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## Housing Infrastructure Fund

Business Case - HIF/FF/000456/BC/01 - Chippenham Urban Expansion

### Bid Details

Lead Authority

Wiltshire

Is it a joint bid with other Local Authorities?

No

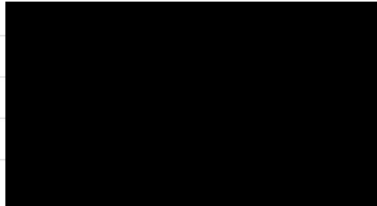
### Contact Details

First name

Last name

Email Address

Telephone number



Are you an agent making this submission on behalf of one or multiple Local Authorities?

No

Are the contact details provided above for the lead responsible officer for the project at the local authority?

No

Contact name of lead officer

Alan Richell

Email address of lead officer

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Telephone number of lead officer

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## Project Summary

### What is the name of the scheme

Chippenham Urban Expansion

### Please provide an Executive Summary for your proposal

The Chippenham Urban Expansion project will deliver 7,500 new homes alongside significant community infrastructure on both Wiltshire Council and privately-owned development sites. The housing scheme will be developed and delivered with garden village principles at its heart. The delivery of 7,500 new homes will be enabled by the Chippenham Urban Expansion Distributor Road and mitigation measures at M4 junction 17 (M4 J17) which will be funded by the £75 million requested from the HIF.

With an estimated Benefit Cost Ratio (BCR) of 3.9 the scheme represents High Value for Money and will unlock delivery of housing sites along its length. The scheme routes to the east of Chippenham, linking the A350 at the northern and southern ends of the town and is required to:

- Unlock development sites for the delivery of 7,500 new homes in Chippenham
- Provide additional transport network capacity to avoid unacceptable impacts of future development on the Chippenham transport network

- Enable future prosperity of Chippenham which is not possible without upfront investment in transport infrastructure

The indicative preferred route for the distributor road is based on potential for growth, initial investment costs and providing increased transport capacity. It is proposed to be a SU2 Single Urban All-Purpose distributor road with a 40mph speed limit and a 3m wide Shared Use Path (SUP).

H F funding will enable the long-term growth and prosperity of Chippenham

Transport evidence to support the adopted Chippenham Site Allocations Plan (CSAP) concluded that further housing growth beyond that allocated in the CSAP cannot be delivered without investment in new road links (App01). This is the only way to provide access to development sites and to avoid unacceptable impacts on the Chippenham transport network.

Significant funding is required to deliver the distributor road and mitigation works at M4 J17 that together will enable the growth of Chippenham. [REDACTED]

Key findings of the 2017 Strategic Housing Market Assessment (SHMA) for Chippenham (App02) highlights the key reasons why HIF funding is being requested to unlock the delivery homes now:

"- The town has significant potential for economic growth. A new road linking the A4 to the A350 would help considerably toward realising it.

- Housing development has been well below anticipated rates, largely because there has been no land identified for development for much of the plan period."

This demonstrates that market failure in Chippenham has two aspects:

- 1) High costs of delivering necessary transport infrastructure to deliver new homes in Chippenham is not viable for private developers
- 2) Market led housing delivery resulting in an inadequate piecemeal approach and low rates of delivery

The urban expansion includes the council and several other landowners all of whom support the scheme, and who will be unified and co-ordinated by Wiltshire Council. The council will deliver the distributor road with the H F funds and will unlock all the development sites for the delivery of 7,500 new homes. In addition, the HIF funds provide the appropriate incentive to bring private landowners on board, make the infrastructure affordable, and provide certainty that the land will be developed for the delivery of housing.

Without the H F funding and the new road, the delivery of housing in Chippenham will continue to be market led and will lack any strategic direction. Instead a slow sequential approach will happen, significantly delaying the pace and quantity of housing delivered. This approach will also fail to address fundamental constraints on the road network at Chippenham and M4 J17 which in turn impacts on the economic potential for other settlements on the A350 corridor to grow.

### Summary of delivery arrangements

Delivery will be led by Wiltshire Council's Major Projects service, which is independent of the Local Planning Authority. It is dedicated to bringing forward projects of a strategic nature within the county, often where the council has a direct land interest in the scheme. The council will lead the delivery of the distributor road. Detailed design and associated technical and planning specialisms will be provided under the council's professional services contract. The construction of the road will be procured by the Council through the appropriate contract mechanism and delivered by a main contractor. The construction of new homes will proceed alongside infrastructure delivery as soon as feasible.

The delivery of housing will vary across the sites, depending upon the landowner and the most appropriate delivery mechanism for each site. The council are exploring the most appropriate options for delivery and are in active discussions with all landowners, who have all provided statements of support for this bid regarding landowner agreements.

### Please provide an overview of the project, including your project scope for the infrastructure and for the wider project

#### H F funded infrastructure

The Chippenham Urban Expansion and delivery of 7,500 homes is enabled by the delivery of the HIF funded Chippenham Urban Expansion Distributor Road. The road will enable the delivery of 7,500 housing at development sites along its length. With an estimated BCR of 3.7 the scheme represents High Value for Money.

The road will be routed to the south and east of Chippenham, running from the A350 Lackham roundabout in the south, across the A4, to the western edge of the Rawlings Green/Summix development site, where it will join the Rawlings Green railway bridge and the road up to the A350 at the Malmesbury roundabout.

The distributor road is proposed to be a SU2 Single Urban All-Purpose distributor road with a 40mph speed limit and a 3m wide SUP with a 1.5m separation strip for pedestrians, cyclists and non-motorised users.

In addition to enabling the delivery of 7,500 new homes in Chippenham, the distributor road will deliver benefits to the Chippenham transport network by:

- Mitigating the impact of traffic on the town network by providing additional highway capacity in and around the town
- Provide an alternative route to existing and future users, including those travelling from the east of Chippenham, and who currently have to travel through Chippenham town centre to access the A350

The additional traffic generated by the urban expansion is forecast to have an impact on M4 J17, therefore this H F bid includes funds to mitigate the impact of development generated traffic on the Strategic Road Network (SRN) by delivering necessary improvements

at M4 J17 (App03).

The council will be the lead delivery agent of the distributor road, and arrangements for the delivery of the M4 J17 mitigation works will be agreed in partnership with Highways England.

The Chippenham Urban Expansion

657 hectares of development land to deliver 7,500 new homes will be unlocked by the delivery of the distributor road and the mitigation works at M4 J17. The urban expansion consists of seven sites. Wiltshire Council owns the two largest sites, the other five sites are owned by private developers. The housing, community and employment components of the site will be delivered by a combination of the council and private developers.

The council have commissioned a concept framework (App37) which forms the basis of the master planning of the scheme to commence in 2019. This concept framework:

- Details the vision and objectives for the scheme
- Outlines the strategic land use framework and development quantum
- Considers constraints and opportunities

This scheme will deliver a step change in housing delivery at Chippenham, comprising a mix of house types delivered alongside community facilities and will meet the identified housing need in both the current and emerging Local Plan (see App35).

Challenges and interdependencies

There is an interdependency with the Rawlings Green/Summix site to deliver the railway bridge which will cross the railway line at the western edge of the site to Parsonage Way. The council are working actively with the site promoters to ensure the delivery of this key link. The site is currently in the planning process. An agreement is in place between the Rawlings Green/Summix site promoters and Network Rail for possessions. Detailed technical designs have been approved by the council.

The Chippenham Urban Expansion will deliver a significant proportion of the identified housing need of 22,500 homes for the Chippenham Housing Market Area (HMA) from 2016-2036. This has been identified as part of the Local Plan review currently being conducted. By delivering 7,500 new homes, unlocked by HIF funding, the scheme is a critical strategic site in meeting the demonstrated housing need and supporting delivery of the emerging Local Plan.

**Site Details**

How many housing sites will the funding bring forward?

7

Please provide a list of the housing sites that the funding will bring forward, including the amount of units to be delivered on each site, the lower tier or unitary authority the site is in and the current land ownership

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
Rawlings Green/Summix	650	Wiltshire	Private Landowner	Outline, Full / Detailed	15/12351/OUT / 18/02037/FUL

**Commentary**

CSAP allocated site CH2. Outline planning application registered for up to 650 dwellings, up to 5ha employment space. Full planning application registered for delivery of railway bridge over Great Western Railway. [REDACTED]

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
Riverside/Chippenham 2020	1500	Wiltshire	Private Landowner	Outline	15/12363/OUT

**Commentary**

Outline application registered for a mixed-use development comprising up to 1,500 dwellings and 5ha of employment land. 2017 SHELAA site reference: 455. Land to the North of London Road and West of Stanley Lane. [REDACTED]

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
Forest Farm, Gough/Gieeson	200	Wiltshire	Private Landowner	Outline	15/11153/OUT

**Commentary**

Outline planning application submitted. Refused at appeal only on landscape grounds. 2017 SHELAA site reference: 494. Forest Farm [REDACTED]

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
[REDACTED]	[REDACTED]	Wiltshire	Wiltshire Council	None	

**Commentary**

[REDACTED]

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
[REDACTED]	[REDACTED]	Wiltshire	Wiltshire Council	None	

**Commentary**

[REDACTED]

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
[REDACTED]	[REDACTED]	Wiltshire	Private Landowner	None	

**Commentary**

[REDACTED]

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
█	█	Wiltshire	Private Landowner	None	
<b>Commentary</b>					
█					

Please provide site boundaries for all housing sites  
(see final page of document)

Please attach scheme plan(s) for your proposal - these should include plans of housing sites and infrastructure

Filename	Description
App10b Chippenham Urban Expansion scheme map.pdf	Chippenham Urban Expansion Scheme
App10c Map 2 transport labels.pdf	Chippenham Urban Expansion Transport and Site
App28 Construction Phasing Plan v4.0.pdf	HIF Distributor Road Construction Phasing

What is the total size of the development (in hectares)?

657.95 ha

Of the total development size, what is the total housing area (in hectares)?

237.56 ha

How much of the total housing area is on

**Brownfield land**

0.00 ha

**Public sector land**

155.86 ha

What are the proposed tenures of the homes to be delivered?

Affordable sale	16 %
Affordable rent	24 %
Market sale	60 %
Market rent	0 %
Other	0 %

## Infrastructure Requirements

Please provide further details on the HIF infrastructure requirements and their link to the delivery of housing

<b>Infrastructure Type</b>	Road / highway - SRN	<b>Description</b>	A distributor road which routes to the south and east of Chippenham from the A350 Lackham roundabout in the south, across the A4 and turning north to the railway crossing at the western edge of the Rawlings Green site.
<b>HIF Funding</b>	£65,000,000	<b>Link to housing</b>	A distributor road which routes to the south and east of Chippenham from the A350 Lackham roundabout in the south, across the A4 and turning north to the railway crossing at the western edge of the Rawlings Green site.
<b>Sites benefitting</b>	Rawlings Green/Summix, Riverside/Chippenham 2020, Forest Farm, Gough/Gleeson, [REDACTED]		
<b>Infrastructure Type</b>	Road / highway - other	<b>Description</b>	Additional capacity at M4 J17 to mitigate impact on the SRN.
<b>HIF Funding</b>	£5,000,000	<b>Link to housing</b>	Traffic from the development is forecast to impact the SRN at J17 M4 J17 therefore mitigation works at the junction are also required to fully unlock the total number of new homes.
<b>Sites benefitting</b>	Rawlings Green/Summix, Riverside/Chippenham 2020, Forest Farm, Gough/Gleeson, [REDACTED]		

Please outline, in further detail, the direct link between the infrastructure scheme(s) and how this unlocks the homes

### Overview

H F funding is required to deliver the Chippenham Urban Expansion Distributor Road and mitigation works at M4 J17 in order to unlock the delivery of 7,500 homes in the Chippenham Urban Expansion site.

