





## Initial Business Case (Stage 0b Commit to Investigate)

<b>Project/Programme Name:</b>	Science Vale - Northern Perimeter Road 3, Didcot
<b>Total Capital Budget:</b>	Project development budget <b>£500,000</b> Total project cost <b>£12,500,000</b>
<b>Divisions Affected:</b>	Didcot & East Hagbourne, Didcot West, Didcot Ladygrove, Wallingford.
<b>Purpose of this report:</b>	This report requests approval to enter this project into the capital programme and release a project/programme development budget of <b>£500,000</b> to proceed to preliminary design.
<b>Approval No:</b>	H319

### Sign-off & Approval

*In preparing this report input must be obtained from the following:*

Responsible Owner	Name	Date
<b>Service Manager/ Client / Project Sponsor (Author)</b>	Karina Santiago	11th December 2014
Delivery Team Representative / Project Lead (Contributor)	Phil Eddy	 RE NPR3 Business case PE approval.msç
Service Finance Business Partner or Senior Financial Adviser (Contributor)	Rob Finlayson/ Matthew Barlow	 RE NPR3 Business Case RF approval.ms
The Capital Finance Team (Contributor)	Kathryn Goldsby-West	 RE NPR3 Business Case KGW.msç
Other Contributors as applicable (e.g. developer funding, asset strategy)	Karen Howe	 FW NPR3 Business Case KH approval.ms

*Final approval as per the Financial Procedure Rules must be obtained from:*

Approval Level Required	Name	Date
Over £500k - Cabinet / Leader of the Council on behalf of Cabinet	Cabinet	27-1-15

## **1 Description & Objectives of the Proposal / Desired Outcomes & Business Benefits**

### **Scheme background**

The Science Vale area of Oxfordshire is experiencing substantial growth as allocated in South Oxfordshire and the Vale of the White Horse District Council's Local Plans. A large proportion of this growth will be in and around Didcot, including residential developments at Ladygrove East, NE Didcot, Orchard Centre, Valley Park, and Great Western Park. Employment growth is planned for the decommissioned Didcot A Power Station site and Milton Park. In order to support District local plans, extensive transport modelling has been done and the Science Vale Transport Strategy has identified essential strategic transport infrastructure required to support planned growth.

The Northern Perimeter Road phase 3 (NPR3) has been identified as required as part of this strategy. The new road would extend the existing A4130 Didcot Northern Perimeter Road (NPR), linking the A4130, Abingdon Road, and B4016 junction to the A4130 and Hadden Hill junction. This extension of the NPR is necessary to relieve pressure on existing roads in the vicinity in particular Abingdon Road and the Marsh Bridge roundabout, to accommodate additional traffic generated by planned housing and economic growth in the area, particularly but not exclusively for Ladygrove East (642 dwellings) and NE Didcot (2030 dwellings). NPR3 will also help to improve east to west movement across Didcot and improve access to the Didcot A Power Station site and Milton Park from the east.

The map below shows the proposed location of NPR3 in relation to the surrounding road network.



Location map.pptx

The northern section of the proposed road runs from the junction of the A4130 and the B4016 to land just to the south east of The Frith. This part of NPR3 is on land that is within the ownership of Oxfordshire County Council. Planning permission for this section of the road (P08W0241) was granted by South Oxfordshire District Council in 2009. The application sought planning permission for the construction of 300m of road which would connect at its northern end with the existing northern perimeter road (NPR) by the provision of a new traffic roundabout at the Abingdon Road. To the south, the road was proposed to connect up with the (to be constructed) remaining part of the NPR. This planning application was renewed on 3rd September 2012 (P12S1351EX) and will expire on 3rd September 2015.

### **Scheme Benefits**

NPR3 is included in Oxfordshire's Third Local Transport Plan (LTP3) and South Oxfordshire District Council's Core Strategy (December 2012), and the Vale of White Horse District Council's Infrastructure Delivery Plan (October 2014). On 18 March 2014, Cabinet approved updated area strategies in Oxfordshire's LTP3. The Science Vale area strategy refers to NPR3 under Proposal SV 4 – To improve local connectivity to town centre facilities and amenities by:

“Delivery of the Didcot Northern Perimeter Road part 3 (NPR3), to complete the perimeter road, relieve Didcot town centre and to improve access to Milton Park

(from the east)".

The scheme has also been included in the draft Science Vale chapter for LTP4.

Ladygrove East is an allocated housing development site in South Oxfordshire District Council's Core Strategy. A planning application was originally submitted for the site in 1997 (P97/W0721/O) and was amended in 2006 (P00/W0626/O) but a decision was not made. Dare Warwick Properties now wish to progress the site. The site and NPR3 are closely linked, with the northern section of NPR3 being considered necessary to provide an access to the Ladygrove East site.

NPR3 is also a strategic transport link and is needed as mitigation for the cumulative impact of development across Didcot in the coming years. It will also help to meet the needs of the community by providing relief to the Abingdon Road and Marsh Bridge/ Jubilee Way roundabout junctions.

