

From: Michael Payne, Cabinet Member for Highways & Transport
Barbara Cooper, Corporate Director of Growth, Environment & Transport

To: Environment & Transport Cabinet Committee – 17 July 2020

Decision No: 20/00065

Subject: Manston Green Junction Improvement – Infrastructure delivery partner with Thanet District Council

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: Key Decision by Cabinet Member

Electoral Division: Ramsgate and Birchington & Rural

Summary: Approval to enter into a legal agreement with Thanet District Council to act as an infrastructure delivery partner at no cost or risk to the County Council and to take the project through detail design, statutory approvals and to enter into a construction contract.

Recommendation(s):

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Highways and Transport on the proposed decision as follows and as indicated on the proposed decision sheet attached at Appendix A.

- i) Approval to enter into legal agreements with Thanet District Council to undertake the delivery of the Infrastructure Works at no cost or risk to the County Council.
- ii) Approval for KCC officers to project manage, input into the delivery and supervision of the project, with the cost of all staff and consultant time being recoverable against the project funding.
- iii) Approval to undertake the detailed design and surveys for the project. This work will be undertaken by appointing a consultant through the KCC professional Services Framework Contract.
- iv) Approval to acquire the land and rights for carrying out the construction and maintenance of the Manston Green project. All land is being provided at NIL cost to the project by the development company with an option on the land.
- v) Approval to progress all statutory approvals and consents required for the scheme including, drainage and environmental consents and stopping up orders.

vi) Approval to enter into construction contracts as necessary for the delivery of the scheme.

vii) The Corporate Director of Growth, Environment & Transport, under the Officer Scheme of Delegations and in consultation with the Corporate Director for Finance and Procurement, to enter into relevant legal agreements and take other actions necessary to implement this decision.

1. Introduction

1.1 The proposed Manston Green Junction Improvement Scheme provides new highway infrastructure that forms part of the wider Manston Green housing development. The new highway infrastructure, will support and enable the Manston Green development to come forward, helping to deliver 785 new homes and a primary school.

1.2 The proposed improvement will see the construction of a new, larger roundabout at the A256 Haine Road/Manston roundabout junction, together with the realignment of the eastern arm of Manston Road to form a traditional four arm roundabout junction. The larger roundabout will not only mitigate existing traffic demands but will be designed to provide additional capacity to allow for Local Plan growth.

1.3 The new junction also forms a key part of the wider Thanet Transport Strategy, which seeks to serve the development of 17,140 units within the Thanet Local Plan and reduce pressure on the existing network. The infrastructure would therefore indirectly assist in the delivery of housing across the district, but particularly assisting in relieving traffic on the Haine Road corridor that serves the Eurokent housing site (410 units), Westwood Village (900 units) and existing Westwood Cross development (1000 units).

1.4 In order to advance the project, Thanet District Council (TDC) submitted a funding bid to Homes England (HE) for £6.3m through the Marginal Viability Housing Infrastructure Fund (HIF) and the funding agreement between TDC and HE was signed in December 2019.

1.5 Prior to TDC being able to draw down the funding from HE, they are required to satisfy several conditions. Significant progress has been made in this regard and it is anticipated that these will be concluded by the end of July 2020 to enable funding to be drawn down in August 2020.

2. Financial Implications

2.1 There are no implications to either the KCC revenue or capital budgets. Thanet District Council made a successful funding bid through Homes England's Marginal Viability Housing Infrastructure Fund (HIF) and were awarded £6.3m in December 2019.

2.2 The County Council supported TDC with the funding bid and were involved with the production of the project estimate and risk allowances.

2.3 The funding is being drawn down quarterly by TDC directly from Homes England and KCC will invoice TDC on a monthly basis to recover costs. TDC

have accepted that for KCC to provide the resources to deliver the Manston Green project there will be no financial cost and no risk to KCC. This is reflected in the delivery agreement that has been drafted between KCC and TDC.

3. Policy Framework

- 3.1 The scheme has a strong fit with the objectives of 'Increasing Opportunities, Improving Outcomes: Kent County Council's Strategic Statement (2015-2020)'.
- 3.2 The scheme particularly supports Strategic Outcome 2 "Kent communities feel the benefits of economic growth by being in work, healthy and enjoying a good quality of life". The improvement scheme will increase capacity and reduce congestion, to provide more reliable journey times and improved public transport links and accessibility. This in turn will support Kent business and housing growth and encourage economic activity to benefit the local and wider communities.