The distributor road is required to provide access to development sites to the south and east of Chippenham which are otherwise be undevelopable without the up-front infrastructure investment offered by the HIF. The scale of the sites means that a new distributor road is required to provide highway access from the existing highway network to unlock them.

Whilst the distributor road is required to provide highway access, it is also required to unlock development beyond the current plan period and to avoid unacceptable impacts on the transport network of future development in the town. Transport evidence from the Chippenham Site Allocations Plan (CSAP, adopted May 2017) concluded that no further growth could occur in Chippenham without significant investment in the transport network in the form of link roads to the south and east of the town (App01). The H F grant will fund the delivery of the distributor road (which combines the eastern and southern link roads previously investigated by the CSAP) required to unlock the future growth of Chippenham.

The emerging Local Plan has identified a housing need of 22,500 homes for the Chippenham HMA, of which it would be expected that approximately 7,000 would be required in Chippenham itself (App05). However, this growth cannot be realised without significant prior investment in transport infrastructure.

The H F grant will also enable Wiltshire Council, as the delivery agent of the distributor road, to co-ordinate the five other landowners involved in the scheme, to secure and then manage agreements between landowners and thereby provide certainty that the land will be developed with the full total of 7,500 new homes.

Without the HIF funding the delivery of infrastructure and housing in Chippenham will continue to be market led, will proceed extremely slowly, and will lack any element of strategic direction. A sequential approach to delivery would instead be needed, significantly delaying the pace and amount of delivery. The causes of market failure to date will remain in play with Chippenham and its wider housing market area failing to meet the identified housing need. Any delivery that does come forward will also be more expensive, compromising viability of sites for developers, and will fail to address fundamental constraints on the road network at Chippenham and M4 J17. This in turn impacts on the economic potential for other settlements on the A350 corridor to grow, such as the major scheme proposed by Dyson Industries at Hullavington to the immediate north of M4 J17.

### CSAP evidence

The CSAP (adopted May 2017) (App06) supports the delivery of the Wiltshire Core Strategy (adopted Feb 2015) (App07) by allocating specific sites which together deliver the quantum of housing and employment need specified in Core Policy 10 of the Core Strategy. The CSAP included a detailed evidence base for transport & accessibility which in conjunction with other evidence informed the site selection process.

The transport evidence considered several scenarios in relation to location and size of development, and provision of different levels of transport infrastructure. The adopted CSAP scenario (ADS41) allocated development at two strategic sites in Chippenham, of which, the Rawlings Green/Summix site, is included in the Chippenham Urban Expansion.

Alternative scenarios tested higher levels of development, including development sites included in the Urban Expansion: Wiltshire Council, Riverside/Chippenham 2020, Forest Farm - Gough/Gleeson, [REDACTED]

The transport evidence demonstrated that in order to deliver levels of growth beyond the adopted CSAP development quantum, major new transport infrastructure (the Eastern or Southern link roads) would be required. The testing concluded that without the Eastern or Southern link roads the local highway network could not accommodate the level of demand generated without compromising acceptable levels of service.

### Emerging Local Plan

Wiltshire Council commenced a review of its Local Plan in 2017 in partnership with Swindon Borough Council. When it is adopted it will provide a housing requirement for Chippenham for the period 2016-2036.

The SHMA (November 2017) (App08) identified the Full Objectively Assessed Need for Housing for the period 2016-2036 to be 22,250 dwellings in the Chippenham HMA. This equates to a significant increase in housing need of 57% compared to the period

2006-2016. If a housing requirement for Chippenham settlement was set to a pro-rata 57% increase in need, the requirement for 2016-2036 would be in excess of 7,000 dwellings.

Key findings of the 2017 SHMA settlement profile for Chippenham highlight the key reasons why H F funding is being requested to unlock delivery of homes in the town:

“- The town has significant potential for economic growth. A new road linking the A4 to the A350 would help considerably toward realising it.

- Housing development has been well below anticipated rates, largely because there has been no land identified for development for much of the plan period.”

The H F funding will address both matters by providing the necessary transport infrastructure required to enable future growth in and around Chippenham whilst directly unlocking these strategic development sites for delivery of 7,500 new homes.

**Wider Development Impacts**

**Please provide a summary of what impact the scheme will have on the Transport Network**

HIF funded transport infrastructure

The HIF funded Chippenham Urban Expansion Distributor Road will enable the delivery of 7,500 new homes at development sites along its length whilst improvements to M4 J17 will mitigate the impact on the Strategic Road Network (SRN). With an estimated BCR of 3.7 the scheme represents High Value for Money.

The road will be routed to the south and east of Chippenham, running from the A350 Lackham roundabout in the south, across the A4, to the western edge of the Rawlings Green/Summix development site, where it will join the Rawlings Green railway bridge and the road up to the A350 at the Malmesbury roundabout.

The distributor road is proposed to be a SU2 Single Urban All-Purpose distributor road with a 40mph speed limit and a 3m wide SUP with a 1.5m separation strip for pedestrians, cyclists and non-motorised users.

Transport model overview

The model used for the appraisal of the Chippenham Urban Expansion has been developed from the Wiltshire 2018 Base SATURN Model. The Wiltshire Base Model is based on the South West Regional model with improvements made to the network and demand in the Wiltshire area.

It is a peak period model which has five user classes. The Wiltshire 2018 Base SATURN Model was calibrated and validated following TAG guidance, which was fully documented in the Local Model Validation Report Issue 1 (LMVR) issued in November 2018 (App09). Deadweight housing quantum

To assess the extent to which the scheme is required, various tests were run modelling the impact on the road network of incrementally increasing the number of dwellings in the Chippenham Urban Expansion (CUE) without building the distributor road. The "deadweight" scenario is where no more houses can be built without significant transport intervention.

Our findings were that once 1,050 houses are constructed, the level of strain on the road network in 2041 in the Chippenham area becomes unacceptable. At this point multiple key junctions in the Chippenham area are either close to reaching capacity or over capacity. Notably in the AM peak, Station Hill/New Road junction and Rowden Hill/Bath Road junction have a volume over capacity ratio (V/C) of 107.0% and 98.1% respectively, and in the PM peak Bumpers Roundabout and Chequers Roundabout have a V/C ratio of 94.7% and 92.1% respectively. Generally, in the north west Wiltshire area in 2041, there is an 8% increase in average delay in the AM peak, and 5% in the PM peak. It is therefore concluded that our deadweight for housing is 1,050.

Scheme impact – unlocking potential for further development in Chippenham

At the deadweight point of 1,050 houses, only the delivery of the distributor road and other mitigation can remove issues resulting from congestion. Once the mitigation is in place none of the identified key junctions in Chippenham are over capacity, and far fewer are approaching capacity. In both the AM and PM peak Station Hill/New Road junction and the Bridge Centre junction no longer have any approach arms greater than 70% V/C, and Rowden Hill/Bath Road junction and Marshfield Road/Park Lane junction experience a 6.9% and 13.8% decrease in V/C respectively. The wider benefits of the distributor road to the north west Wiltshire area are clear, with an 8% decrease in average delay in the AM peak, and 7% in the PM peak, and a decrease in average travel time of 2% across all time periods.

Scheme impact - unlocking and enabling the Chippenham Urban Expansion

Once the full 7,500 houses from the CUE are introduced, the distributor road is still able to mitigate against some of the negative effects these extra trips have on the road network, however there are some junctions where further intervention is needed, with M4 J17, Chequers roundabout and Bumpers roundabout all approaching operational capacity. These additional mitigation measures consist of improvements to: Lackham roundabout, M4 J17, Malmesbury Road roundabout, Chequers roundabout, Old Derry Hill/A4 junction and a road linking Bath Road with Avenue La Fleche. These mitigation measures in large reduce the strain on crucial junctions in Chippenham, and in the north west Wiltshire area there is a 14% reduction in average delay in the AM peak and 6% reduction in the PM peak.

M4 J17

Assuming general growth but disregarding the CUE, M4 J17 will be operating over capacity in the modelled year of 2024. The improvements to M4 J17 mitigate the impacts of the CUE and enable M4 J17 to operate within capacity in the peak hours of the modelled years 2024 and 2041.

Summary

The transport modelling undertaken shows the clear benefits of the distributor road. Without the distributor road, only 14% of the CUE can be constructed before the pressure on the highway network reaches unacceptable levels. With the distributor road and mitigation measures, the full 7,500 houses of the urban expansion can be constructed without causing any severe issues to the transport network. Refer to App01 for further details.

**Does the new housing development generate a need for new school places and how this will be accommodated**

Chippenham Urban Expansion will create 7,500 homes for Chippenham. This generates a need for new school places which will be accommodated for the most part within the development

[Redacted text block]

No attachments

**How have you assessed that no new utility infrastructure (electricity capacity, water, waste water, gas and telecoms) will be required for this scheme and future housing delivery, or, how additional utility infrastructure will be delivered without HIF funding?**



As part of the constraints mapping for the route optioneering and the concept framework delivery, a desk-based utilities survey was undertaken using information from utilities companies to understand high level constraints, capacity and elemental costs of utilities infrastructure. The surveys also identified the location of each of the utilities to provide an indication of where new utilities infrastructure would be required and where it could connect to existing infrastructure. The utility companies that are applicable to the area are Wessex Water, Wales & West Utilities and Scottish and Southern Electricity Networks. The utilities provision and connections will be funded by the scheme promoters at each site, which will either be the private developers or Wiltshire Council depending on the plot. Further work will be undertaken at the next stage of scheme development during the masterplanning process, with comprehensive surveys being undertaken at this point.

No attachments

**What consideration have you given to ensuring that the health and care services locally will align with the additional homes to be built?**

Health services have been engaged to identify the level of health facilities that will be required for the new development. Due to the stage of scheme development that Chippenham Urban Expansion is currently at, the requirement for a Health and Wellbeing Centre has been assumed. This would be a multi-purpose facility including a sports facility and library, as well as other health related services.

The proposed healthcare provision will be refined during the site masterplanning stage.

**Have you engaged with your Sustainability and Transformation Partnership?**

Wiltshire is at the heart of the Bath and North East Somerset, Swindon and Wiltshire STP (BSW STP). The BSW STP is chaired by Cllr Jerry Wickham, Wiltshire Council cabinet member and the vice-chair is Dr Sandford-Hill, chair of Wiltshire CCG.

Health and social care providers across B&NES, Swindon and Wiltshire are already working in a much more joined up way than ever before and BSW STP is playing a central role in enabling that to happen. Priorities include creating locality based integrated teams supporting primary care; developing infrastructure to support new care models; establishing shared senior management teams within the CCGs and enhanced cooperation on workforce planning and investment in NHS estates.

