

Cabinet

17 October 2024

Developer Funded Section 278 A452 Europa Way - Gallows Hill / Harbury Lane / Heathcote Lane Roundabout (The Asps 1D)

Recommendations

That Cabinet:

- 1) Recommends to Council the addition of £3.7million to the Capital Programme in relation to the section 278 highway improvement scheme at the A452, Europa Way, Gallows Hill/Harbury Lane/Heathcote Lane Roundabout (The Asps 1D), which will be fully funded by developer contributions; and
- 2) Authorises subject to Council's agreement to the required addition to the Capital Programme, the Executive Director for Communities to procure and enter into any necessary construction contracts and associated agreements required to implement the scheme on terms and conditions acceptable to the Executive Director for Resources and subject to the requirements of the section 278 agreements with the developers.

1. Executive Summary

- 1.1 A joint planning application was submitted to Warwick District Council by Taylor Wimpey Midlands and Bloor Homes Midlands in respect of land at Asps Farm, Warwick. Planning consent was granted on appeal on 14 January 2016 (ref W/14/0300 and APP/T3725/A/14/2221613) for a large residential development including the erection of up to 900 dwellings, a primary school, a local centre and a Park and Ride facility for up to 500 spaces with vehicular access from Europa Way and Banbury Road.
- 1.2 Subsequent permission was granted for variation of conditions (ref W/20/1642) on 25 February 2021 which stipulates that the developers are required to enter into a section 278 agreement with Warwickshire County Council for works to be carried out in the limits of the public highway to implement the Europa Way/Gallows Hill/Heathcote Lane/Harbury Lane roundabout scheme.
- 1.3 The scheme will provide improvements and upgrade of the existing roundabout junction to accommodate the future increase of traffic volumes resulting from the new development. The localised carriageway will be

widened to introduce a dual lane exit onto Europa Way North and a third gyratory lane will be constructed on the south side of the roundabout to maintain traffic flows onto and around the junction. The proposed new footpath/cycleway and signalised crossing will improve the overall safety of the junction.

- 1.4 A general plan of the section 278 works is included at Appendix 1 together with a location drawing showing the location of the Works at Appendix 2.
- 1.5 The estimated value of the construction works is approximately £3,700,000.
- 1.6 The Scheme must also be added to the Capital Programme. As the scheme value will exceed £2,000,000 a decision of full Council is required to add the scheme to the Capital Programme.

2. Financial Implications

- 2.1 As the new highway assets which are being created through these schemes will come on to the Council's balance sheet once completed, the costs incurred by the Council need to be treated as capital expenditure.
- 2.2 Section 278 schemes are fully funded by developers which are ring-fenced for the scheme described in the sections above. There are no alternative uses for the contributions and the addition of these schemes will not affect the overall level of available capital resources.
- 2.3 Construction project management, supervision and inspection fees are collected by Council in advance of the works starting. The fees paid to the Contractor are recovered from the developer. The developer is invoiced in accordance with the terms of the section 278 agreement.
- 2.4 The developer is liable for the cost of any unforeseen changes to the works and/or construction delays and overruns of the scheme and will fully fund any additional costs.
- 2.5 The respective developers have already committed to funding the technical review work by accepting the Council's fee estimates. The Council's fees for technical review are always collected in advance of the section 278 agreement being signed.
- 2.6 Procurement and subsequent award of construction contracts will only take place subject to the applicable section 278 agreements being signed, which will provide 100% of the funding. The section 278 agreements will also require the developer to provide a bond or pay a cash security, the bond or cash security will be to the value of 150% of the Contract Price and will remain in place until completion of the works. The section 278 agreement has provision to allow the Council to call on the bond or cash security in the event of non-payment by the developer. The commencement of the works is dependent on the completion of the technical review, procurement, and contractor

mobilisation processes. Any slippage or increase in costs due to changes in the scope of the works are the developers risk and would be funded by the developer at no cost to the Council. Any slippage or increases in cost will be reported in the normal quarterly monitoring process.

- 2.7 Ongoing maintenance of new highways infrastructure is funded from the Highways Maintenance Capital Budget. Warwickshire County Council receives an annual government grant for highways maintenance which is based on the length of the highway network and is therefore designed to reflect any increases in the public highway.

3. Environmental Implications

- 3.1 The environmental impacts of developer-funded highway schemes are considered through the planning approval process.
- 3.2 The contractors on the Council's Framework Contract for the Provision of Engineering and Construction Works (WCC 16382) have all demonstrated that they hold a certificate of compliance with BS EN ISO 140001 (or equivalent) or have otherwise satisfactorily demonstrated their policies and arrangements for the management of construction-related environmental issues.

4. Timescales associated with the decision and next steps

- 4.1 Subject to the approval of Cabinet, the matter will be considered by Council on 17 December 2024.

Appendices

Appendix 1 - Location Drawing 332210634-STN-GEN-2002-DR-C-0101 P01
Appendix 2 - TAYLOR WIMPEY / BLOOR HOMES General arrangement Drawing 332210634-STN-GEN-2002-DR-C-0102 P01

Background Papers

Planning Decision Notice W/20/1642

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The report was circulated to the following members prior to publication:

Local Member(s):

- Councillor Jan Matecki (Budbrooke & Bishop's Tachbrook)
- Councillor Parminder Singh Birdi (Warwick South)

Other members: Councillors Warwick, Singh Birdi, Boad, and W Roberts