4. The Report

- 4.1 The proposed highway improvements are an integral part of the wider Manston Green housing development and were included within the outline planning application made by Cogent Land LLP, for the wider Manston Green housing development, that was granted on 13 July 2016 (Planning reference: OL/TH/14/0050).
- 4.2 Building on the outline designs and reports prepared by Cogent Land LLP for the planning submission, KCC commissioned a design consultant, WSP Ltd, to provide a more robust outline design and assessment of the project risks. The design was then used as the basis for the project estimate, produced by an independent Cost Consultant and included in the funding submission to Homes England in 2018.
- 4.3 Following a period of negotiation between TDC and Homes England. TDC subsequently signed the funding agreement in December 2019.
- 4.4 There are no legal implications associated with this scheme. Invicta Law have drafted the Infrastructure Delivery Agreement between KCC and TDC, which provides break clauses for both parties at key points in the project.
- 4.5 Once the legal agreements are in place, the County Council will appoint a design consultant through the KCC Professional Services Framework Contract to undertake the work required to complete the detail design, detailed site investigations and preparation of contract documents.
- 4.6 The County Council will be appointing an independent cost consultant through an existing framework to provide support in managing the expenditure on the project.
- 4.7 Formal consultation for the project was carried out as part of the planning process but prior to commencement on site, public engagement will take place to provide information to key stakeholders and the local community about the construction programme and traffic management impacts.

- 4.8 Delivery of the scheme will be dependent on completing the detailed design and procuring a contractor through a competitive tender process under European procurement rules. The current project estimate includes a risk and inflation allowance, but a more robust estimate will be prepared as the design develops and where it will be possible to provide a more accurate assessment of the project risks. TDC will be required to approve the final contract price before construction contracts are signed.
- 4.9 The HIF funding must be spent by 31 March 2023, and it is currently anticipated that construction will commence in the summer of 2021 with completion in the Autumn of 2022.
- 4.10 TDC will be establishing a Project Board at the start of the project which will comprise officers from both TDC and KCC, and the Project Sponsor from HE. The board will meet quarterly to manage the delivery of the project and sign off any significant changes.
- 4.11 An Equalities Impact Assessment has been carried out and is appended to this report.
- 4.12 Cogent Land LLP have options on the land required for the project and are providing this land at nil cost. All land will be transferred to KCC prior to the award of the construction contract. The proposed infrastructure will become adoptable highway at the completion of the project. A pre-draw down condition of the funding agreement is for TDC to provide HE with evidence that land will be in place to deliver the project.
- 4.13 A risk register was developed for the funding bid and this will be updated at the beginning of the detailed design and will be continuously reviewed as the project develops. The most significant risks to the project are:
- (a) Land is not available to deliver the project. This will be mitigated by Invicta Law being appointed to progress land agreements at the earliest opportunity and make arrangement to transfer the land to KCC prior to the procurement of a construction contractor.
 - (b) The estimated out-turn costs at completion of the detailed design exceed the available budget. This can be mitigated by a robust approach to site investigations/surveys to ensure construction risks can be assessed and mitigated through design.
 - (c) Cost of Statutory Undertakers diversions exceed the available budget. This can be mitigated by early engagement with relevant companies as well as undertaking trial holes to determine the exact location, allowing the design to be revised and where possible to be modified to reduce impacts and costs. Initial discussions took place with affected companies during the outline design of the project and costings provided at the time were included within the estimate included in the funding bid.
- 4.14 Subsequent to the decision by the Cabinet Member, any further decisions required to allow the scheme to proceed through to delivery will be taken by the Corporate Director for Growth, Environment & Transport under the Officer Scheme of Delegations following prior consultation with the Cabinet Member.

5. Conclusions

- 5.1 This is an important project that will help support housing delivery, job creation and general economic activity, as well as provide transport mitigation to the highway network. The project is fully funded by an allocation of £6.3m of HIF funding to Thanet District Council and carries no risk or cost to KCC.

6. Recommendation(s)

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The Environment and Transport Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Highways and Transport on the proposed decision as follows and as indicated on the proposed decision sheet attached at Appendix A.

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- ii) Approval for KCC officers to project manage, input into the delivery and supervision of the project, with the cost of all staff and consultant time being recoverable against the project funding.
- iii) Approval to undertake the detailed design and surveys for the project. This work will be undertaken by appointing a consultant through the KCC professional Services Framework Contract.
- iv) Approval to acquire the land and rights for carrying out the construction and maintenance of the Manston Green project. All land is being provided at NIL cost to the project by the development company with an option on the land.
- v) Approval to progress all statutory approvals and consents required for the scheme including, drainage and environmental consents and stopping up orders.
- vi) Approval to enter into construction contracts as necessary for the delivery of the scheme.
- vii) The Corporate Director of Growth, Environment & Transport, under the Officer Scheme of Delegations and in consultation with the Corporate Director for Finance and Procurement, to enter into relevant legal agreements and take other actions necessary to implement this decision.

7. Background Documents

Appendix A – Proposed Record of Decision

Appendix B – Scheme Drawing

Appendix C – Equalities Impact Assessment

8. Contact details

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