BSW STP members have been appraised of the potential associated with our proposals for Chippenham and senior leaders have been briefed on population projections for Wiltshire as part of this and the associated review of our local plan. Close working continues at a technical and officer level to ensure that population projections are reflected in our models for integrated health and social care service delivery.

Wiltshire CCG is implementing a new Care Model focussed on delivering care in the most appropriate setting and are valued and active members of the One Public Estate initiative in Wiltshire, which enables effective planning and input into shared estates plans. As part of this we have begun considering better use of the currently vacant land on the Chippenham hospital site and the potential implications for service delivery in other areas of north and west Wiltshire

If you have any further information to support your project overview, which has not already been captured in the above, please include this here

Filename	Description
App01 Position statement on highway resilience at Chippenham.pdf	App01 Position statement on highway resilience at Chippenham
App02 spp-swjsf-2017-11-chippenham-housing-market-area-profile.pdf	App02 spp-swjsf-2017-11-chippenham-housing-market-area-pro
App04 SHELAA site references docx	App04 SHELAA site references
App05 Spatial PLanning H F Statement of Support March 2019.pdf	App05 Spatial PLanning HIF Statement of Support March 2019
App04 shela-2017-appendix-5.4-chippenham.pdf	App04 shela-2017-appendix-5.4-chippenham
App06 csap-adopt-adopted-may-2017..pdf	App06 csap-adopt-adopted-may-2017.
App07 Wiltshire Core Strategy adopted-local-plan-jan16-low-res.pdf	App07 Wiltshire Core Strategy
App08 spp-shma-2017-final pdf	App08 spp-shma-2017
App10a Map 1.png	App10a Map 1
App10b Chippenham Urban Expansion scheme map.pdf	App10b Chippenham Urban Expansion scheme map
App10c Map 2 transport labels.pdf	App10c Map 2 transport labels
App13 Education costs assumptions.pdf	App13 Education costs assumptions
App14 ltp3-strategy.pdf	App14 ltp3-strategy
App15 Chippenham H F - Urban Expansion Housing Phasing v1 0.pdf	App15 Chippenham HIF - Urban Expansion Housing Phasing v1 (
App16 Rawlings Green Railway Bridge Supporting Information.pdf	App16 Rawlings Green Railway Bridge Supporting Information
App17 spp-housing-land-supply-statement-2017-published-2018-march.pdf	App17 spp-housing-land-supply-statement-2017
App19 strategic-economic-plan---january-2016.pdf	App19 strategic-economic-plan--january-2016
App29 Support 7.3.1 Wiltshire Council_Vision for Chippenham report_v12.pdf	App29
App42 SHELAA01StrategicHousingandEconomicLandAvailabilityAssessmentSHELAAMethodology.pdf.pdf	HELAA01StrategicHousingandEconomicLandAvailabilityAsses
App43 - 5150821 - Revisit Chippenham Transport Strategy Refresh DRAFT v1 2 2016.pdf	App43 - 5150821 - Revisit Chippenham Transport Strategy Refre
APPENDIX INVENTORY pdf	APPENDIX INVENTORY

## Strategic Case

### Strategic Approach

**How will this scheme support your long term housing and economic growth ambitions? Please refer to any development plans and / or associated planning guidance policies**

#### Overview

Chippenham is the third largest settlement in Wiltshire, it is an attractive place to live due to its market town environment, its location in the countryside of west Wiltshire and its high-quality transport links. Adjacent to the A350 highway corridor, Chippenham is well connected by road to the other towns in west Wiltshire, as well as being easily accessible to the M4. Its central railway station provides Chippenham with excellent commuter links via the Great Western Mainline with connections to Bath, Bristol and South Wales to the west; and Swindon, Reading and London to the east. These connections will improve considerably with the improvement in journey times as a result of electrification.

For these reasons Chippenham is at the heart of two Swindon and Wiltshire Local Enterprise Partnership (SWLEP) priority growth zones identified in the SWLEP Strategic Economic Plan (SEP): Swindon-M4 Growth Zone and the A350 Growth Zone. These growth zones are where there are currently large agglomerations of economic activity with the greatest capacity for supporting sustainable growth in the future. Chippenham offers the potential to extend growth into the area that has developed out of London through to Reading and Swindon, as well as the potential to draw in investment from the west out of Bristol and Bath through the development potential at M4 J17.

The vision outlined in the SEP is: "Swindon and Wiltshire in 2026 is world-renowned for its innovation, entrepreneurialism and great quality of life. Its blend of vibrant urban centres, busy market towns and outstanding rural landscape make it the best place in Britain to live, work and visit. A well-connected, attractive, vibrant place, our population continues to grow at a rate that out-strips many parts of the country, with more people choosing to live and work locally."

Recent investments in the town include improvements to the A350 Chippenham Bypass, the Great Western Main Line Route Modernisation, Chippenham railway station masterplan and Lackham College reinforce the role of the town as an important economic centre and will support future growth of the town.

This scheme will significantly contribute to delivering not only the local objectives of economic and housing growth, but also contribute to achieving the LEP and Government ambitions for growth.

Providing the right transport infrastructure to support growth

The H F will fund the delivery of:

- The Chippenham Urban Expansion Distributor Road east of the town from the A350 Lackham roundabout in the south to the A350 Malmesbury Road roundabout in the north.
- Improvements at M4 J17 to mitigate the impact of development on the Strategic Road network (SRN).

Evidence from the Chippenham Site Allocations Plan 2006-2026 (CSAP, adopted May 2017) concluded that further development in the town, beyond that allocated in the CSAP, could not be delivered without investment in new road links to avoid unacceptable impacts on the Chippenham transport network and to provide access to development sites.

The new road is required to unlock and facilitate future development in the town and will provide a well-connected, reliable and resilient transport system to support economic and planned development growth at key locations (SEP objective 2).

The distributor road will support the economic growth goals outlined in the Wiltshire Local Transport Plan and reduce the impact of traffic on people's quality of life (LTP3, CSAP objective 3) by relieving some of the pressure on existing roads to enhance the journey experience for users (LTP18). The road will be designed to improve access to sustainable transport (CSAP 4) and improve sustainable access to employment and housing opportunities (LTP5).

#### Unlocking land for development

The distributor road will unlock land that could not be delivered without investment in additional highway capacity and access routes to unlock them. The Chippenham Urban Expansion site consists of privately and Wiltshire Council owned land, providing access to these sites with the distributor road will help realise the SWLEP's vision for 2026 to "Ensure publicly owned land is freed for use to facilitate economic growth and increase the area's contribution to the wealth of the nation".

Whilst the majority of the land within the Chippenham Urban Expansion site does not include allocated development sites the scheme will contribute to achieving CSAP objective 2: providing housing supported by appropriate infrastructure and by unlocking land for development will help provide the housing and employment land to deliver CSAP objective 1: delivering economic growth.

#### Delivering housing

This scheme will enable Wiltshire Council to deliver a step change in housing development at Chippenham. Wiltshire Council, as the lead delivery authority for the construction of the distributor road, will play a crucial co-ordination role in bringing forward public and privately-owned land to deliver housing and employment growth in the town. This will support the vision of the SWLEP for the priority growth zones:

- Support the Swindon-M4 Growth Zone into a new phase of growth, building on its strengths in manufacturing and commerce and making its urban areas attractive to investors.
- Deliver the significant growth planned for the A350 Growth Zone, exploiting the digital cluster and advanced manufacturing capacity, and investing in the regeneration of the urban areas.

The Chippenham Urban expansion will comprise a mix of housing types (open market and affordable) providing communities with access to decent, affordable homes (WCS3) which will be delivered alongside supporting services and facilities building resilient communities (WCS4). The delivery of housing will be managed to ensure that it takes place in step with the provision of new infrastructure.

The objectives of the CSAP will be met by providing housing which is supported by appropriate infrastructure (CSA objective 2) whilst the distributor road will improve connectivity and reduce traffic impacts of development in the town centre, the site will also be developed to maximise connectivity to the town centre, employment and other facilities in the town by walking, cycling and public transport (CSAP objective 3).

The Chippenham Urban Expansion which will be unlocked and enabled for development by the H F funded distributor road will support wider economic growth by delivering housing and employment in side by side to support future growth in the A350 and M4-Swindon Growth Zones.

#### Achieving economic growth

The Chippenham Urban Expansion will contribute to the SWLEP long-term economic ambitions for the M4-Swindon and A350

Growth Zones by providing the housing and employment needed to support growth in these areas. The site will also support the delivery of the ambitions for housing delivery outlined in the Wiltshire Core Strategy, CSAP and the emerging Local Plan which is being jointly developed with Swindon Borough Council. Whilst contributing to these ambitions for planned growth in the area the site will also be designed, developed and delivered to help realise the Chippenham Vision adopted in the CSAP and has evolved into making Chippenham a "distinctive and innovative destination that supports a high quality of life for all."

Supporting communities

The Chippenham Urban Expansion will be designed and developed in partnership with the community and incorporated into the town so as to support the SEP objective of delivering 'the infrastructure required to deliver our planned growth and regenerate our City and Town Centres and improve our visitor and cultural offer' (SEP strategic objective 4).

The masterplan will be developed in accordance with the Wiltshire Core Strategy 2006-2026 (adopted February 2015) and the CSAP policies to minimise landscape impact and protecting the natural, historic and built environment CSAP objective 5) and managed flood risk (CSAP objective 6).

**What is your assessment of local housing requirements in your area and how will this scheme address these needs? Please refer to any data and evidence sources you have, including local housing need**

Overview

The Chippenham Urban Expansion scheme will contribute to meeting the housing need identified in the Wiltshire Core Strategy (adopted February 2015) and Chippenham Site Allocations Plan (CSAP adopted May 2017) for the period 2006-2026, and in meeting the longer-term housing need identified in the emerging Local Plan for the period 2026-2036 and beyond. Investment in transport infrastructure is required to unlock levels of development beyond the need identified in the CSAP and avoid unacceptable impacts of increased travel demand on the Chippenham transport network.

Adopted plans - Wiltshire Core Strategy and CSAP

The Wiltshire Core Strategy sets out the spatial vision, key objectives and overall principles of development for communities in Wiltshire for the period 2006-2026. For Chippenham, Core Strategy Core Policy 10 sets out a requirement for at least 2,625 new homes and 26 5ha of new employment land, to be provided at strategic site allocations in the town by 2026. The CSAP identifies the specific strategic development site allocations in the town to support the scale of growth stated in Core Policy 10.

The two strategic sites allocated in the CSAP are at different stages in the planning system: South West Chippenham (planning permission granted 14/12118/OUT) and Rawlings Green (outline planning application submitted 15/12351/OUT). The Rawlings Green/Summix strategic site is considered as part of the Chippenham Urban Expansion and will contribute to meeting the identified housing need in Chippenham up to 2026. Chippenham's role at the heart of the SWLEP Swindon-M4 Growth Zone and A350 Growth Zones and its many assets mean that it is an ideal location to deliver for future housing and employment sites to support future economic growth.

Transport evidence supporting the CSAP identified that development beyond the levels allocated in the CSAP could not be delivered without compromising acceptable levels of service for the Chippenham transport network. The evidence concluded that investment in a link road to the east or south of Chippenham would be required to unlock further levels of development beyond the CSAP allocated quantum. The CSAP policies preserve the ability to deliver future road proposals and ensure connectivity with the wider network to unlock future growth potential in the town.

