

Cabinet Report



Listening Learning Leading

Report of Head of Policy and Programmes

Author: Jayne Bolton

Telephone: 01235 422624

E-mail: Jayne.Bolton@southandvale.gov.uk

Wards affected: All wards within the Didcot Garden Town and “Area of Influence” boundaries: Cholsey, Didcot North East, Didcot South, Didcot West, Sandford and the Wittenhams wards in South Oxfordshire district.

Cabinet member responsible: Cllr Robin Bennett

E-mail: Robin.Bennett@southoxon.gov.uk

To: CABINET

Date: 23 June 2022

Didcot Northern Perimeter Road Phase 3 (NPR3) funding transfer

Recommendations

- (a) Contingent on the approval of the amended Didcot Garden Town Delivery Plan, to delegate authority to the Section 151 officer, or in their absence, the Chief Executive, to agree funding agreement terms which are equal to, or greater than, those imposed by the existing grant conditions to which the council is subject, for the transfer of funds to Oxfordshire County Council (OCC) to support the delivery of NPR3.
- (b) Contingent on the approval of the amended Didcot Garden Town Delivery Plan, to agree the addition of NPR3 (fully funded by government grant funding) to the approved capital programme, in order to facilitate the transfer of funds to OCC.

Purpose of Report

1. To seek the required delegated authority, to enable the transfer of funds which are currently being held by South Oxfordshire District Council, to the appropriate body (Oxfordshire County Council) as the highways authority responsible for delivery of the scheme.

Corporate Objectives

2. Agreeing the transfer of these funds will enable the progress and ultimate completion of the NPR3 scheme, thereby supporting multiple themes in the corporate plan such as:
 - a. Economic and Community Wellbeing - ECW3 – “plan for communities connected by walking and cycling networks with sustainable, accessible and affordable public transport and reliable broadband, learning the lessons from, the Covid-19 pandemic and enabling more home-working”
 - b. Homes and Infrastructure that meets local need – HILN1 – “Didcot Garden Town priority projects as identified by the advisory board, specifically a sustainable plan to redevelop the Didcot Gateway site, a public transport and active walking and cycling network, community facilities and accessible green spaces for Didcot residents”

Background

3. The NPR3 scheme will extend the existing A4130 Didcot Northern Perimeter Road (NPR), linking the A4130, Abingdon Road and B4016 junction to the A4130 and Hadden Hill junction.
4. The Department of Communities and Local Government (now Department of Levelling Up, Housing and Communities) provided capital funding of £6.2m in 2016/17 to South Oxfordshire District Council under Section 31 of the Local Government Act 2003 to “fund infrastructure works to support the delivery of Didcot Garden Town. Specifically, the grant is intended, though no conditions are attached to it, to meet the projected shortfall in funding for the build of phase three of the Northern Perimeter Road at Didcot”.
5. The funds are currently being held by South Oxfordshire District Council, we are now seeking to agree terms to transfer the identified funds (£6.2m) to OCC as the appropriate body charged with delivery of the scheme.
6. OCC estimates the timetable for delivery of the scheme to commence in Autumn 2022 with a planning application, followed by construction in Spring 2025 and completion in Summer 2026.

Considerations

7. The £6.2m being transferred is fully funded by way of an external grant which was given for the purpose of meeting the NPR3 projected shortfall. Therefore, consideration in this area is limited to the scope of that transfer.
8. To delegate authority to the Chief Executive and/or Section 151 Officer to agree terms which are equal to, or greater than, those imposed by the granting body, for the transfer of the funds to OCC thereby enabling the delivery of the Didcot Northern Perimeter Road (Phase 3).

Climate and ecological impact implications

9. Agreeing the terms for the transfer of already allocated funds being held by South Oxfordshire District Council does not pose any direct climate or ecological implications.

Financial Implications

10. Any council decision that has financial implications must be made with the knowledge of the council's overarching financial position. The position reflected in the council's medium-term financial plan (MTFP) as reported to Full Council in February 2022 showed that the council is due to receive £2.1 million less in revenue funding than it plans to spend in 2022/23 (with the balance coming from reserves).
11. This funding gap is predicted to increase to over £3 million by 2026/27. As there remains no certainty on future local government funding, following the announcement of a one-year spending review by government, and as the long-term financial consequences of the Coronavirus pandemic remain unknown, this gap could increase further. Every financial decision made needs to be cognisant of the need to address this funding gap in future years.
12. This report is recommending the full transfer of government grant funding received for NPR3 to OCC and there are no other financial implications arising.

Legal Implications

13. A legal agreement between the Council and OCC will set out the terms of the funding including any conditions precedent to release of monies, a schedule of money transfer, monitoring details and to agree terms which are equal to, or greater than imposed by the existing grant conditions of the funding from the Department of Communities and Local Government (now Department of Levelling Up, Housing and Communities).
14. Associated tasks in relation to the land ownership and relevant risks if South Oxfordshire District Council owns any land along the anticipated route will need to be reviewed but sit separately from the decision relating to the release of funds.

Risks and benefits

15. If an appropriate funding agreement is not secured, there is a risk that the Council may be asked to return the funds to central government if it is not utilised. Therefore, leading to major shortfall in budget required to deliver NPR3. Consequently, leading to negative publicity and damage to reputation that may be associated with the scheme.

Conclusion

16. OCC's proposals for Phase 3 of the Didcot Northern Perimeter Road contributes to the long-term vision and masterplan for Didcot Garden Town to improve connections in the east-west movement corridor. The project is a catalyst for other improvements required in the town centre which aims to encourage a shift away from reliance on the private car and towards other modes of transport.

17. The transfer of funding will enable OCC to progress the NPR3 scheme, consequently enabling the viability of other projects within the Didcot Garden Town Delivery Plan. This progress is contingent on the funds being appropriately transferred and available to progress the scheme.