Local Transport Board 12 June 2018 **Paper D**

Heywood Road Roundabout, Bideford

Recommendation:-

It is recommended that

(1) the Local Growth Fund project be specifically related to the first stage of the roundabout improvement
(2) the Growth Deal outputs remain unchanged

Introduction

Heywood Road roundabout is a Growth Deal 1 transport project which gained Programme Entry Approval from the LTB in December 2014. The purpose of the project is to increase capacity of this key junction on the A39 which gives access to Bideford and Northam, so as to accommodate the significant housing and employment growth planned there. A copy of the Business Case report is included as Appendix 1.

Subsequently the LGF contribution to this project was reduced from£720,000, following a request from Devon to increase the LGF allocation to Marsh Barton station. This was agreed by the LTB in July 2015. The current LGF allocation to Heywood Road is £70,000, with the balance of the funding to be secured through additional developer contributions.

At the time it was envisaged that the project would be constructed in early 2016. However this was dependent on the receipt of contributions from the planned development. In the event the development has progressed more slowly than anticipated, and the delivery of the scheme has been put back. This was recognised as a "deliverability risk" in the report to the December 2014 LTB.

North Devon Link Road – Local Transport Major Scheme

As the LTB will be aware, Devon submitted a bid for a Local Transport Major scheme to upgrade the capacity of the North Devon Link Road A361/A39 between South Molton and Bideford. This was reported to the December 2017 meeting of the LTB.

In May it was announced that this bid had been successful, and £83m grant had been secured. The project includes the capacity increase at the Heywood Road roundabout. Hence there is now certainty that the project will be delivered, even if the developer contributions continue to be secured more slowly than had been anticipated.

Advance works

Design of the roundabout has progressed and advance works were commissioned in 2017. These effectively form a first stage of the scheme.

The cost of these advance works (£139,000) is greater than the LGF contribution of £70,000. It is therefore suggested that the LGF contribution is specifically allocated to this first stage of the scheme. That would enable the funding agreement to be completed and the LGF to be paid.

Project Outputs

The Growth Deal Outputs specified at the time of the LGF bid are shown in the table below.

	17/18	18/19	19/20	20/21	Total
Jobs created/ safeguarded	100	100	100	200	500
Houses started	200	200	200	300	900

These outputs were to be achieved from 7 development sites of various sizes, five at Northam and two at Bideford.

As noted above the pace of development at Bideford and Northam has been slower than was envisaged in 2014. However some houses have been completed and some employment is in place so some outputs are already being delivered.

Of the seven development sites three have signed Section 106 agreements and at a further three agreement has been reached on the scale of contributions but the agreements have not yet been signed.

Hence there is no need to re-consider the scale of the outputs to be achieved by 2021, although it should be noted that the profile of delivery will be more end-loaded than that shown in the table above.

