

From: Barbara Cooper, Corporate Director, Growth, Environment and Transport

To: Michael Payne, Cabinet Member for Highways & Transport

Subject: A249 Key Street and Grovehurst Road Junction Improvements

Decision No: 20/00029

Classification: Unrestricted

Electoral Division: Swale West and Sittingbourne North

Summary: This report provides an update on the Swale Transport Infrastructure proposals presented in a paper to this Committee in November 2018.

Kent County Council has secured funding from Homes England to deliver infrastructure improvements at two junctions on the A249 and this report is an update on this successful bid and the next steps in developing the schemes and the various agreements that are required.

Recommendation(s):

The Cabinet Member for Highways & Transport is asked to approve the proposed decisions as follows:

- i. Approval for the preparation of outline designs for the A249/A2 Key Street and A249/B2005 Grovehurst Road Junction Improvements for public consultation, development control and land charge disclosures;
- ii. Approval to enter into a Grant Determination Agreement (GDA) with Homes England for the overall allocation awarded for the Swale Transport Infrastructure;
- iii. Approval to enter into S6 agreements with Highways England and the Sheppey DBFO (Design, Build, Finance & Operate) contractor;
- iv. Approval to acquire, where appropriate, S106 contributions from developers;
- v. Approval for the Corporate Director of Growth, Environment & Transport, under the Officer Scheme of Delegations, to take further or other decisions as may be appropriate to progress the A249/A2 Key Street and A249/B2005 Grovehurst Road Junction Improvements.

1. Introduction

- 1.1 In the report to this Committee on 28 November 2018 (Item 12) it reported that the Ministry of Housing, Communities and Local Government (MHCLG) had accepted a joint Expression of Interest submission to the Highway Infrastructure Fund (HIF) for the improvement of the A249/Key Street Junction and the A249/B2005 Grovehurst

Junction. These improvements would support the delivery of over 6,000 homes in the period 2022 – 2031 identified in the adopted Swale Local Plan.

- 1.2 A detailed funding bid was submitted and in November 2019, Homes England, the non-departmental public body under MHCLG announced that the bid had been successful and £38.1m of grant funding had been allocated for both junction improvements. The funding has to be spent by 31 March 2024.
- 1.3 The certainty around this funding allows the outline design of the schemes to be developed and public consultation carried out so that the preferred options can be identified and statutory processes such as planning and land acquisition can be progressed.

2. The Schemes

- 2.1 The feasibility work in support of the HIF bid identified the following likely improvements:
 - 2.1.1 **Key Street:** An extension of the existing roundabout to the west with partial signal control of the north bound off slip. A new south bound on slip which would intersect with a roundabout on Chestnut Street, serving the proposed development of the adjacent land.
 - 2.1.2 **Grovehurst:** Removal of the existing “dumbbell” roundabout arrangement and construction of a new gyratory utilising the existing bridge together with a new bridge and extensions to the A249 slip roads.
- 2.2 The concept layouts are supported by Highways England as both of the junction improvements resolve long standing congestion issues on the A249 slip roads that routinely sees traffic queuing onto the main carriageway at peak hours and will also assist the release of development.
- 2.3 The A249 from the M2 to Sheerness is managed under a Design, Build, Finance and Operate (DBFO) Contract with Highways England. The designs also take account of the DBFO, recommendation that designs compliant with the Design Manual for Roads and Bridges (DMRB) would be better supported than one which departs from known standards.

3. Next Stages

- 3.1 While the main traffic aspects have been assessed in some detail, there remains a need to fully consider the requirements of pedestrians, cyclists and public transport to provide wider benefits to the whole community.
- 3.2 To enable the outline of the schemes to be progressed, various surveys will be required including topographical, geotechnical and environmental surveys, together with new traffic counts and pedestrian, cyclist and equestrian count surveys.

