

COUNCIL
18 JANUARY 2018**REPORT OF CABINET – MATTERS WHICH REQUIRE A
DECISION BY COUNCIL**

Churchfields Urban Village Highway Infrastructure Project**Recommendation**

- 1. The Cabinet recommends the addition of £5.7 million to the Capital Programme with £1.3 million being provisionally secured through Worcestershire Local Enterprise Partnership (LEP) and developer contribution, with the balance to be secured by Wyre Forest District Council through additional Greater Birmingham and Solihull LEP funding and/or Housing Infrastructure funding, for the purpose of completing the Churchfields scheme.**

Background

2. The Council and Wyre Forest District Council (WFDC) have deployed resources available to progress the Churchfields Urban Village Highway Infrastructure scheme. Churchfields is a strategically important residential development, located to the north of Kidderminster town centre. Following the launch of the ReWyre Initiative, the Homes and Communities Agency (HCA) recognised Churchfields as one of a limited number of priority housing locations in the West Midlands. The aim is to recreate a residential community around a host of existing and new community assets.

3. The project seeks to deliver improved access to the "Churchfields Masterplan" area in order to unlock significant housing-led development. It would facilitate the delivery of over 275 dwellings. These homes, forming parts of Phases 2 and 3 of the housing-led urban village masterplan, cannot be progressed without the highway improvements this project would deliver. The purpose of the project is to increase capacity on the highway network to enable the redevelopment of the Churchfields area and provide an improvement scheme for Blackwell Street which improves the air quality within the designated Air Quality Management Area. This in turn enables the potential to regenerate Horsefair Local Centre in line with the Adopted Masterplan and the emerging Local Plan Review.

Business Case and Funding

4. The County Council completed and submitted an Outline Business Case to Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) in March 2017. The overall cost of the scheme is estimated at £5.7 million with the following funding breakdown:

- £4.4 million from GBSLEP and Homes and Communities Agency (HCA)
- £1.0 million from Worcestershire Local Enterprise Partnership (WLEP), and

- £324,000 – S106 contribution from Phase 1 of the scheme.

5. Full funding for the scheme is yet to be secured with £4.4 million required from GBSLEP and/or HCA. Worcestershire County Council will support WFDC to identify opportunities to secure the required funding. WFDC has an extant bid with GBSLEP through Local Growth Fund 3 (LGF3) that is currently being developed through the business case. In the meantime funding is being sought from the recent Housing Infrastructure Fund (HIF). Failure to secure the required funding will require further decisions regarding progress of this scheme

6. In September 2017 WFDC submitted a funding bid to the Housing Infrastructure Fund for £2.7 million. There is no financial contribution committed from the County Council to deliver this scheme. Any contingent funding risk will rest with the scheme promoter (WFDC). GBSLEP, in August 2017, asked the County Council to submit a draft of the Final Business Case. The Outline Business Case concludes that the economic case is sound and represents high value for money.

7. The Cabinet has approved the project and the submission of a planning application for the project and applications for other relevant consents. It has also supported the commencement of a public engagement and stakeholder management exercise by WFDC with support from the County Council. The Cabinet has approved the acquisition of the land required for the scheme and delegated authority to the Director of Economy and Infrastructure, in consultation with the Cabinet Member, to agree the arrangements in relation to this and to finalise the award of the contract and other necessary agreements for the delivery of the scheme, subject to funding being secured. The Cabinet has supported the work required to secure the funding, noting that no funding is required from the County Council.

8. Whilst recognising the project is funded by other parties, as the project is being delivered by the County Council an addition of £5.7 million to the Capital Programme is now required.

Mr S E Geraghty
Chairman

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this

report:

Agenda and background papers for the meetings of the Cabinet held on 14 December 2017.