only possible solution is for work on the scheme to be paused.

7. Next steps

7.1 It is recommended that as additional capacity on the A509 is still essential to accommodate the increased traffic flow which will arise from planned development, the A509 Wellingborough Development Link Phase 1 remains a high priority scheme for the County Council, and that the Council works with key partners (particularly SEMLEP, the Borough Council of Wellingborough and Kettering Borough Council) to explore alternative funding options to ensure delivery of the scheme happens at an early future date.

7.2 It is likely to be appropriate, when taking the scheme forward, to further explore the opportunities for value engineering, recognising that this may require resubmission of the planning approval (which anyway expires in 2021).

7.3 There are a number of potential future funding streams which are likely to become available in the next few years, including Major Road Network funding, the North Northamptonshire Growth Deal and the UK Prosperity Fund, although the details of eligibility and timescales for these funds are not yet clear.

7.4 Given the proposals for local government reorganisation, it is likely that delivery of the scheme will be the responsibility of a future unitary authority.

8. Consultation and Scrutiny

The route of the proposed scheme has been subject to extensive consultation in earlier stages of scheme development.

9. Equality Screening

The pausing of work on the scheme has no direct impact on customers, as it maintains the current situation, and so an Equality Impact Assessment is not necessary.
10. Risk and Business Continuity Management

1. Risk(s) associated with the proposal

<table>
<thead>
<tr>
<th>Risk</th>
<th>Mitigation</th>
<th>Residual Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputational damage with local community from not delivering scheme</td>
<td>Set out clearly the reasons that the decision has been necessary</td>
<td>Amber</td>
</tr>
</tbody>
</table>

2. Risk(s) associated with not undertaking the proposal

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk Rating</th>
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<tbody>
<tr>
<td>The scheme will still not be delivered as there is no funding available to do so.</td>
<td>Red</td>
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11. List of Appendices

Appendix 1 – Scheme plan

Author: 
Name: Chris Wragg  
Team: Northamptonshire Highways

Contact details: 
Tel: 01604 364411  
Email: cwragg@northamptonshire.gov.uk

Background Papers:
Cabinet 12 July 2016 Item 10: A509 Wellingborough Development Link

Does the report propose a key decision is taken? YES
If yes, is the decision in the Forward Plan? YES
Will further decisions be required? If so please outline the timetable here NO.
Does the report include delegated decisions? If so, please outline the timetable here NO
Is this report proposing an amendment to the budget and/or policy framework? NO

Have the financial implications been cleared by the Strategic Finance Manager (SFM)? YES
Name of SFM: Rosemary Pallot
Have any capital spend implications been cleared by the Capital Approvals Board (CAB)? YES

Has the report been cleared by the relevant Director? YES
Name of Director: Ian Boll
Has the relevant Cabinet Member been consulted? YES
Cabinet Member: Councillor Ian Morris
Has the relevant scrutiny committee been consulted? NO
| Has the report been cleared by Legal Services? | YES | Name of solicitor: Debbie Carter-Hughes |
| Have any communications issues been cleared by Communications and Marketing? | YES | Name of officer: Liam Beasley |
| Have any property Issues been cleared by Property and Asset Management? | YES | Name of officer: James Wheeler |
| Have the Procurement Implications below been referenced in the Paper: | N/A | |
| • Have you evidenced compliance with the Council’s Contract Procedures Rules? | | |
| • Have you made clear in this paper where you are seeking Cabinet to approve an exemption from the Contract Procedure Rules and detailed the risks and mitigations? | | |
| • Have you identified any EU or UK legislative risks such as non-compliance with the Public Contract Regulations Act 2015, transparency and open competition? | | |
| • Have you identified the procurement risks associated with a contract? | | |
| Are there any community safety implications? | YES. The benefits of the scheme will not be delivered. | |
| Are there any environmental implications: | YES. The benefits of the scheme will not be delivered. | |
| Are there any Health and Safety Implications: | YES. There will be no health and safety benefits from the scheme and no health and safety risks during construction. | |
| Are there any Human Resources Implications: | NO. | |
| Are there any human rights implications: | YES. Compulsory purchase for the scheme will not progress. | |
| Constituency Interest: | Burton & Broughton – Cllr Chris Smith-Haynes Earls Barton – Cllr Rob Gough | |