Emerging Local Plan

Wiltshire Council, under its Local Development Scheme, commenced a review of its Local Plan in 2017 in partnership with Swindon Borough Council. When it is adopted it will provide a housing requirement for Chippenham for the period 2016-2036. The Strategic Housing Market Assessment (November 2017) identified the objectively assessed need using a method outlined in best practice at the time.

The methodology adopted a staged approach to identifying the need. The stages completed were:

1. Analysis of household projections (CLG 2012 projections).
2. Adjustments for local demographic factors.
3. Affordable housing need.
4. Market signals (land and house prices, rents and affordability, rate of development, overcrowding, concealed families).
5. Converting from household growth to a requirement for dwellings, taking account of vacancies and second homes.

The method also considered employment trends, the relationship between the jobs forecast and projected number of workers, and the need for affordable housing.

The SHMA identified the Full Objectively Assessed Need for Housing for the period 2016-2036 to be 29,000 dwellings in Swindon (1,450 dwellings per annum) and 44,000 dwellings in Wiltshire (2,200 dpa), an overall total of 73,000 dwellings. The need for each housing market area being:

- Chippenham HMA: 22,250 dwellings.
- Salisbury HMA: 8,250 dwellings.
- Swindon HMA: 29,000 dwellings.
- Trowbridge HMA: 13,500 dwellings.

Chippenham is the main settlement in Wiltshire's largest housing market area. The study reported a significant increase in housing need for the area when compared to the level of housing planned for the period 2006-2016; an increase of 57%.

If a housing requirement for Chippenham settlement was set to a pro-rata 57% increase in need, a housing requirement Chippenham settlement for 2016-2036 would be in excess of 7,000 dwellings. It is expected that this housing requirement will not act as a ceiling to growth over the plan period.

Different distributions of growth within the housing market area are being tested and stem from a high-level assessment of place attributes, trend and potential growth analysis. The assessment has shown that it would be appropriate to test lower rates of growth at the majority of settlements in the Chippenham HMA; Calne, Corsham, Devizes and Malmesbury.

Only at Chippenham and Melksham are increases of more than 57% being considered as possibilities, primarily because of their relatively unconstrained nature and because of their prospects for economic growth. A consequence of greater restraint at so many settlements in the market area inevitably points toward the need to compensate and examine the scope for a profound step change in housing delivery at Chippenham to meet the minimum forecast of overall housing need for the market area as a whole.

The extent of the Chippenham HMA would suggest scope for a wider variety of different strategies with quite different levels of development possible at each settlement. Given such a significant increase in overall need, and pressures for a larger amount of

homes to be accommodated, variations from the current plan distribution may be more likely in order to ensure a sustainable pattern of development, for example, to prevent environmental harm, to meet needs for significant new infrastructure or reflect local prospects for economic growth.

The number of dwelling completions from 1983-2017 shows the effects of economic cycles on housing completions but also that:

- Rates of development at their peaks in past years ranged from 400 to 450 per annum. A step change in housing supply as sought with the national goal to significantly boost housing supply these rates may potentially be taken as a minimum aspiration. However, the appropriateness of this has to be weighed alongside potential environmental impacts and the practicality of delivery.
- Rates of development declined sharply 2012-2015 reflecting a lack of land available for housing development. This has only recently begun to be remedied by allocations in the CSAP with build rates beginning to improve. Anecdotally, house builders report 'pent up' demand for homes due to past constriction in land supply.

A key finding from the SHMA reinforces this:

- The town has significant potential for economic growth. A new road linking the A4 to the A350 would help considerably toward realising it.
- Housing development has been well below anticipated rates, largely because there has been no land identified for development for much of the plan period.
- The town is relatively unconstrained compared to other settlements, but urban expansion might threaten the separate identity and character of nearby villages.

The HIF funding will unlock land for development at Chippenham by providing the Chippenham Urban Expansion Distributor Road which will unlock sites to deliver housing in the Chippenham HMA. Wiltshire Council will deliver the distributor road and as such will enable them to play a role in co-ordinating the delivery of housing and ensure a phased approach to the delivery of housing to meet the identified need for the area.

No attachments

#### Local Support

##### **How will this scheme demonstrate effective joint working? E.g. with neighbouring local authorities and other local partners, Private sector organisations, Local Enterprise Partnerships etc.**

Swindon and Wiltshire Local Enterprise Partnership (SWLEP)

The Chippenham Urban Expansion scheme demonstrates effective joint working between Wiltshire Council and the SWLEP by maximising and building on opportunities presented by recent investment in Chippenham through successful partnership working between Wiltshire Council and SWLEP. Recent investments include Chippenham Station Hub masterplan which complements the electrification of the Great Western Mainline, improvements to the A350 Chippenham Bypass and M4 J17, investments in Lackham College. These have complemented by private sector investment, including the one of Chippenham's major employers, Good Energy, who plan to develop their new HQ in the centre of Chippenham.

The SWLEP is investing in the area, Wiltshire Council through this scheme and the Chippenham Site Allocations Plan and its highway and planning powers to support the economic growth in the SWLEP Swindon-M4 and A350 Growth Zones.

Wiltshire Council have a prominent role on the SWLEP's Place Shaping sub-group which brings together the planning authorities, SME house builders, self-build industry and Homes England. The group provides oversight of SWLEP funded place-shaping projects, monitor delivery and identify emerging strengths and weaknesses. It is expected that this group will oversee this strategically important development to maximise its contribution to the SWLEP ambitions.

Chippenham Town Council

Chippenham Town Council are currently developing a Neighbourhood Plan for the town following the approval by Wiltshire Council of the Designation of Chippenham Neighbourhood Area in September 2017. The development of the Neighbourhood Plan will be led by the town council. Wiltshire Council will fulfil its duty to support the process by providing expertise and advice, hold referendums and adopt the plan when all legal requirements have been met.

The development of the Neighbourhood Plan demonstrates joint working between Wiltshire Council and Chippenham Town Council. The Neighbourhood Plan is expected to be developed over a three-year programme starting from autumn 2018.

Chippenham Town Council and Wiltshire Council are working closely to transfer the running and delivery of assets and services to the town council meaning it would be responsible for maintaining play areas, street cleaning, grass cutting and running and maintaining Monkton Park.

It is expected that this successful joint working will continue as the Chippenham Urban Expansion scheme is developed with the community at the heart of scheme development.

Swindon Borough Council

Wiltshire Council are currently conducting a review of the Wiltshire Local Plan which will set out the amount and spatial distribution of new jobs, homes and infrastructure in the period 2016 to 2036.

Wiltshire Council and Swindon Borough Council have been working together on a Joint Spatial Framework and in 2017 the councils published the Swindon and Wiltshire Joint Spatial Framework: Issues Paper. The intention was for the Joint Spatial Framework to guide the overall pattern of development across the wider area of the two councils, setting out a distribution of new jobs, homes and infrastructure to inform the councils' individual local plan reviews.

The Councils are continuing to work together to respond to NPPF guidance. They are preparing a Statement of Common Ground which will establish whether a joint spatial framework should be prepared over and above the statement of common ground. The programme for the Wiltshire Local Plan review will be coordinated with Swindon Borough Council's.

Local partners

Wiltshire Council as a unitary authority is working internally with education, planning and highways departments to develop the Chippenham Urban Expansion proposals. The authority has engaged with relevant fire and police authorities regarding the scheme. Further engagement with these departments and authorities will continue as an integral component of scheme development.

##### **Please demonstrate local support for your scheme (for example in Local Plans and policies)**

Overview

The Chippenham Urban Expansion Distributor Road and improvements to M4 J17 to be funded by HIF are an opportunity to unlock the Chippenham Urban Expansion. These sites are either allocated in the Chippenham Site Allocations Plan (CSAP) to meet the

housing need in the period 2006-2026 or sites which would address the housing need for 2016-2036 and beyond as identified as part of the Local Plan review. Policies in the adopted CSAP preserve for the construction of the distributor road in the longer term beyond the CSAP period. The delivery of a distributor road meets the policies in the Wiltshire Core Strategy and Local Transport Plan (App14).

**Allocated sites 2006-2026**

Growth at strategic sites in Chippenham up to 2026 is allocated in the CSAP which was developed in line with Core Strategy Core Policy 10. This sets a requirement for 26 5ha of new employment land and at least 2,625 new homes, to be provided at strategic site allocations in the town by 2026. Rawlings Green (policy CH2) is one of the two strategic sites allocated in the CSAP and is included within the Chippenham Urban Expansion site and is allocated to deliver up to 650 homes and 5ha of employment land.

The Rawlings Green site will include the delivery of the Cocklebury Link Road which will provide access from the site to the south at Darcy Close and to the west onto the B4069. Policy CH2 states that:

“- 6. Design and layout of development must not prohibit a potential future road connection to land to the east from the A350 to the river”

Policy CH1 (South West Chippenham) preserves for future road connections to the south of the town:

“- 6. Design and layout of development must not prohibit a potential future road connection to land across the river to the south-east.”

**Emerging Local Plan 2016-2036**

The SHMA identified the Full Objectively Assessed Need for Housing for the period 2016-2036 to be 22,250 dwellings in the Chippenham HMA. The study reported a significant increase of 57% in housing need for the area when compared to the level of housing planned for the period 2006-2016.

If a housing requirement was set to a pro-rata 57% increase in need, a housing requirement Chippenham settlement for 2016-2036 would be in excess of 7,000 dwellings.

Key findings from the SHMA conducted as part of the Local Plan review process were:

- The town has significant potential for economic growth. A new road linking the A4 to the A350 would help considerably toward realising it
- Housing development has been well below anticipated rates, largely because there has been no land identified for development for much of the plan period

The sites in the Chippenham Urban Expansion have been considered in the 2017 SHELAA reports for Chippenham, Caine and Corsham Community Areas (App04).

**Transport infrastructure**

Transport evidence supporting the CSAP identified that development beyond the levels allocated in the CSAP could not be delivered without compromising acceptable levels of service for the Chippenham transport network. The evidence concluded that investment in a link road to the east or south of Chippenham would be required to unlock further levels of development beyond the CSAP allocated quantum.

The distributor road meets Core Strategy Core policies:

- Core Policy 60: vi. assessing and, where necessary, mitigating the impact of developments on transport users, local communities and the environment.
- Core Policy 62: Developments should provide appropriate mitigating measures to offset any adverse impacts on the transport network at both the construction and operational stages.

Highways England have been engaged throughout the development of the distributor road and urban expansion scheme to date. The transport evidence demonstrates that improvements to M4 J17 are needed to unlock the urban expansion and as such improvement to J17 are included in the H F ask. As demonstrated in 2.2.3 Highways England support this bid and the identified improvements to M4 J17.