This scheme aligns well with corporate priorities, service priorities and business strategies a key theme of which is to deliver a thriving economy in Oxfordshire. This scheme will provide part of the infrastructure identified as part of the Science Vale strategic package of transport improvements which are required to mitigate the cumulative impact of planned housing and employment growth in Science Vale. It will also help to ensure that the transport network in Didcot can meet additional demands placed upon it. This in turn will assist in encouraging new businesses to locate in the area, helping the area to thrive economically.

Non-Financial Benefits (include intangibles) & Owners	Financial Benefits (include any savings & realisation times) & Owners	Targets / KPIs (Improvement in or contribution to)
Provision of information to assist with response to the Ladygrove East residential development site planning application	Wider economic benefits: Improvement to access to employment growth and the enterprise zone and attraction of inward investment	
Community enhancement through providing an alternative to the congested local road network.		
Network resilience: relieve congestion on Abingdon Road and at Marsh Bridge/Jubilee Way roundabout, reducing queuing and delays in the area and eastern approach to Didcot.		

## **2 Results of Option Appraisal and Project/Programme Scope**

Two options have been considered:

- 1) Do nothing:** This option has been rejected due to the impacts of this approach. These include
  - a. Officers would not have the information that they need to fully respond to a planning application for the Ladygrove East residential site when it is submitted.
  - b. The existing planning permission for the northern section of NPR3 will expire.
  - c. There would not be sufficient capacity in the current infrastructure network. Congestion on local roads such as Abingdon Road and Marsh Bridge roundabout will worsen with significant planned residential and housing growth in Didcot. This will result in longer queues, longer journey times and potentially higher safety risks.
  - d. Congestion on local roads in Didcot and the difficulties with east-west movement may affect the attractiveness of the area for inward investment and limit the future potential of employment sites and the enterprise zone.
- 2) Northern Perimeter Road 3:** This scheme has been identified, through extensive transport modelling, as part of the Science Vale strategic package of schemes necessary to mitigate the cumulative impact of development on the transport network in Didcot. It was included in LTP3 and now in the draft LTP4.

Approval is now sought to proceed with preliminary design of this scheme. The objectives of this work are to:

- Review work completed to date and, in liaison with project sponsor, finalise the specification of the new road.
- Provide a full project cost estimation for the delivery of the Northern Perimeter Road 3 (NPR3)
- Provide a full estimated cost of a 30mph development access road along the line of the northern section of NPR3.
- Identify likely overall programme and tasks to deliver the complete scheme.
- Progress and complete the outline/preliminary design of the whole road.
- Support the project sponsor in the completion of tasks required to apply for full planning permission for the full length of the road

The implications of not carrying out this work now are:

- Officers will not have the information that they need to fully respond to a planning application for the Ladygrove East residential site when it is submitted. This has the potential to affect our ability to request conditions and contributions associated with the delivery of NPR3.

- The existing planning permission for the northern section of NPR3 will expire and not be renewed.
- NPR3 will not be constructed which will mean that the benefits of the scheme will not be realised e.g. the provision of relief to Abingdon Road and Marsh Bridge roundabout, and improved access east to west to the Didcot A site and Milton Park and the enterprise zone.

### **Value for money**

As part of the next stage of work on this project, the scheme will be costed and an assessment of costs and benefits will be made which will enable a review of value for money for the Council to be made.

### **3 Estimated Cost & Proposed Funding Plan**

The estimated cost of preliminary design is **£452,098.54**. A budget of £500,000 is requested to be released in order to allow for any variation or additional work required.

**£708,375.11** of S106 is currently held for this scheme. £615,147.29 of this is held under an agreement specific to this scheme and this will be used to fund the preliminary design work as this agreement specifically allows for preparatory and ancillary costs for NPR3. The rest of the allocated s106 funding is from flexible interest balances and could be used elsewhere, however it has been quoted that £708k is available for NPR3 under the negotiations for the Didcot East Development.

The whole scheme is expected to cost in the region of £12,500,000. Additional funding for the delivery of the scheme will be secured from future developments in the Didcot area through S106, S278 and CIL. Opportunities to bid for government funding will also be sought.

The northern section of the road is considered by the County Council to be an essential access route into the new Ladygrove East development, and therefore is likely to be delivered by the developer.

The southern section of the road runs from land just to the south east of The Frith to join up with Hadden Hill, between the junction of a minor road leading to Fulscot and South Moreton and the access to Hadden Hill golf course. This section is important to mitigate the cumulative impact of planned growth in Didcot and is likely to be delivered by Oxfordshire County Council and funded through S106 contributions / CIL.

Revenue implications cannot be fully quantified at this stage however it is acknowledged that additional assets, to which additional costs will apply, will be introduced as part of the scheme. Accordingly, the revenue implication will be evaluated as the scheme develops and the whole life costs will be reported in subsequent Business Case Stages.

