

Executive Decision Report

**Ashton Green Highway Infrastructure:
A46/ Anstey Lane**

Decision to be taken by: City Mayor
Decision to be taken on: 22 August 2017
Lead director: Andrew L Smith



City Mayor

Useful information

- Ward(s) affected: Beaumont Leys
- Report author: Geoff Mee
- Author contact details: x37 2975
- Report version number: v3

1. Summary

- 1.1 The report seeks approval for capital matching funding of up to £2.9m in support of confirmed grant funding of up to £5m from the Growth & Housing Fund to deliver highway infrastructure in support of the Ashton Green development project.

2. Recommendation

- 2.1 Increase in the capital programme of £7.9m funded by grant of £5m and prudential borrowing of up to £2.9m for a major highway infrastructure scheme required as part of the Ashton Green development.

3. Supporting information including options considered:

- 3.1 The Ashton Green outline planning consent (January 2014) has a planning condition requirement, imposed by Highways England, for the delivery of highway infrastructure improvements to the A46/Anstey Lane (A5630) junction, to single carriageway section of Anstey Lane to Bennion Road at Gorse Hill and to the Anstey Lane/Bennion Road junction. There is no reasonable prospect of being able to renegotiate the planning requirement with Highways England
- 3.2 The scheme was originally conceived in 2010 in consultation with the three highway authorities and includes the signalisation of both junctions and the extension of the dualling of Anstey Lane to the Bennion Road roundabout.
- 3.3 The highway infrastructure scheme is required to be implemented prior to the occupation of the 351st residential unit and without the completion of these works future development parcels at Ashton Green cannot be brought to market.
- 3.4 The estimated cost of the scheme is £7.9m which includes contingencies of up to 30%. Officers in collaboration with Leicestershire County Council have successfully secured grant funding of up to 75% of the cost, to a maximum of £5m, from the Growth & Housing fund promoted by Highways England. In effect, Highways England has offered to substantially fund the highway improvement scheme that they required as a condition of the outline planning consent. In order to secure these funds the City Council are required to contribute up to £2.9m in match funding.

- 3.5 The grant funding comes with the requirement for 'private sector' match funding from the Council as land owner/development promoter of Ashton Green through capital receipts from future land sales.
- 3.6 The design, procurement and delivery of the scheme is to be led by Leicestershire County Council with the aim of completing the design & feasibility work by April 2018. The anticipated build period is 12 months with an estimated opening programmed for May 2019.

4. Details of Scrutiny

- 4.1 The Ashton Green scheme has been considered through the planning process including at Planning Committee.

5. Financial, legal and other implications

5.1 Financial implications

- 5.1.1 The highway works proposed are estimated to cost £7.9m (including contingency).
- 5.1.2. Following a successful bid, of up to £5m from the Growth & Housing Fund, the balance of £2.9m can be funded initially by prudential borrowing but with this to be eventually repaid from future capital receipts from Ashton Green. Given that we intend to repay borrowing in full relatively soon, we don't need to make minimum revenue provision to repay capital. Hence the revenue cost of borrowing would only be the loss of interest which would currently be around £14,500 p.a.
- 5.1.3. Although these works are not immediately required, a planning requirement imposed by Highways England means that no further residential development at Ashton Green beyond 350 dwellings can be undertaken until they occur. Hence, without these works the medium and long term development at Ashton Green which is expected to generate significant capital receipts cannot proceed.
- 5.1.4. As the grant is only available for a limited period, and the Council would be effectively committed to pay for the works in the long term, it is considered financially advantageous to undertake the works early to benefit from the grant and thus increase its net receipts from Ashton Green in the long term.

Nick Booth
Principal Accountant

5.2 Legal implications

5.2.1. The Council is required to comply with planning obligations imposed in respect of the development of its land. In this case, the Council will be required to comply with the obligation to carry out the highway improvements as outlined in 2.1 and 2.3 above, in order to ensure that future development can proceed as compliant with planning requirements.

John McIvor, Principal Lawyer, ext. 37-1409

5.3 Climate Change and Carbon Reduction implications

No climate change implications.

5.4 Equalities Implications

An equality impact assessment was prepared in support of the original outline planning application in 2010.

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None

6. Background information and other papers:

None.

7. Summary of appendices:

None.

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

Yes

10. If a key decision please explain reason

The match funding requirement relates to one off capital expenditure over £1m to be specifically authorised by the Council.