

Highways Bids to the Local Enterprise Partnership

Summary

Following the submission of highways bids to the EM3 Local Enterprise Partnership (LEP) the schemes for improvements to the A331/A30 (Meadows Gyratory) and London Road (A30) at Camberley Town Centre are now moving forward to design and implementation stage.

Consideration has been given as to how the local contribution, which could take the form of developer contributions, funding from Surrey County Council (SCC) or direct funding by this Council, can be provided. Contributions are now being sought for a total contribution from the Borough Council of £1,625,000 toward these schemes.

Portfolio: Finance

Date Portfolio Holder signed off report - 27th April 2015

Wards Affected

St Michaels and Town

Recommendation

The Executive is advised to RECOMMEND that:

- (i) Local contributions funding of up to £1,625,000 be agreed for the following highway bid schemes:
 - A30/A331 (Meadows Gyratory) in 2015/16 – 2016/17
 - London Road (A30) Camberley Town Centre Highway Improvements in 2016/17 – 2017/18
- (ii) contributions be phased over 2015/16 and 2016/17, with payment to be made upon commencement of the works; and
- (iii) the Council will not fund any cost overruns on these two schemes.

1. Resource Implications

- 1.1 Following on from the report considered at Executive in December 2014, Members are being asked to agree to fund the residual of the local contributions required for these two schemes amounting to £1,625,000.
- 1.2 Developer contributions will be sought to fund these schemes but to enable the works to proceed quickly, initially all of the funding will have to come from the Council. There is a risk that future developer contributions will not meet the whole cost of these works.
- 1.3 Borrowing is not permitted to fund this expenditure and so the funding will need to come out of reserves. Based on current estimates £1,625,000 would represent about 15% of the Councils non-earmarked

reserve which are currently being used to fund capital expenditure and major projects.

- 1.4 The Council achieves on average a 2% return so this investment would result in an annual loss of interest of around £32,000.
- 1.5 Were the investment to achieve a redeveloped Camberley Town centre then the Council could benefit from an increase in business rates (until reset) of up to £300,000 pa based on current legislation.

2. Key Issues

- 2.1 Funding for major highway schemes has transferred from Counties to Local Enterprise Partnerships. In March 2014 the Enterprise M3 Local Enterprise Partnership (LEP) submitted a series of bids for infrastructure improvements. These bids had been prepared by the counties and districts across the area. A series of highway bids that benefit Surrey Heath were submitted by Surrey County Council. These bids were jointly prepared by both Councils and this has meant that the Council has been successful in securing funding.
- 2.2 Since reporting to the Executive in December 2014 on the successful bid for the A30/A331 corridor improvements (Meadows Gyratory) (£4,900,000), the bid for the London Road (A30) Camberley Town Centre Highway Improvements scheme has also now been agreed by the LEP. However, as previously advised, the DCLG funding requires a proportion of funding to be provided by local partners and EM3 LEP agreed an across the board figure of 25%. The total cost of the two schemes is £9,900,000m, requiring a local contribution of £2,475,000. SCC has indicated it is willing to fund £850,000 from S106 monies or its own funds leaving a residual contribution of up to £1,625,000 to be met by the Borough Council. The bulk of this is to fund the improvements to the London Road A30 at Camberley to support town centre regeneration. Details of these schemes have been included below.
- 2.3 In respect of the London Road (A30) Camberley Town Centre Highway Improvements scheme, members were previously asked to agree to funding in principle on the following basis:
At this time Members are asked to agree that the local contribution should be sought, in its entirety, through developer funding associated with the redevelopment scheme for the London Road block. That only once this has been agreed that, in the event of funding being insufficient, this Council will then consider whether to fund a local contribution. A further report will be brought back to Executive at that time.
- 2.4 However, the LEP funding for the London Road (A30) Camberley Town Centre Highway Improvements has come forward earlier than expected and as a result there is no scheme within the town centre from which developer contributions can be sought at this time. The Council and

SCC will therefore have to wholly fund the local contribution of £1,250,000m.