**Can you provide evidence of support for your proposal from the following**

	<b>Support</b>	<b>Further Details</b>
<b>Local MP(s)</b>	Yes	As Chippenham's MP I confirm my support for the Council's application to MHCLG for a HIF grant on the express understanding that the use of such grant monies will deliver substantial benefit to my constituency in the short and long term by the requirements I have set out. I am excited by the prospect of Chippenham being given the opportunity to grow in a coordinated and structured way that will bring the much-needed infrastructure and facilities that local residents need, want and deserve. I trust that this letter sets out my position clearly, and I look forward to ongoing discussions and involvement with the Council as the scheme progresses.
<b>Filename</b>	<b>Description</b>	
01 Michelle Donelan HIF signed support letter pdf	01 Michelle Donelan HIF signed support letter	

	Support	Further Details
<b>Local community</b>	No	<p>A focus on community is at the heart of the vision for the Chippenham Urban Expansion. Building community begins at the design stage, with a strong focus on ensuring that the Chippenham urban expansion becomes a coherent part of the town.</p> <p>The vision for Chippenham's growth will be developed with the community and the masterplanning team. It is imperative that the scheme(s) developed creates a place with a locally inspired distinctive character. At the heart will be a response to the unique landscape and architectural setting of the area. The development proposals will respond to the existing topography, green and blue infrastructure, landscape features, existing buildings and a detailed analysis of site orientation and microclimate.</p>
No attachments		
	Support	Further Details
<b>Local Enterprise Partnership(s)</b>	Yes	<p>The Swindon and Wiltshire Local Enterprise Partnership (SWLEP) welcomes and supports Wiltshire Council's application to the Ministry of Housing, Communities and Local Government (MHCLG) for a grant from its Housing Infrastructure Fund (HIF).</p> <p>The SWLEP supports the high-quality design principles, care for the environment and inclusive approach to housing provision at the core of the application. We need innovation and quality in housing, infrastructure and employment provision and the HIF bid supports these requirements.</p> <p>The SWLEP has demonstrated its support for the economic development of Chippenham through its investment of £33.47m from the Local Growth Deal in projects to improve the road network (A350 and M4 Junction 17), support the regeneration of the town centre (Chippenham Station Hub) and build world-class agri-tech skills provision (Wiltshire College, Lackham Campus). We share with Wiltshire Council the economic growth ambitions for Chippenham.</p>
<b>Filename</b>		<b>Description</b>
02 SWLEP Letter of support.pdf		02 SWLEP Letter of support
	Support	Further Details
<b>Supporting upper tier local authorities</b>	Yes	<p>We are also currently working with Homes England on our H F bid, which is focused on supporting the Southern Connector Road: a key element in the New Eastern Villages scheme.</p> <p>Wiltshire Council has shown its support for the Swindon bid, demonstrating our successful partnership working – particularly through strategic planning and as members of the Swindon and Wiltshire Local Economic Partnership (SWLEP). This will continue as we work to deliver ambitious infrastructure schemes with the shared objective to create sustained economic growth through improved transport and infrastructure, with quality homes and jobs for our region.</p> <p>I am very happy therefore, to support this bid and very much hope that both are successful, in order to secure the growth and prosperity that we need for our region to thrive.</p>
<b>Filename</b>		<b>Description</b>
03 SBC MHCLG HIF DR Letter of Support pdf		03 SBC MHCLG HIF DR Letter of Support

	Support	Further Details
<b>Supporting lower tier local authorities</b>	Yes	On behalf of Chippenham Town Council, we support any application that the council makes to MHCLG for HIF to construct new highway infrastructure (and associated works) understanding that the use of such monies will deliver substantial benefit to the town in both the short and long term. As the Leader and Chief Executive, we are excited by the prospect of Chippenham being given the potential opportunity to grow in an infrastructure-led planned and cohesive manner, understanding that the lack of infrastructure is one of the main drivers of market failure to date. We believe there is evidence of pent up demand in Chippenham and the surrounding area, particularly given the town's strategic position on both east-west and north-south road and rail routes. We believe that a HIF grant is exactly the catalyst needed to deliver several thousand new homes in the area defined by the new road, along with the education, employment and entertainment opportunities to attract new residents to the area.
<b>Filename</b>		<b>Description</b>
04 CTC HIF Support Letter to Alan Richell.pdf		04 CTC HIF Support Letter to Alan Richell
	Support	Further Details
<b>Any other key stakeholders</b>	Yes	See App34 for detailed responses.
<b>Filename</b>		<b>Description</b>
05 Summix Rawlings Green kbc letter of support.pdf		05 Summix Rawlings Green kbc letter of support
06 Chippenham 2020 signed letter of support.pdf		06 Chippenham 2020 signed letter of support
07 Gleeson signed support letter 04_01_19.pdf		07 Gleeson signed support letter 04_01_19
07 Gough signed letter of support pdf		07 Gough signed letter of support
08 [REDACTED] signed support letter 070219.pdf		08 [REDACTED] signed support letter 070219
10 Bowood signed letter of support.pdf		10 Bowood signed letter of support
11 [REDACTED] Signed HIF support letter 22nd January 2019.pdf		11 [REDACTED] Signed HIF support letter 22nd January 2019
12 Letter of Support from College to Mark Hunnybun 15 01 19.pdf		12 Letter of Support from College
13 Highways England Chippenham HIF letter pdf		13 Highways England Chippenham HIF letter
14 WBCT Letter of support signed.pdf		14 WBCT Letter of support signed
18 Committee HIF signed statement of support.pdf		18 Committee HIF signed statement of support
19 Spatial PLanning HIF Statement of Support March 2019 pdf		19 Spatial PLanning HIF Statement of Support March 2019
09 Weinstock Estate.pdf		09 Weinstock Estate

#### Meeting housing policy objectives

##### How will your scheme support the Government's ambitions for housing, as set out in the Housing White Paper?

Refer to App40 for supporting information.

Building homes faster: Ensuring infrastructure is provided in the right place at the right time

Chippenham is a desirable location to both live and work, with direct connectivity to the M4 corridor and direct rail access to Bristol, Bath, Swindon, Reading and London. It is also located on the north-south A350 corridor which plays an important economic role in west Wiltshire. Whilst the location of the town makes it strategically important, it is also considered a desirable place to live with amenities and an environment commensurate to its size.

The town is recognised by the Swindon and Wiltshire LEP (SWLEP) as a key town for growth and supporting the economic success of the area, is a principle settlement in the SWLEP A350 Growth Zone.

The importance of Chippenham is further reinforced by significant recent investment in the town. The SWLEP are investing £16 million of Local Growth Fund in the Chippenham Station Hub Masterplan which is being delivered in partnership with Network Rail and complements the ongoing Great Western Main Line electrification programme. This is helping leverage private sector funding with one of Chippenham's major employers submitting plans to invest in a new headquarters within the masterplan area. The masterplan will also help unlock opportunities to deliver housing and retail and will support the planned electrification of the Great Western mainline which serves Chippenham station.

The SWLEP has invested in phased improvements to the A350 Chippenham bypass and at M4 Junction 17, whilst also investing in skills and training by supporting expansion of Wiltshire College, Lackham to the south of Chippenham which includes providing an Agricultural Technology Centre.

These investments highlight the importance and ambitions of the town and support the Chippenham Urban Expansion project. The project will further the government's objective to ensure that infrastructure is provided in the right place at the right time as the scheme will increase the desirability of the area whilst contributing to meeting housing demand in the area through increased supply, facilitated by the construction of the distributor road.

##### Supporting Garden Towns and Villages

The Garden Village concept will be at the heart of the Chippenham Urban Expansion which will be developed in line with the principles in the Garden Communities Prospectus (August 2018). This will include community engagement to shape the development proposals helping to ensure support for the scheme as well as ensuring development is in keeping with the existing nature of Chippenham and designed to a high quality.

The development will have a unique sense of identity as it will be focussed around community facilities which will be well integrated with the town, alongside employment opportunities and housing. This will help to improve self-containment by providing more jobs in



a range of employment sites to ensure employment is accessible to the local population.

**Building homes faster:** Boosting local authority capacity and capability to deliver

The H F funding will enable the construction of the distributor road by Wiltshire Council which will unlock development sites within the wider Chippenham Urban Expansion site, these are either owned by Wiltshire Council or privately owned. As such Wiltshire Council will have a key role in coordinating and controlling the delivery of the plots which are subsequently unlocked. The Rawlings Green site on the wider urban expansion site is already allocated in the Chippenham Site Allocations Plan 2006-2026 (CSAP, adopted May 2017) which will ensure homes can be built faster.

The council has a proven track record of working with developers and their partners in delivering high quality, well-planned schemes and the H F investment will allow Wiltshire Council to take control of the planning process for the development sites already owned by the Council. It will improve the speed and quality with which planning cases are handled by streamlining the process for the sites and identifying the process and delivery phasing at an early stage.

**Diversifying the market:** Supporting housing associations and local authorities to build more homes

The H F forward funded investment will allow Wiltshire Council to unlock both Local Authority owned and private development land for housing which it would otherwise not be possible to build on due to the cost of transport infrastructure required to access the sites. Also, due to the lack of coordination of the private market this land has not been developed previously but the Council plans to develop the land themselves and take on the coordination of the sites. The Council will be able to monitor the development of the sites and have an oversight of the land which will be beneficial to the speed of delivery.

**Helping people now:** Helping households who are priced out of the market to afford a decent home

Wiltshire Council has a clear commitment to providing affordable housing, affordability of homes is a key priority outlined in the 'Wiltshire Housing Strategy 2017 – 2022' document (published 2017). The council is in partnership with nine affordable housing providers as part of the Wiltshire Housing Development Partnership. The partners work together to maximise the provision of affordable housing in Wiltshire, providing a variety of accommodation types, tenures and sizes to meet the identified housing need. In accordance with Wiltshire Core Strategy Policy 43, Wiltshire Council will deliver a quantum of affordable housing (40%) on the site.

#### **Scheme Objectives**

**What are the overarching objectives of the scheme? Objectives should be SMART - specific, measurable, achievable, relevant and time constrained**

- a) Deliver transport infrastructure in the next five years to support new and existing communities in Chippenham town. Currently housing and employment growth for the town is allocated in the Chippenham Site Allocations Plan (CSAP) (adopted May 2017). The level of development allocated in the CSAP to 2026 would be supported by the delivery of improvements to the transport network across Chippenham town as documented in the Chippenham Transport Strategy Refresh (September 2016). Two key pieces of transport infrastructure to be delivered are: - The Northern Link Road (Bird's Marsh) from the B4069 to the A350 Malmesbury roundabout. - A crossing of the railway line north of the town to unlock the Rawlings Green strategic site. The transport evidence to support the CSAP identified that in order to deliver further growth in the town beyond the CSAP allocated quantum, specifically at strategic sites to the east and south-east of Chippenham, a southern or eastern link road would be required to accommodate the additional travel demand associated with it. This infrastructure would be needed to provide links from the A4 to the east of the town to the A350 to the north and south of Chippenham. These links roads infrastructure would also be required to unlock the strategic sites by providing development access which otherwise isn't possible. Investment in transport infrastructure is required to deliver future growth in Chippenham as outlined in the recent SHMA (November 2017) conducted as part of Wiltshire Councils Local Plan review: "The town has significant potential for economic growth. A new road linking the A4 to the A350 would help considerably toward realising it." The Chippenham Urban Expansion Distributor Road is required to deliver the Chippenham Urban Expansion. Delivery of the distributor road in the next five years is currently the key objective of the project so that the development potential can be unlocked to enable the delivery of 7,500 homes and 10 ha of employment land. Unlocking the development potential at these locations will help facilitate long term delivery of housing and employment, the need for which Wiltshire Council has identified up to 2036 and beyond and support the long-term success of the area. Existing communities will benefit from the distributor road as it will reduce the need for traffic travelling from nearby towns of Calne and Devizes (to the east and south-east of Chippenham) to travel into Chippenham town centre in order to access the A350 for journeys north to the M4 and south on the A350. The distributor road will also minimise the impact of traffic generated from the urban expansion on the town centre highway network.
- b) Unlock land in Chippenham in the next five years which will support short (5 years), medium (10 years) and long-term (20 years) delivery of new additional homes beyond the existing plan periods that otherwise would not have been built to meet the housing need in the area. The Chippenham Urban Expansion Distributor Road will provide highway access to sites within the Chippenham Urban Expansion which has a total gross area of 657.95 ha and consists of large sites which are either in Wiltshire Council or private ownership, these sites are: -Rawlings Green/Summix. -Riverside/Chippenham 2020. -Forest Farm, Gough/Gleeson. -Wiltshire Council A. -Wiltshire Council B. -Shiles. -Candy. The Chippenham Urban Expansion includes the Rawlings Green site allocated for up to 650 homes and 5ha of employment land in the CSAP period 2006-2026. The status of this site within the CSAP and current status of the planning application means that it expected to be developed in the short term (5 years). Whilst the remaining sites are not allocated in the CSAP they will be promoted for consideration as part of the ongoing Local Plan review which is being conducted by Wiltshire Council and Swindon Borough Council. The emerging Local Plan is considering growth for the period 2016-2036. The Strategic Housing Market Assessment (SHMA, November 2017) conducted for the Local Plan review identified the level of housing need for identified housing market areas. Chippenham is the main settlement in Wiltshire's largest housing market area – the Chippenham HMA. The SHMA identified a significant increase in housing need for the area of 22,500 homes over the period 2016 to 2026. When compared to the level of housing planned for the period 2006-2016 this equates to a 57% increase in housing need. If a housing requirement for Chippenham was set to a pro-rata 57% increase in need, a housing requirement in the town for 2016-2036 would be in excess of 7,000 dwellings. The Chippenham HMA Profile (November 2017) published alongside the SHMA identified the following key findings for the town: "- The town has significant potential for economic growth. A new road linking the A4 to the A350 would help considerably toward realising it. - Housing development has been well below anticipated rates, largely because there has been no land identified for development for much of the plan period." The H F funded distributor road will provide highway access to these sites and unlock the delivery of 7,500 homes and 20ha employment land in the town in the short term (Rawlings Green site) and deliver homes to

meet the medium and longer-term housing need.

- c) Support Wiltshire Council's ambitious plans to make a meaningful difference to overall housing supply and support the Swindon and Wiltshire Local Enterprise Partnership vision for economic development in the strategically important A350 corridor. Chippenham is the third largest settlement in Wiltshire, it is an attractive place to live due to its market town environment, its location in the countryside of west Wiltshire and high-quality transport links. Adjacent to the A350 highway corridor, Chippenham is well connected by road to the other towns in west Wiltshire, as well as being easily accessible to the M4. Its central railway station provides Chippenham with excellent commuter links via the Great Western Mainline with connections to Bath, Bristol and South Wales to the west; and Swindon, Reading and London to the east. For these reasons Chippenham is at the heart of two SWLEP priority growth zones identified in their Strategic Economic Plan (SEP): Swindon-M4 Growth Zone and the A350 Growth Zone. These growth zones have large agglomerations of economic activity and the greatest capacity for supporting sustainable growth in the future. Chippenham offers the potential to extend growth into the area that has developed out of London through to Reading and Swindon, as well as the potential to draw in investment from the west out of Bristol and Bath through the development potential at Junction 17. The SWLEP vision for the area outlined in the SEP is: "Swindon and Wiltshire in 2026 is world-renowned for its innovation, entrepreneurialism and great quality of life. Its blend of vibrant urban centres, busy market towns and outstanding rural landscape make it the best place in Britain to live, work and visit. A well-connected, attractive, vibrant place, our population continues to grow at a rate that out-strips many parts of the country, with more people choosing to live and work locally." The HIF funding will build on recent SWLEP and Wiltshire Council investments in transport and skills in the town including improvements to the A350 Chippenham Bypass, Chippenham Station Hub masterplan and Wiltshire College (Lackham). The town will also benefit from improved rail journey times on the Great Western Main Line as part of the ongoing electrification programme complemented by investment in the Chippenham Station Hub. These investments reinforce the role of the town as an important economic centre and as a strategically important town for supporting future growth in the strategically important SWLEP priority growth zones. The HIF funded distributor road will significantly contribute to the delivery of housing in the town in the short, medium and longer term supporting local and national objectives of meeting housing need and supporting plans for economic growth.
- d) Provide a new community which enables Chippenham to grow in a self-supporting and sustainable way and provides a unique offer in comparison of other M4 corridor towns. A thriving new community will be supported by ensuring that the Chippenham Urban Expansion is not a typical development. It will be fully integrated into the town, provide distinctive housing that meets the needs of all of Chippenham's current and future residents (families, elderly, young etc.). Community ties will be supported through design and facilities that encourage and provide a platform for community activity and engagement. Creating innovative and distinctive homes is central to the vision for the Chippenham Urban Expansion. Achieving this will enable Chippenham to differentiate itself from typical housing developments and deliver housing that meets the needs of its current and future residents by designing and developing the urban expansion so that homes and communities are: - Adaptable: homes will be flexible to meet the changing needs of their inhabitants (e.g. expanding as families grow, providing increasing support as people age). - Aspirational: attractive to young people and families considering moving to Chippenham due to the quality of design and construction and the standard of living. - Sustainable: minimise residents' expenditure on utilities (e.g. through improved energy efficiency) and provide intelligent solutions to managing waste and moving around the site. - Community centric: layout of homes and neighbourhoods encourages and enables the growth of communities providing people with valuable support networks. Distinctive development will be encouraged by exploring various approaches to housing construction such as off-site construction, self-build and smaller buildings. These innovative approaches will be leveraged to ensure that individual houses are flexible and adaptable to meet the changing needs of residents. Developing an interactive digital platform for consultation throughout scheme development will increase levels of engagement especially amongst younger residents. This digital platform would be maintained following the completion of the Chippenham Urban Expansion to support ongoing community engagement and activities in addition to physical spaces and opportunities which will strengthen communities through engagement and activities. For example, community hubs which local people would have ownership of will provide spaces for activities and collaboration. Providing exciting and distinctive leisure facilities will improve the quality of life for the new community, attract new people to live in Chippenham and attract visitors from the surrounding area. This will help realise the vision for Chippenham as a place that serves the needs of all of its residents throughout their lives, facilities should be selected and designed to meet the needs of all population groups, for example facilities for children, young adults, families and the elderly.
- e) Enables Wiltshire Council to recycle the funding for other infrastructure projects, delivering new homes in the future and sustain revenues in the long-term to support future delivery of Council services. The land value unlocked by the delivery of the HIF funded Chippenham Urban Expansion Distributor Road which will enable the development of the Chippenham Urban Expansion represents a substantial revenue opportunity for Wiltshire Council. This revenue generation could be used to provide long term revenue source to fund the delivery of Wiltshire Council services. In order for Wiltshire Council to capitalise on this opportunity the delivery of the scheme will be managed to ensure the required blend of capital and revenue income. Through phasing the development, and selecting the most appropriate mix of delivery vehicles, the Council will ensure that this blend of receipts can be flexed over time according to its changing needs. The scale of the Chippenham Urban Expansion provides Wiltshire Council with an opportunity to implement innovative approaches to service delivery. For example, waste collection could include a scheme to charge residents for disposing of waste (above a certain limit), whilst rewarding recycling. The underlying approach to service delivery will be to make the Chippenham Urban Expansion self-sustaining i.e. Council receipts from the newly developed area should cover the costs of service provision. Achieving this sustainability will ensure that the programme remains financially viable in the long-run and will mean the scheme is a pioneering project demonstrating how Wiltshire Council can meet the aims of and support the Wiltshire Business Plan 2017-2027: "- Focus more on commercialisation of its services (maximising every opportunity to generate income and operate in a more business like way). - Build on the One Wiltshire Estate work sharing resources and assets with the NHS, Fire and Police and other public-sector partners." The H F funding will ensure the delivery of the distributor road and unlock land for development enabling Wiltshire Council to achieve its longer term aims to provide services for its residents.
- f) Deliver housing and employment growth at Chippenham which is integrated in the heart of the community and works within the context and character of the townscape and the landscape. A focus on community is at the heart of the vision for the Chippenham Urban Expansion. Building community begins at the design stage, with a strong focus on ensuring that the Chippenham urban expansion becomes a coherent part of the town. The strategic concept framework seeks to integrate

development into the surroundings by reinforcing existing connections and creating new ones, whilst respecting, retaining and reusing existing features. This would include the existing farm buildings which, where appropriate, will be retained as centres from which the development will grow and would be the 'community hearts' of the growth of the new neighbourhoods. Existing green and blue infrastructure will be used to enhance connections and provide an integrated network of spaces throughout the development. Existing public rights of way, cycle routes and canal corridors (in use/disused) will be used to ensure critical connectivity to the heart of the town and future connections across the new neighbourhoods. The proposed community hearts would be reflective of promoting a small core of dense development that would be grouped around a 'green' and community facilities which would include shops, schools, workplaces, play areas, cafés, creating spaces and places for people to interact. Everyday facilities will be planned to be within a short walk of people's homes, enabling people to travel by active modes by providing a network of pedestrian and cycle paths. The aspiration is that existing facilities in the town centre would be at the heart of connections and transport links to the town centre would be enhanced. The aspiration for the vision of the future growth of Chippenham is to provide a mix of housing types and tenures that suit the local requirements. A mix of housing types will create a broad based and balanced community with differing densities providing varied townscape characteristics across the site. This tenure and mix would be identified as part of the Local Plan review process. The vision for Chippenham's growth will be developed with the community and the masterplanning team. It is imperative that the scheme(s) developed creates a place with a locally inspired distinctive character. At the heart will be a response to the unique landscape and architectural setting of the area. The development proposals will respond to the existing topography, green and blue infrastructure, landscape features, existing buildings and a detailed analysis of site orientation and microclimate. The design will frame existing and create new views, work with existing trees, hedgerows, making new, memorable places and spaces creating new habitats and provide a network of sustainable urban drainage throughout the infrastructure, coordinated with informal open space.

**Please list the criteria (critical success factors - CSFs) against which you will assess the successful delivery of the project and the evaluation of options**

- CSF1: H F funding to construct and deliver Chippenham Urban Expansion Distributor Road and M4 J17 improvements. Support housing delivery to meet housing need and economic growth by unlocking development sites. This will facilitate local economic growth and increase productive capacity of local economy. This will be achieved by:- Providing highway access to the east and south-east of Chippenham. - Unlocking sites for future housing and employment development. The success of this will primarily be measured against: 1. The number of development sites accessed. 2. The number of homes to be unlocked for delivery. 3. The area of employment floorspace unlocked for delivery. The long-term success will be measured against the following indicators: a) Labour Productivity - GVA per hour worked (NUTS 3). b) GVA per head index. c) Inward Investment (£). d) agglomeration, land use impacts. e) Wiltshire Housing Land Supply Statement.
- CSF2: Minimise congestion, traffic delays and disruption on A350, A4 and A420 key routes in Chippenham and in the town centre. Providing a route to the A350 from east of Chippenham which avoids town centre will accommodate for future traffic generated by new housing. Achieving this will support the efficient flow of additional traffic generated by Chippenham Urban Expansion and minimise traffic impact in the town centre whilst maintaining access to Chippenham town centre. This will be achieved by providing sufficient capacity and transport infrastructure for Chippenham. Short and longer-term success will be measured against transport indicators: 1. Journey times (% change). 2. Delays (s). 3. Traffic flows in town centre. Longer term success would also be assessed by the following indicators: a) Accessibility to employment indicators. b) Wider Economic Impacts
- CSF3: Unlock delivery of 7,500 homes at Chippenham Urban Expansion within and beyond current Local Plan period. 650 homes allocated in current plan period (2006-2026). Delivery of housing will be enabled by the H F funded distributor road which will unlock development sites in Chippenham. This will enable development sites to provide a long-term supply of land for the delivery of housing in the short (5 years), medium (10 years) and longer term (20 years and beyond). Achieving this will increase housing supply in Chippenham and contribute to reduction in average house price inflation. The success of the scheme in delivering houses will be measured by the following indicators: a) Number of new housing units delivered in 5, 10 and 20 years plus. b) % of housing need in Chippenham HMA met by site. c) Average house price inflation (Annual, Quarterly). d) Median house prices, Office for National Statistics (ONS), Annual Data - updated quarterly.
- CSF4: 40% of new homes built in Chippenham Urban Expansion will be affordable. Increasing the delivery and supply of affordable housing in Chippenham will help decrease the ratio of real wages to house prices in Chippenham. To achieve this the urban expansion will deliver the number of affordable homes required in compliance with Wiltshire Core Strategy policy (Core Policy 43). The success of this will be measured by the following indicators: a) Number of affordable housing units delivered in 5, 10 and 20 years and beyond. b) % of new affordable housing units delivered on site. c) Ratio of median house price to median gross annual (where available) workplace-based earnings.
- CSF5: Unlock the delivery of up to 20ha of employment floorspace at Chippenham Urban Expansion to meet needs of current Local Plan and beyond. Unlocking land for delivery of employment land in Chippenham and delivery deliver new employment floorspace in the town will help economic success and self-containment of jobs in the town. This will be achieved by unlocking the development sites for delivery which is enabled by the H F funded Chippenham Urban Expansion Distributor Road. The success of this will be measured by: 1. Total employment land delivered (in hectares) within the site. 2. NOMIS Official Labour Market Statistics – a) Total employment (000s). b) Business Count (00s). c) ratio of resident workers to jobs. 3. Number of businesses locating to or relocating within Chippenham.
- CSF6: Deliver new homes on Wiltshire Council owned land. The HIF funding will enable Wiltshire Council to unlock development sites, this will help them access the funds and the skills to deliver and construct new homes in Chippenham. The success of this will be measured by: a) Number of new homes delivered by Wiltshire Council on the site. b) Number of new housing units delivered by Wiltshire Council. c) % of new housing units delivered by Wiltshire Council d) Local Authority Property Assets (£). e) Property Sales. f) Local Authority Completed Housing Units. g) Value of Local Authority Completed Housing Units).
- CSF7: Provide community facilities and distinct design of new houses and the wider development. The vision is to develop the urban expansion as a new community with distinctive features and character with high levels of community engagement. This can be achieved with distinctive design of the houses and the layout of the site which is supported by community facilities which promote community engagement. Success can be measured by the following measures: a) The number of new houses with unique design. b) Number of new houses delivered which are different to conventional approaches. c) The number of community

facilities provided on the site. d) Residents level of satisfaction and feelings of engagement measured in Chippenham Joint Strategic Assessment (JSA).

- CSF8: Value for Money of investment and revenue generated for Wiltshire Council from investment. Establish a long-term revenue stream for Wiltshire Council to fund services provided by the council and invest in projects in the town. This will be achieved by Wiltshire Council generating revenue from sale or lease of housing units or sale of plots to developers for development. Success to be measured by: a) Wiltshire Council financial statement: proportion of revenue allocated to fund services, number of new projects funded by new revenue stream. b) Return on investment for Wiltshire Council
- CSF9: Minimise and mitigate impact of Chippenham Urban Expansion and distributor road on air quality, noise, landscape, flooding, green space, natural heritage and heritage sites. Minimise and mitigate impact on landscape, flood risk, green space, natural heritage and cultural sites. Landscape character, greenspace and heritage character preserved, and flood risk minimised. Minimise and mitigate levels of air quality and noise disturbance. This will be achieved by ensuring mitigation measures are integral to design of the distributor road and development. Success will be measured by the following indicators: a) Fraction of mortality attributable to particulate air pollution (PHOF Tool, 3.1). b) Changes in recorded levels at noise and air quality receptors. c) Amount of landscape preserved (hectares) and likelihood of flooding not increased.

#### Rationale for intervention

**What is the market failure being addressed? Please provide a detailed account of why the existing arrangements, both financial and delivery, are not sufficient to deliver the scheme and the rationale for government intervention (HIF funding)**

##### Introduction

The key findings of the 2017 SHMA settlement profile for Chippenham highlight the key reasons why HIF funding is being requested to deliver the Chippenham Urban Expansion Distributor Road and M4 J17 improvements. With an estimated BCR of 3.7 the scheme represents High Value for Money and unlocks development potential in Chippenham:

- The town has significant potential for economic growth. A new road linking the A4 to the A350 would help considerably toward realising it

- Housing development has been well below anticipated rates, largely because there has been no land identified for development for much of the plan period

This demonstrates that market failure has occurred in Chippenham resulting in low rates of housing delivery. The two aspects of market failure that have occurred are:

1. High costs associated with delivery of required transport infrastructure not viable for private developers
2. Previous approach to housing delivery has been market led resulting in a piecemeal approach to the release of land for housing and delivery of housing but has also been constrained by infrastructure requirements

Transport infrastructure is required to deliver homes in Chippenham

Transport evidence supporting the CSAP identified that development beyond the levels allocated in the CSAP could not be delivered without compromising acceptable levels of service for the Chippenham transport network. The evidence concluded that investment in a link road to the east or south of Chippenham linking the A4 and A350 would be required to unlock further levels of development beyond the CSAP allocated quantum. The CSAP policies preserve the ability to deliver future road proposals and ensure connectivity with the wider network to unlock future growth potential in the town.

H F funding is being requested because the market operating on its own cannot be expected to deliver an economically efficient outcome. This market failure exists because there are high upfront costs associated with housing and associated road infrastructure that means disparate economic agents i.e. private developers, do not have the finances to take on a large infrastructure projects, such as the delivery of the distributor road, on their own without compromising viability and deliverability of sites.

There are also externalities from delivering housing development i.e. the increase in traffic congestion. The costs of funding the delivery of the distributor road required to unlock and mitigate the impact of development in addition to other mitigation measures on the transport network would be prohibitively expensive for developers to deliver, comprising viability and deliverability of development.

Co-ordination issues also arise from a number of disparate landowners with different objectives along the route of the distributor road. Due to different interests and objectives delivery of a distributor road through multiple sites would be extremely challenging and costly without a unifying partner; a role which Wiltshire Council will play in the delivery of the Chippenham Urban Expansion.

Land supply in Chippenham has curtailed delivery of housing

The number of dwelling completions from 1983-2017 shows the effects of economic cycles on housing completions but also that:

a. Rates of development at their peaks in past years ranged from 400 to 450 per annum. A step change in housing supply as sought with the national goal to significantly boost housing supply these rates may potentially be taken as a minimum aspiration. However, the appropriateness of this has to be weighed alongside potential environmental impacts and the practicality of delivery.

b. Rates of development declined sharply 2012-2015 reflecting a lack of land available for housing development. This has only recently begun to be remedied by allocations in the CSAP with build rates beginning to improve. Anecdotally, house builders report 'pent up' demand for homes due to past restriction in land supply.

Due to stagnation in delivery to date, Chippenham house prices are amongst the most inflationary in the UK, rising 14.14% since January 2016. Wiltshire already has an average house to wage ratio of 10.5 (against 7.6 nationally). This creates the situation where many people are unable to afford to buy their own homes which demonstrates the need for intervention to provide affordable housing.

There is therefore a significant latent demand to increase the housing land supply at Chippenham, but substantial investment in highways and other crucial infrastructure will be required at the outset to identify and allocate where both housing and local employment growth will come forward to 2036.

##### Disparate landowners

The Chippenham Urban Expansion consists of multiple landowners which would be unified and co-ordinated by Wiltshire Council who, with the HIF funding, would deliver the distributor road and the enabler for unlocking development sites in the town.

This will address co-ordination issues where numerous private landowners with different interests and objectives may not be able to co-ordinate their efforts around a common goal and programme. The H F funding will provide the appropriate intervention needed to co-ordinate agreements between landowners and provide certainty that the land will be developed.

Without upfront investment from the H F funding and the strategic approach to delivery enabled by it there can be no transformative approach to growth to the town. No significant delivery of additional housing is likely before current schemes are built out at current

rates in 2026 and housing delivery in the next plan period would be modest, slow and fail to make a significant strategic contribution to Wiltshire or support UK targets.

This would result in severely limited, and piecemeal growth accompanied by ad hoc infrastructure delivery and a much lower level of growth at Chippenham, failing to capitalise on its economic potential and meet demands. It would also fail to deliver wider economic benefits to the A350 growth corridor and accessibility to the M4.

**Current and future housing need**

The housing need for Chippenham is identified and allocated by the Wiltshire Core Strategy and CSAP for the period 2006-2026. The current Local Plan Review for the period 2016-2036 has identified the Full Objectively Assessed Need for Housing for the period 2016-2036 to be 22,250 dwellings in the Chippenham HMA.

The SHMA reported a significant increase in housing need for the area when compared to the level of housing planned for the period 2006-2016; an increase of 57%. If a housing requirement was set to a pro-rata 57% increase in need, a housing requirement Chippenham settlement for 2016-2036 would be in excess of 7,000 dwellings.

This housing requirement will not act as a ceiling to growth over the plan period. Only at Chippenham and Melksham are increases of more than 57% being considered as possibilities, primarily because of their relatively unconstrained nature and because of their prospects for economic growth.

**Wider impact**

Without the HIF funding the delivery of infrastructure and housing in Chippenham would continue to be development led and lack strategic coordination. A sequential approach to delivery would instead be needed, significantly delaying the pace and amount of delivery. Delivery would also be more expensive, compromising viability of sites, and fail to address fundamental constraints on the road network at Chippenham and M4 Junction 17 which impact on the economic potential for other settlements on the A350 corridor to grow.

This would have a serious impact on strategic growth in the SWLEP A350 and M4-Swindon growth zones and fail to resolve the issues of cost inflation in the housing market, and undersupply of affordable housing, infrastructure and community services. Without the right infrastructure, no new community will thrive; and no existing community will welcome new housing if it places a strain on local services.