Appendix 1 – Business Case Approval Report from December 2014 LTB

Heart of South West Local Transport Board

Heywood Road Roundabout Business Case Summary Report

December 2014

SCHEME SUMMARY

Scheme Name	Heywood Road Roundabout Improvement	Date	10/12/2014

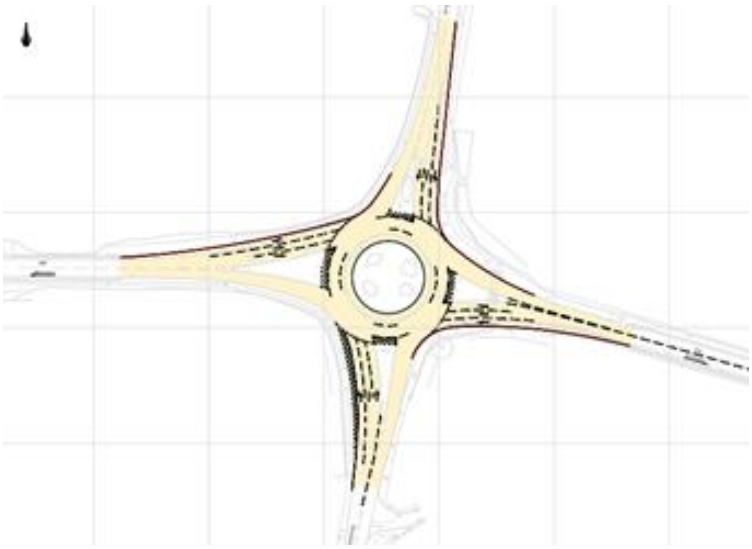
Scheme

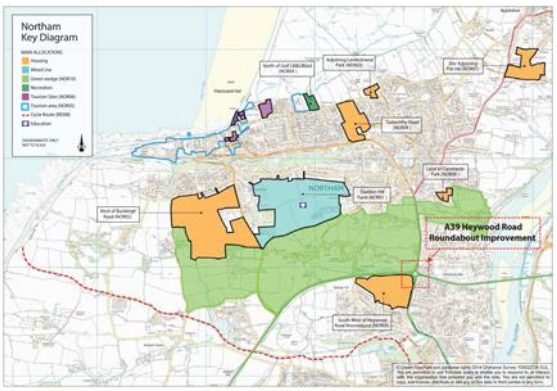
Scheme Description

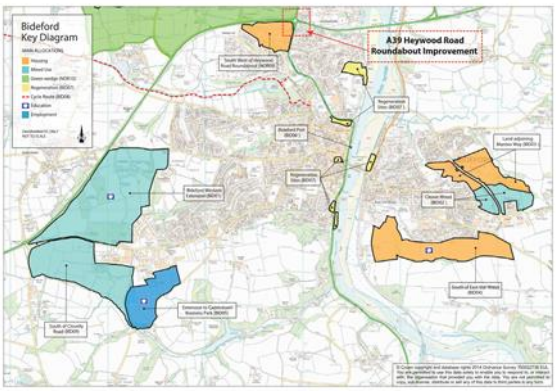
Heywood Road Roundabout is located on the A39 north of Bideford. It is the main access serving Bideford, Westward Ho, Appledore and Northam. It is a key junction on the A39/A361 strategic corridor providing links to Barnstaple and the M5.

The junction carries around 2,500 vehicles in the AM peak hour and 3,500 vehicles in the PM peak hour. At peak periods the junction experiences severe congestion, with capacity significantly exceeded on the both Heywood Road arm and the A39 east arm during the PM peak.

In order for the junction to cope with proposed development in Bideford and Northam, including 5943 dwellings and 30ha of employment the roundabout needs improvement to increase capacity. This will be achieved by widening to three lanes on all approaches along with an increase in the width of the circulatory carriageway to two lanes.







Scheme Objectives

The objectives of the scheme are to:

1. Ensure the operational effectiveness of the strategic A39 route.
2. Support development growth in Bideford and Northam.
3. Accommodate increased traffic movements from Bideford and Northam.

FINANCIAL SUMMARY

Main Expenditure Items (£m)	Previous years	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	Total
Scheme preparation costs including design and project management	40,000	40,000						80,000
Land and compensation including Part 1 claims	0	0	0					0
Works construction including stats costs (including risk and optimism bias)		930,000	130,000					1,060,000
Site supervision and other external costs		20,000	10,000					30,000
TOTAL SCHEME COST	**40,000**	**99,000**	**140,000**					**1,170,000**

Scheme Funding

Funding Source	Funding Amount (£m)
Local Contribution	£450,000 (38%)
Local Transport Board	£720,000 (62%)
TOTAL	**£1,170,000**

LTB Contribution

Total Scheme Cost	£1,170,000	LTB Contribution (£m)	£720,000
From SEP			
Total Scheme Cost	£2,000,000	LTB Contribution (£m)	£1,000,000
Variation in Scheme Cost	-£830,000	Variation in LTB Contribution (£m)	-£280,000

VALUE FOR MONEY STATEMENT

	Assessment	Detail
BCR	16.65 - Very High	BCR from the Economics Case section of the Business Case, supported by the information in the Traffic Modelling Technical Note (Appendix 2 of the Business Case)
Non-Monetised Impacts	Slight beneficial No change to BCR	Beneficial impacts from: • Reliability • Regeneration • Wider Impacts • Journey Quality • Access to Services • Affordability Adverse impacts from: • Landscape • Biodiversity
Key Risks, Sensitivities and Uncertainties	Medium risk / uncertainty in Value for Money assessment	Limited information has been provided as to the level of calibration of the traffic model at the Heywood Road roundabout which could reduce the BCR. No operational modelling has been carried out to ensure that the scheme would operate effectively with forecasting traffic growth.
	Value for Money Category	**Very High**

DELIVERABILITY

Key Risks to Delivery

The key risks are:

- Local development contributions are not yet secured;
- No operational assessments have been carried out to confirm that the scheme layout offers the optimal design – this could result in design changes at a later stage.

Environmental Impact

The assessment has identified the following adverse environmental impacts:

- Landscape (slight adverse) due to the removal of some grass verges
- Biodiversity (slight adverse) due to the potential impact from the removal of the required land

RECOMMENDATION

Independent Transport Advisor Recommendations

It is recommended that the Local Transport Board:

1) Approve the Heywood Road roundabout improvement, Bideford as part of the LTB 2015 - 2021 Programme;

2) Approve a financial contribution of up to £0.720m, conditional upon there being no significant change to the scheme or its benefits between this stage and the completion of design, procurement and final value for money assessment;

3) Note that if the final scheme cost after procurement is significantly lower than the current estimate then the financial contribution from the Local Transport Board will be correspondingly reduced.