3.3 Key dates for the development of the project are;

- Homes England agreement - May 2020
- Outline designs and options - June 2020
- Public consultation - June /July 2020
- Identify preferred scheme - September 2020
- Submit planning application - February 2021
- Planning decision - Summer 2021
- Detailed design - Summer 2021
- Procurement - August 2021
- Commence construction - March 2022
- Completion - March 2024

3.4 During the HIF bid preparation, a Project Working Group was set up involving, KCC, Swale BC, Highways England and A249 Route Management (Sheppey DBFO). Further invitations will now be made to establish an appropriate stakeholder group to meet regularly to help take the project through the next stages of development.

4. Financial Implications

4.1 The current estimated cost of the junction improvements, which has been prepared by independent cost consultant's, including all development costs and based on the concept designs, is £38.6m. The funding package is made up of the HIF allocation of £38.1m together with £0.5m of s106 funding, which has already been collected towards highways improvements at Key Street. It is anticipated that further s106 developer contributions will be available to cover any shortfall that may materialise. However, the development of the outline designs and later detailed design and construction procurement strategy will all be aimed at achieving value engineering savings and optimising costs.

4.2 There are no immediate financial implications for KCC and the HIF grant funding can be drawn down to cover all the scheme development costs.

4.3 A condition of the HIF allocation is that further s106 contributions, that would have been used to support highway improvements at Key Street and Grovehurst Road should be recycled back into other housing enabling highway and infrastructure improvements within Swale. KCC highways as statutory consultee has the opportunity to request a 'Grampian' condition on development with a traffic impact on these junctions to enable the collection of the s106 contributions.

4.4 Any amendments, improvements or additions to the A249 that influence the route will be subject to agreement by Highways England and the DBFO contractor and this may have financial implications. There is 17 years remaining on the DBFO contract and under the terms of the contract there may be either compensatory or commuted sum payments required to mitigate the removal of or addition to the Highways England assets or network. In addition, Highways England have a policy of requiring commuted sums to cover any additional maintenance requirements (post the end of the DBFO contract).

- 4.5 These costs are currently unknown but could be prohibitive to the progression of the scheme and the potential timeframe to receive a decision from Highways England may also have an adverse effect on the scheme programme.
- 4.6 Initial discussions had been held with Highways England and these will be reconvened now that the HIF funding has been awarded, but any areas of major concern that are unlikely to be resolved by negotiation will be escalated at the earliest opportunity.

5. Legal implications

- 5.1 The formal acceptance of the HIF funding and ability to start drawing the grant down will require a Grant Determination Agreement to be entered into with Homes England.
- 5.2 A S6 Agreement will also be required with Highways England. This allows one authority to work on another highway authority's network but initially it secures Highways England's involvement by the guarantee that their costs will be covered. A two stage S6 Agreement is likely to be required with the substantive aspects dealt with once the impacts to the DBFO contract and commuted aspects have been resolved.

6. Policy Framework

- 6.1 The schemes support Outcome 2 of 'Increasing Opportunities, Improving Outcomes: Kent County Council's Strategic Statement (2015-2020)' by reducing congestion and improving the highway infrastructure to provide more reliable journey times and improved accessibility.

7. Equalities Impact Assessment and Risk Assessment

- 7.1 The design of the schemes is at an early stage but an initial Equalities Impact Assessment (EqIA) screening opinion has indicated a 'Low' impact but the EqIA will be developed and regularly reviewed in parallel with the scheme development.
- 7.2 The scheme cost estimate includes a risk contingency commensurate with the early status of the concept designs. As with the EqIA, a Risk Register will be prepared and regularly reviewed in parallel with the scheme development.

8. Conclusions

- 8.1 The award of £38.1m of Housing Infrastructure Fund grant by Homes England is welcomed. Its use on the two schemes at Key Street and Grovehurst will relieve existing congestion experienced on the A249 and local highway network, look to unlock development being held back by existing congestion issues on the A249 and enable the medium to long term delivery of new homes on allocated sites within the Swale Borough Local Plan.

9. Recommendation(s)

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10. Background Documents

Appendix A – Proposed Record of Decision

Appendix B - Homes England Housing Infrastructure Fund award letter – 01/11/19

Appendix C - Equalities Impact Assessment Screening Report v1 – March 2020

11. Contact details

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