**Summary of capital budget requirement:**

	£000
<b>A: Estimated cost of feasibility and preliminary design requested to be released</b>	<b>£500</b>
B: Estimated cost of detailed design, procurement & enabling works (to be requested to be released at stage 1)	TBC
C: Estimated delivery/ construction cost (to be requested to be committed at stage 2)	TBC
D: Contingency	TBC
Total	TBC

The estimated annual expenditure profile for the project is as follows:

Year	2014/15	2015/16	2016/17	2017/18	Contingency
£000	150	302			TBC

The advice of the transport delivery team in the E&E Directorate has been sought and adhered to in preparing this business case.

**4 Project Delivery Timetable & Procurement Plan**

Activity	Start Date	Finish Date	Milestone/decision point & scheduled technical gateways
Feasibility & Preliminary Design	27/01/15	31/07/15	Approval of stage 1 BC
Detailed Design	01/08/15	31/01/16	
Planning Application	27/01/15	31/07/15	
Enabling Works	tbc	tbc	
Procurement	tbc	tbc	Approval of stage 2 BC
Construction	Spring 2016	tbc	Subject to a PI not being triggered.

## **5 Risks, Constraints, Dependencies and Exclusions**

The risk register is embedded in Appendix D.

The key areas of risk are as follows:

Description of areas or sources of risk and impact on project	Mitigation	Owner
Scheme is closely linked to the planning application for the Ladygrove East. Preliminary design of NPR3 needs to progress as much as possible so that officers have the information that they need to respond to the planning application for Ladygrove East when it is submitted.	Close communication between those working on the project to ensure dependencies are fully understood.	Project Leader
Existing planning permission for the northern section of NPR3 expires in September 2015. Part of this work involves reapplying for planning permission for this part of the road. The timescales for reapplying for planning permission by September 2015 are extremely tight.	Close communication between those working on the project to ensure dependencies are fully understood.	Project Leader
Funding and buildability risks associated with the developers of the Ladygrove East development.	Continued engagement with the developer through life of scheme. Consider the developers risk register.	Project Leader
Costs and time delays associated with acquisition of land	Engage with landowners as early as possible to identify and resolve sticking points	Project Leader
Funding for construction costs not secured. Risk that if funding is not forthcoming within a reasonable timeframe elements may be abortive.	Work to identify additional sources of funding and secure developer contributions towards the scheme.	Project Sponsor

## **6 Communication & Consultation**

NPR3 has been an aspiration of the County Council and South Oxfordshire District Council Didcot for many years and is well known in the area. The scheme has an extant planning permission, and was consulted on as part of the planning process.

NPR3 is identified in LTP3, draft LTP4 in South Oxfordshire District Council's Local Plan and the Vale of White Horse's Infrastructure Delivery Plan. All of these documents are subject to extensive consultation as part of their development.

Initial discussions have begun with developers in the Didcot area who have housing development sites in the vicinity of the scheme. These include NE Didcot which is located to the north west of the northern junction of NPR3, and Ladygrove East which is located immediately to the west of NPR3.

Further consultation will be conducted as part of the planning application for the entire length of the road.

It is recognised that good communication is fundamental to the progress of a good project. The Project Leader will be the point of contact between the project team (external) and the Project Sponsor's team.

The project team will also need to liaise with the following teams and individuals:

**Internal:**

- Other teams within Highways and Transport
- Legal
- Ecology
- Archaeology
- Countryside Access
- Reg 3
- Drainage
- Delivery Team
- Local and Cabinet Members
- Oxfordshire Local Enterprise Partnership
- Strategy and Infrastructure Planning Leadership Team

**External:**

- South Oxfordshire District Council
- Didcot Town Council
- Landowners
- North Wessex Downs AONB
- Utilities companies
- Public Transport Operators
- Police/Emergency Services
- Local residents who may be affected by the proposals

This will be done at the appropriate stage in the design of the scheme.

## **7 Programme/ Project Governance**

The Project Sponsor role is currently held by Karina Santiago but is anticipated to pass to the Commercial Project Sponsor (Major Projects) at a mutually agreeable time, typically at the end of GW2. It is anticipated that the Major Projects team shall be involved at an early stage to facilitate an earlier transfer if there are associated benefits. Paul Fermer will authorise changes to the budget.

The Project Leader role is held by Phil Eddy, accountable for the management of project delivery and external providers to Skanska, in addition to monthly SAP forecast updates. The project will be governed by holding regular officer and challenge meetings to ensure it does not deviate from the plans.



## **8 Supporting Documents**

### **Appendix A - PRESS**



NPR3 Press.pdf

Please note that the PRESS does not include includes Skanska's fee, which is 13.8%.

### **Appendix B - External Funding Confirmations**

£708,375.11 of S106 is currently held for this scheme. See the DFACs spreadsheet below:



Transport DFACS  
Didcot ITS - Jun 14.xl

### **Appendix C - Project Risk Register**



NPR3 Risk  
Register.pdf