3. Options

- 3.1 Members have the option to
- (i) Agree to fund the £1,625,000 local contribution toward these two schemes, or
 - (ii) To fund the Meadows Gyratory works only, or
 - (iii) Not agree to fund the local contribution toward these two schemes
- 3.2 Members are asked to agree to fund the £1,625,000 local contribution toward these two schemes for the reasons set out in this report.

4. Proposals

- 4.1 It is considered that the schemes for which a local contribution should be supported in principle are A30/A331 (Meadows Gyratory) for 2015/16 and London Road (A30) Camberley Town Centre Highway Improvements for 2016/17 onward.

A30/A331 (Meadows Gyratory)

- 4.2 The total cost of the scheme is £4,900,000. The LEP will fund £3,670,000 of this. For local contribution SCC are understood to hold £375,000 in S106/PIC that could part fund the local contribution, leaving £855,000 to be found. The LEP considered the business case for this scheme in March 2015 and this must be supported by evidence of local contributions.
- 4.3 This scheme will provide improved traffic signal control, CCTV monitoring to allow better management of incidents on the gyratory and approach roads and lane realignment on the gyratory and approach roads including on the London Road (A30) up to Frimley Road.
- 4.4 In respect of this scheme officers are currently in discussions with neighbouring authorities to ascertain whether they hold any developer contributions that they would be willing to make available for this scheme. In addition discussions are underway to ascertain whether the redevelopment of the London Road Block site will make contributions toward this highway scheme.

London Road (A30) Camberley Town Centre Highway Improvements

- 4.5 The total cost of the scheme is £5m. The LEP has indicated that in principle it will fund £3,750,000 of this. For local contribution neither SCC nor SHBC hold any S106/ PIC monies that could fund this scheme at this time. This means that the £1,250,000 local contribution remains to be found. SCC has indicated that it will contribute £480,000 toward the local contribution for this scheme leaving £770,000 to be contributed by the Borough Council. The LEP will consider the business case for this scheme in Autumn 2015.

- 4.6 This scheme will provide the highway improvements within the town centre to the London Road (A30)/ Park Street/ Knoll Road junctions and the London Road (A30) fronting the LRB site. This will improve access into the town centre and provide opportunities for public realm improvements along the London Road (A30). These are part of the outstanding elements of the highway improvements that have been sought in successive Local Plans to support town centre development.

5. Supporting Information

- 5.1 The timetable for the project as agreed by the Local Area Committee is as follows.

Local Committee	Briefing & agree engagement 12 March 15
Detail Design Stage	Mar – May 15
TRO's & Notices	Apr 15
Member Task Grp	Agree engagement material Jun 15
Local Committee	Approvals and Notices Jun 15
Public Consultation	6 weeks Jun – Jul 15
Local Committee	Report consultation Sept 15
Start Construction	Jan 16
End Construction	Sept 17

6. Corporate Objectives And Key Priorities

- 6.1 This project supports Objective 2 to sustain and promote the local economy. In particular it supports Key Priority 2 to work with partners to make Camberley a destination of choice and deliver improved transport within the Borough. In particular this is delivered through work with partners including Surrey County Council and Enterprise M3 Local Enterprise Partnership.

7. Risk Management

- 7.1 The risks are failure to deliver the regeneration of Camberley Town centre if journey times cannot be improved and maintained consistently to improve the attractiveness of Camberley as a destination. These bids seek to overcome this.
- 7.2 That without local contributions funding, the scheme business case submission to the LEP will fail. For this reason on these two schemes payment of local contributions needs to be supported.
- 7.3 There is a risk in that if developer contributions are not forthcoming then the total £1,625,000 will have to be fully funded from the Council's reserves.

Annexes	None
Background Papers	None
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Consultations, Implications and Issues Addressed

Resources	Required	Consulted
Revenue	✓	<u>04/03/2015</u>
Capital	✓	<u>04/03/2015</u>
Human Resources		
Asset Management		
IT		
Other Issues	Required	Consulted
Corporate Objectives & Key Priorities	✓	
Policy Framework	✓	
Legal	✓	<u>04/03/2015</u>
Governance		
Sustainability		
Risk Management		
Equalities Impact Assessment		
Community Safety		
Human Rights		
Consultation		
P R & Marketing		

Review Date:

Version: