

HOUSING INFRASTRUCTURE FUND - UPDATE

Executive Summary

The report updates on the work to date in relation to the Housing Infrastructure Fund project and also identifies a number of key issues and actions in relation to the delivery of the project including:

- The need to submit and have determined two planning applications for a temporary and permanent access to the aggregates site from York Road.
- Further work in relation to the project dependencies of the land at the junction of Goldsworth Road and Church Street West with Victoria Way to secure sufficient land for the proposed highway widening of Victoria Way and sufficient land for the construction and positioning of the new bridge platform.
- The commencement of engagement with the residents' panel on the Woking Town Centre Masterplan and the commitment from the Executive to consult on the housing numbers proposed by Housing Infrastructure Fund (HIF) as part of the masterplan process.

Taking these into account and the implications of the above work streams to the project, it is recommended that works proposed to begin this winter in relation to the relocation of utilities under the bridge be rescheduled meaning a physical start (other than investigative surveys) to the project in later in 2022/23.

The report also refers and responds to a recent Motion approved at Council in July 2021 and notes the intention of the Overview & Scrutiny Committee to commence a review on the HIF project.

Recommendations

The Executive is requested to:

RESOLVE That

- (i) the content of the report, including the progress of the project to date, next actions and project dependencies, be noted; and
- (ii) the Director of Planning, in consultation with the Executive Member, be delegated to reach agreement with Homes England and Network Rail on the proposed revised timetable for the project noting a revised start date to the commencement of physical works until later in 2022/23.

Reasons for Decision

Reason: To update the Executive on the project, key matters and rescheduled timetable.

The Executive has the authority to determine the recommendation(s) set out above.

Housing Infrastructure Fund - Update

Background Papers: None.

Reporting Person: Giorgio Framalitto, Director of Planning
Email: giorgio.framalitto@woking.gov.uk, Extn: 3440

Contact Person: Louisa Calam, Project Manager Town Centre Development
Email: louisa.calam@woking.gov.uk

Portfolio Holder: Councillor Colin Kemp
Email: cllrcolin.kemp@woking.gov.uk

Shadow Portfolio Holder: Councillor Ian Johnson
Email: cllrian.johnson@woking.gov.uk

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1.0 Introduction

- 1.1 The £115m Victoria Arch widening scheme, mainly funded by central government, will deliver key strategic outcomes for Woking's residents, businesses and visitors. When complete, it will provide additional road capacity, reduced air pollution, safer access for pedestrian and cycle journeys, and more reliable bus journeys. It will significantly contribute to the Council's long-term sustainable transport measures, unlock town centre sites for much needed housing and strengthen Woking's vibrant business economy.
- 1.2 In addition, the scheme offers Network Rail an opportunity to replace the ageing Victoria Arch railway bridge, renewing the railway infrastructure in Woking which are essential for the vitality and sustainability of the rail network and, when required, allowing increased rail capacity. Despite a significant reduction in rail passenger numbers during the pandemic, rail patronage is expected to recover in the coming years.
- 1.3 This project presents a once in a generation opportunity but is complex to deliver with the project's success dependent on a number of key deliverables which are highlighted in this report.
- 1.4 This report seeks to update on the project's progress to date and identify a number of essential project streams where progress needs to be made before the commencement of any significant physical works.
- 1.5 The Council has a process in place to support the project via the Housing Infrastructure Fund (HIF) Oversight Panel. The role of the HIF Oversight Panel is to:
 - oversee the governance and implementation of HIF;
 - oversee project communications;
 - receive updates on the Project; and,
 - note and monitor progress of the Project, through the receipt of programme reports, against key milestone dates, budget and key risks

2.0 Actions completed to date

Update on Triangle site acquisitions and demolition

- 2.1 The Triangle site acquisitions have been very successful to date with most of the site now demolished. The remaining buildings, the Guildford Road terraced block, are mostly within the Council's ownership and are vacant. There are a few properties, numbers 4 & 5 Guildford Road as well as the access road which runs through the middle of the triangle site at the rear of these properties, where voluntary acquisitions are still outstanding due to no agreeable terms being reached for purchase between the Council and the landowner.
- 2.2 The Council is in discussions with all outstanding parties involved, and these discussions remain ongoing whilst the Compulsory Purchase Order application is prepared and due for submission to the Secretary of State by the end of 2021. This will unlock the remaining acquisitions of the Triangle site as well as other adjoining parcels of land which are required for the highway works for the project. The process can take between 1 year and 18 months, but possibly up to 2 years depending upon Secretary of State decision timescales, unless voluntary negotiation is agreed ahead of this timescale. It is hoped that further acquisitions can be made outside of a formal CPO process.
- 2.3 Phases 1 and 2 (southern and eastern parts) of the triangle site demolitions are complete with some site levelling to complete once utility disconnections have been completed.
- 2.4 Phase 3 (Guildford Road terraces) has been put on hold due to nesting birds, and remaining outstanding property acquisitions.

Development of highway design

- 2.5 The original proposed highway layout has been designed on the basis of traffic modelling at the time of the bid to Homes England, that being a new all movement junction on the southern side of Victoria Arch (A320 Guildford Road / Victoria Road) and the closure of Station Approach. However, having established the changes in level required to pass under the proposed widened Victoria Arch in order to future proof it for the use of double decker buses, it became necessary to relocate the centre of the junction approximately 6m to the southwest, which has realigned the junction and reduced the size of the Triangle site.
- 2.6 Following discussions with the Surrey County Council (SCC) road safety team, the cycle provision has been established against 2020 Department for Transport guidance, which for the most part will take the form of a segregated provision between the footways and the carriageway. These will run in the northbound direction on the western side of Guildford Road and in the southbound direction on the eastern side of the carriageway. A shared use provision has to be provided in some locations, but still meets safety guidance. Access to the station is provided for.
- 2.7 WSP will continue to work up the detail of the retaining walls, as well as the drainage design. Drainage network modelling work will be undertaken which will reduce the risk/severity of flooding under the Victoria Arch bridge. This work is reliant on the outcome of an upcoming investigative drainage survey, requiring road closures, subject to SCC approvals.
- 2.8 The design has been subject to a stage 2 road safety audit carried out by SCC, which informed the recent changes in cycle proposals. However it is not proposed to signoff the audit until the outcome of the drainage and retaining wall design is fully established and their impact addressed within the scheme.

Multi Utility Contractor

- 2.9 In order to mitigate the complex project risk of the statutory undertaker apparatus diversions within the road, a multi utility contractor was tendered and contracted. This contract commenced with Skanska in July 2021.
- 2.10 Once trial hole surveys have been completed within the highway to evidence the apparatus underground, Skanska will be able to confirm a programme of utility diversions. These investigative surveys have just been tendered and are being programmed, likely to take place early in the new year following SCC approvals for road closures.

Network Rail Bridge Design

- 2.11 The Network Rail team have recently been able to further mitigate the complex statutory undertaker apparatus diversions by changing their method of bridge construction, which allows more space and time for these diversions.
- 2.12 The project has just passed the Network Rail GRIP (Governance for Railway Investment Projects) Stage 4 Review and is now about to transition into the next stage, PACE (Project Acceleration in a Controlled Environment) Phase 2, detailed design.

Partnership working

- 2.13 We are working collaboratively with key project partners, Homes England, the funding body for the project, Surrey County Council, our project partner and local highway authority, and Network Rail, our project partner responsible for delivering a major part of the project, the Victoria Arch bridge widening.

- 2.14 The collaborative working with these project partners involves regular monthly project board meetings as well as other more informal progress and working group meetings.
- 2.15 In terms of contractors, the Council employ WH Stephens, as project Principal Designers, Procurement and Quantity Surveyors, WSP as highways designers, Hughes and Salvidge as Triangle site demolition contractors, Skanska as multi utility contractors for the utility diversions within the road. Osbornes are Network Rail bridge contractor and will be highways contractor to deliver the highway works to ensure collaborative and efficient working for the project.
- 2.16 Partnership working also extends to third party stakeholder groups, local businesses such as Day Aggregates, local transport operators, such as bus operators, and other interested groups such as the Woking Access Group. Updates and communications are shared with all interested and impacted parties either through the Woking Borough Council communications channels on our website, newsletters, or press releases at key strategic activity points during the project.

3.0 Next Actions and Project Dependencies

- 3.1 The progression of this complex infrastructure scheme has highlighted a number of project work streams which have a significant outcome on the deliverability and overall success of the project. The key matters are summarised below.

Day Aggregates access road: relocation proposals

- 3.2 As the construction plans for the Victoria Arch scheme have progressed over the last year, technical surveys and modelling have concluded that the existing location of this access (used by Day Aggregates) severely impacts on the scheme's overall objectives and presents the following challenges in being maintained:
- The need to lower the existing road level by 1.2 metres;
 - The need to build new retaining wall structures;
 - Reduced visibility for site traffic in and out of the existing access road;
 - The need for traffic control measures at this junction which will impact on traffic flow;
 - Achieving the objective of improved and safer pedestrian and cyclist flow across the access road;
 - Reduced capacity at the junction at Victoria Road/Guildford Road.
- 3.3 After carefully reviewing the detailed technical reports and specialist advice associated with the access road, a pre-planning exercise has been conducted and an engagement process carried out with impacted residents and businesses on the proposals for a temporary access (during construction of the bridge) and permanent access (once the bridge is opened and in use) from Bradfield Close on York Road.
- 3.4 Residents around the York Road area were sent information setting out the Council's intention to submit planning applications for the temporary and permanent access and a number of residents met with Officers to discuss the proposals. Significant concerns have been raised by residents which will need to be addressed in the planning applications. Once submitted the Local Planning Authority will need to determine the planning applications taking into account the concerns formally raised by residents and other consultees.
- 3.5 The decisions taken on these planning applications will be pivotal to the project and it is proposed that these applications are considered fully before any significant physical works are completed on the highway in relation to the HIF project.

Land at the junction of Goldsworth Road and Church Street West with Victoria Way

- 3.6 The current approved road design of Victoria Way sees an improved public realm to the front of the Victoria Square development. This current design, whilst providing an improved pedestrian and drop off area to the development, has meant that additional land outside of the highway on the eastern side of the road is required to secure a dual carriageway for both south and north bound lanes. The requirement for additional land for the highway should also be seen in the context of the requirements of Network Rail who themselves need additional land to build the bridge platform and move it into position.
- 3.7 While the Council has approved the use of compulsory purchase powers for the acquisition of land to the east of the highway for these purposes, funding for the purchase of the land will need to be secured and a business case developed with any gap funding being sought and approved by Homes England.
- 3.8 Given the overall risks to the project, and noting that the current amended bridge design has been developed to accommodate utility diversions, Network Rail have been commissioned to review their design approach and construction methodology for the new bridge to assess if there is a technical and viable solution to build the bridge within the current compound area and manoeuvre it into position within the current highway. Network Rail will be concluding their assessment in the late Autumn. If this is possible then it may be preferable to revisit the current Victoria Way highway design to ensure that a north and south bound dual carriageway and pedestrian footways are adequately provided in the existing highway removing the need to purchase (or CPO) land to the east of the road.
- 3.9 The acquisition of the land remains a risk for the project and further work is required to:
- Seek a conclusion from Network Rail on the land requirements for the construction and installation of the bridge deck;
 - Agree a final highway solution for the road as part of the Section 278 agreement;
 - If required, conclude the business case for the acquisition of the land and seek financial support for any gap funding from Homes England.
- 3.10 Given the importance of the above to the deliverability of the scheme, it is proposed that this work is sufficiently progressed before any significant works are completed on the highway in relation to the HIF works. The HIF project team continue to liaise with the Victoria Square Woking Limited to ensure that these major projects are co-originated and that dependencies are fully understood.

Town Centre Masterplan

- 3.11 The Council has made a commitment to consult on the HIF housing numbers as part of the town centre master plan. In accepting the HIF grant, the Council made a commitment to deliver housing on a number of its own sites (including land owned by wholly owned companies) and a further commitment to use 'best endeavours' to secure the delivery of other housing sites in order to secure around 3,300 new homes in the town centre above the housing numbers set out in the Council's Local Plan.
- 3.12 Given that the commitment made to consult on the level of housing proposed and the need to develop the masterplan to facilitate this it is proposed that progress is made on the masterplan before any significant works are completed on the highway in relation to the HIF works.
- 3.13 The initial consultation events on the masterplan have highlighted a range of interesting issues. One such matter is a question about whether the pandemic has significantly changed the market for flatted accommodation. As part of the masterplan evidence base Officers will commission an updated evidence based study assessing the type of housing proposed for the town centre against market needs and establish whether the market would continue to sustain

the level of flatted accommodation proposed over the time period set out as part of the HIF programme.

- 3.14 The overall scale / number of homes to be delivered on the back of the HIF project may change and the Council would need to understand this in more detail before any significant works are completed on the highway. Homes England would be engaged on this process given the implications on housing delivery.

Council Motion

- 3.15 The following Motion was agreed at the July Council meeting:

- The HIF scheme housing to be put to public consultation with full honest disclosures.
- The Council cease to make any further promises on HIF to any bodies until such consultation is complete.
- The Council re assess the scheme's housing targets under new market conditions, (especially post COVID) public opinion and if needed is open to renegotiations with central government.

- 3.16 In response to the Motion, and as previously committed to by the Leader of the Council, the development of the town centre masterplan will include consultation on the proposed HIF housing number.

- 3.17 No commitments above are being made above that in the contract with Homes England. The rescheduling of the commencement of significant HIF highway works set out in this paper provides time to develop the masterplan.

- 3.18 Work to continue to progress the project will continue including seeking a decision on the planning applications for the access to the aggregates yard and resolving the land requirements to the north of the railway line. The replacement bridge has been something sought for a significant amount of time and the funding presented is a once in a generation opportunity to secure a new bridge.

Overview & Scrutiny Committee HIF Review

- 3.19 At its meeting of 13 September 2021 the Overview & Scrutiny Committee reviewed a Scrutiny Review Topic Selection which sets out the potential outcomes of a review on HIF. The focus of the proposed O&S review is intended to provide effective constructive critical friend challenge with the outcome of an initial audit report being presented to the November O&S Committee meeting.

- 3.20 The O&S review is welcomed and the final outcome of the review will be taken into account in relation to the overall management of this complex project.

4.0 Corporate Strategy

- 4.1 The proposals set out in this paper support the following objective of the Corporate Plan - An enterprising, vibrant and sustainable borough by:

- Promoting a strong economy – by providing fit for purpose infrastructure, reducing congestion and supporting increased rail capacity, unlocking housing and supporting a vibrant mixed use town centre
- Improving the Borough's biodiversity and green infrastructure – by supporting opportunities for improved public transport, cycling and walking and securing air quality improvements.

5.0 Implications

Finance and Risk

- 5.1 The total project cost is £115m, made up of £95m Homes England grant funding and the rest covered by Woking Borough Council funding from the PWLB, to be recovered from a proportion of Community Infrastructure Levy and from site specific S.106 tariffs, and also covered by Network Rail funding.
- 5.2 To date nearly £30m has been claimed from Homes England on the project. £25m of this claim has been on acquisitions (the maximum claimable from Homes England as set out in the contract with them).
- 5.3 In addition to the £95m grant funding from Homes England, they have just granted the Council an additional £339k for capacity funding for this current financial year. This is funding towards resource and consultancy support towards additional work such as multi utilities contract with Skanska, which have both been identified as mitigating actions to assist in delivering the project.
- 5.4 The project risks, set out in detail and shared with the HIF Oversight Panel acknowledge the key matters identified above.
- 5.5 The rescheduling of the project will add further costs to the project by reason of inflationary costs and additional project resources. The implications of this will need to be discussed in detail with Homes England.
- 5.6 Depending on the delay involved, Network Rail may have additional costs incurred by 're-scheduling' the project, for example revalidation of track condition, surveys etc. The financial contribution to the project from Network Rail would only be available in this control period. While it may be possible to 'slip' it to the next control period this cannot be confirmed at this stage.
- 5.7 Deferral of the scheme has no bearing on the Surrey County Council Lane Rental, unless works do not commence until after 1 April 2023 in which case large Lane Rental liabilities may apply of up to £2500 per day where a full closure of the A320 is in place.
- 5.8 Further project costs may arise following the development of a business case for the acquisition and development of the land to the north of the railway line needed for the completion of the highway. Further project costs in relation to the delivery of a new access to the aggregates yard will need to be finalised and sought from Homes England should the planning applications gain planning permission.

Equalities and Human Resources

- 5.9 The rescheduling of the commencement of works to the highway will delay the infrastructure improvements proposed to be delivered from the scheme which improves access under the railway line for the whole community.

Legal

- 5.10 The Council has a commitment within the agreement with Homes England to act reasonably to deliver the project, to use its own land to deliver new homes and to use its best endeavours to secure the delivery of other housing development in order to secure 3,330 additional homes in the town centre above the targets set out in the Local Plan.
- 5.11 Homes England recognises that the development of a town centre master plan future development by setting out a clear vision for the town and clear guidance to developers. The

masterplan will, once adopted, give certainty to developers, businesses and residents as to the future of the town. Homes England are aware that in developing a masterplan and consulting on the level of homes could mean a different number of homes coming forward within the town centre and that an updated evidence on housing need may show a different timescale for the delivery of those new homes that has been indicated within the agreement with Homes England.

6.0 Engagement and Consultation

- 6.1 The report sets out that consultation was undertaken with residents on the proposed temporary and permanent road access for the aggregates yard prior to the submission of planning applications. In addition to meeting with local residents an FAQ has been posted on the Council's website and a commitment to address the points raised to Officers within the planning submission.
- 6.2 A commitment has been made to consult on the HIF housing number as part of the development of the town centre masterplan. Engagement on the town centre masterplan has commenced through a series of sessions with the residents' panel. The outcome of which will be used in the development of the masterplan. Further engagement will be undertaken on the plan to seek to reach a plan which has consensus on the future development of the town.

REPORT ENDS