No attachments

**Additional Information**

**If you have any further information to support your strategic case, which has not already been captured in the above, please include this here**

Filename	Description
App40 - 2.3.1 Housing Policy Objectives Supporting Information.pdf	App40 2.3.1 Housing Policy Objectives Supporting Information
Objectives Logic Map v1 3 pdf	Objectives Logic Map
App01 Position statement on highway resilience at Chippenham.pdf	App01 Position statement on highway resilience at Chippenham
App02 spp-swjsf-2017-11-chippenham-housing-market-area-profile.pdf	App02 spp-swjsf-2017-11-chippenham-housing-market-area-pro
App03 Chippenham Urban Expansion HIF - Transport Modelling & Economics TN Issue 2b.pdf	App03 Chippenham Urban Expansion H F - Transport Modelling
App04 SHELAA site references docx	App04 SHELAA site references
App04 shela-2017-appendix-5.4-chippenham.pdf	App04 shela-2017-appendix-5.4-chippenham
App05 Spatial PLanning H F Statement of Support March 2019.pdf	App05 Spatial PLanning HIF Statement of Support March 2019
App06 csap-adopt-adopted-may-2017..pdf	App06 csap-adopt-adopted-may-2017
App07 Wiltshire Core Strategy adopted-local-plan-jan16-low-res.pdf	App07 Wiltshire Core Strategy adopted-local-plan-jan16-low-res
App08 spp-shma-2017-final pdf	App08 spp-shma-2017-
App10a Map 1.png	App10a Map 1
App10b Chippenham Urban Expansion scheme map.pdf	App10b Chippenham Urban Expansion scheme map
App10c Map 2 transport labels.pdf	App10c Map 2 transport labels
App14 ltp3-strategy.pdf	App14 ltp3-strategy
App15 Chippenham H F - Urban Expansion Housing Phasing v1 0.pdf	App15 Chippenham HIF - Urban Expansion Housing Phasing v1
App16 Rawlings Green Railway Bridge Supporting Information.pdf	App16 Rawlings Green Railway Bridge Supporting Information
App17 spp-housing-land-supply-statement-2017-published-2018-march.pdf	App17 spp-housing-land-supply-statement-2017-published-2018
App19 strategic-economic-plan---january-2016.pdf	App19 strategic-economic-plan---january-2016
App29 Support 7.3.1 Wiltshire Council_Vision for Chippenham report_v12.pdf	App29 Wiltshire Council_Vision for Chippenham
App35 Chippenham planning context note v1 0.docx	App35 Chippenham planning context note
App37 Concept Framework Exec Summary 5169497_ATK_RP_ES_L_01.pdf	App37 Concept Framework Exec Summary
App42 SHELAA01StrategicHousingandEconomicLandAvailabilityAssessmentSHELAAMethodology.pdf.pdf	HELAA01StrategicHousingandEconomicLandAvailabilityAsses
App43 - 5150821 - Revisit Chippenham Transport Strategy Refresh DRAFT v1 2 2016.pdf	App43 - 5150821 - Revisit Chippenham Transport Strategy Refre
APPENDIX INVENTORY pdf	APPENDIX INVENTORY

## Options Appraisal

### Outline of options

**Please provide a summary of all options considered during co-development related to the extent of HIF funding required.**

**Please set out the rationale for why these options were discounted in favour of the preferred option**

With an estimated Benefit Cost Ratio (BCR) of 3.9 the preferred option represents High Value for Money and will unlock delivery of 7,500 houses at housing sites along its length. Without the H F funding and the new road, the delivery of housing in Chippenham will continue to be market led and will lack any strategic direction. Instead a slow sequential approach will happen, significantly delaying the pace and quantity of housing delivered. This approach will also fail to address fundamental constraints on the road network at Chippenham and M4 J17 which in turn impacts on the economic potential for other settlements on the A350 corridor to grow.

Evidence from the Chippenham Site Allocations Plan 2006-2026 (CSAP, adopted May 2017) concluded that further development in the town, beyond that allocated in the CSAP, could not be delivered without investment in new road links to avoid unacceptable impacts on the Chippenham transport network and to provide access to development sites. The Chippenham Transport Strategy (CTS) subsequently expanded on this work and identified the schemes required to address the cumulative impacts of proposed development allocated in the CSAP.

A position statement published by Wiltshire Council (App01, Position Statement Improving Highway Network Resilience at Chippenham) published in September 2016 in support of the CSAP. This consolidated the previous evidence and outlined Wiltshire Council's position on the need for the link road to provide additional network capacity to support long term growth in the town. Options Assessment Report

Following this work, Wiltshire Council commissioned an Options Assessment Report in July 2018 (App12) to identify and review the proposed approach to meeting specific transport objectives for the town and achieving the aims of the Chippenham Site Allocations Plan (CSAP).

Five potential options were identified and assessed against the objectives, ranging from the options identified in the Chippenham Transport Strategy (Option A), to three options for distributor roads (Options B, C & D), and a final Public Transport option (Option E). The report summarised that Option D the full distributor road option best supported the objectives of the scheme because it:

- Directly relieves the journey time reliability problems in Chippenham town centre and surrounding road network by providing an alternative route avoiding the town centre;
- Unlocks development land by providing a road through land that is otherwise inaccessible for development;
- Improving the performance of the transport network in Chippenham will mean that it can better support future increases in travel demand from planned housing and employment growth; and
- Maintains the function of the A350 as a primary route by making journey times more reliable through diverting some of the traffic on the route and thus providing people with a more convenient and quicker route for completing their journeys rather than travelling through residential areas on less appropriate routes.

### Preferred Route

The preferred distributor road route alignment travels east from the A350 Lackham roundabout and then splits into two sections at a new roundabout north of Lackham College. One section connects north to the A4 Pewsham Way at a proposed new roundabout, and the other section continues north east, crossing the lost Wilts and Berks canal, and then connects to the A4 London Road at grade. The distributor road then heads north through Wiltshire Council owned land, through Chippenham 2020 site and Rawlings Green/Summix site across the proposed railway bridge to join up to Parsonage Way. The route will connect to the A350 at the Malmesbury Road roundabout using the North Chippenham Link between Parsonage Way and A350 Malmesbury Road roundabout. This link is currently under construction as part of the North Chippenham strategic allocation, which is now known as Bird's Marsh (N/12/00560/OUT).

The selected route was considered to unlock the greatest amount of land for housing (approximately 614Ha) whilst delivering the greatest value for money on investment.

### Concept Framework

Wiltshire Council commissioned a concept framework (App37) to be developed alongside the HIF co-development process with the purpose of setting out a strategic overview of constraints, an infrastructure appraisal and the starting point for developing a framework for delivering development. The concept framework sets out aspirations, broad principles and a brief for the next stage of the masterplanning process which will be led and evolve through a robust evidence base and thorough stakeholder participation. The document reviews the strategic location and mix of land uses for development to the south east of Chippenham and expands on work undertaken in the Options Assessment Report to explore site constraints and opportunities.

The site constraints were further explored through a desktop exercise, including flood zones, green infrastructure, power lines and other utilities, bus routes, public rights of way, visual impacts, conservation areas, scheduled monuments and listed buildings.

Existing planning applications were also identified, along with planning aspirations.

This work resulted in the route alignment being amended slightly to take account of the existing environment and to avoid overhead power line exclusion zones. The route is also aligned to land which is already in Wiltshire Council's ownership to maximise the deliverability of the scheme.

### Co-development

The three route options highlighted in the Options Assessment Report, along with three route alignment options (App11) were discussed with the co-development team, along with the preferred option. Through the co-development process, the opportunity to extend the route to unlock more land to the east was suggested to increase the number of houses that could be unlocked by the distributor road. This option was considered by Wiltshire Council and not considered appropriate at this time as it would unlock further sites for development which would facilitate the delivery of housing beyond the identified housing need for the area in the period 2016-2036. Notwithstanding this, the scheme will be developed with the potential to provide access to additional plots of land considered as part of this process.

**Please summarise shortlisted options considered and how these meet the required objectives of the scheme detailed earlier in the business case.**

	With requested HIF funding	With a reduced amount of HIF funding	Do nothing (no HIF funding)
HIF Funding Required	████████	████████	£0
Total scheme cost	████████	████████	████████
Housing units delivered	7500	5272	1050
Estimated % affordable	40 %	40 %	40 %
Units started up to 2022	225	225	225
Units started 2023 - 2025	800	800	800
Units started 2026 - 2030	1,497	1,497	25
Units started 2031 - 2035	2,111	2,111	0
Units started in future years	2,867	639	0
Amount of LA funding (inc. LGF)	████████	████████	████████
Amount of other Central Govt. funding	████████	£0	£0
Amount of private sector funding	████████	████████	████████
Amount of other public sector funding	£0	████████	£0

#### 1. With requested HIF funding

The preferred option unlocks land for the delivery of 7,500 new homes by providing access to plots which have not been unlocked previously due to the prohibitive cost of the infrastructure required. With an estimated BCR of 3.9 the scheme represents High Value for Money and will unlock delivery of housing sites along its length.

The new transport infrastructure will support new and existing communities and allow the growth of the area. It will unlock enough land to allow for the short, medium and long-term delivery of housing (objective B) to support the growth of Chippenham and the surrounding areas, supporting the aims and vision of Wiltshire Council and the SWLEP, particularly around sustainability and opportunities for the local population (objective C).

Promoting sustainability is at the heart of the preferred option. The development will be a centred around garden village principles and actively promote the vision of Chippenham as a 'live, work and stay' town. This will enable Chippenham to grow in a self-supporting, sustainable way by supporting the community and providing jobs and housing that meets the needs of its current and future residents (objective D). The development opportunity unlocked by the distributor road represents a substantial revenue opportunity for Wiltshire Council from Council receipts from the development to fund the delivery of services. Achieving this sustainability will ensure that the programme remains financially viable in the long-run (objective E). The strategic concept framework seeks to integrate development into its surroundings by reinforcing existing connections and creating new ones, whilst respecting, retaining and reusing existing buildings (objective F).

#### What strategic risks do the shortlisted options carry?

Description	Likelihood	Impact
Delivery of the privately-owned plots of land is a risk to the development as until landowner agreements are signed, the council cannot guarantee that these plots will be delivered. Most notably this applies to the Rawlings Green/Summix site to the north which is required to fund and deliver a railway bridge to unlock the wider Chippenham Urban Expansion development land (see App16).	MediumLow	MediumHigh
The Wiltshire Council Local Plan is currently in the process of being reviewed. Rawlings Green is the only site which is allocated in an adopted plan, the CSAP. This creates the risk of prematurity that the sites are not allocated in the new plan and therefore are not granted planning permission.	MediumLow	High
The scheme is currently in the very early stage of development, and the surveys undertaken to date and all identified constraints have purely been desktop based. There is therefore a risk that the Environmental Impact Assessment undertaken as the next stage will identify additional constraints.	MediumLow	MediumHigh

#### What are the constraints related to this shortlisted option?

- Landowner agreements

The full benefits of the scheme will only be realised with the agreement of all landowners, as the Wiltshire Council owned land is bordered by other landowners and their agreement will be required to deliver the full distributor road. Although letters of support have been obtained from each landowner, the risk remains that until the agreements have been signed the full constraints are not known.

- Environmental

The scheme is in the early stages of development, an initial desktop assessment of environmental and physical constraints



(App31, App32, App33) has been conducted for the development of the concept framework. This consists of all the constraints recorded through national and local government mapping data, together with a strategic overview of hedgerow/tree cover from initial fieldwork and satellite imagery to capture green infrastructure and environmental capital. Full surveys would be conducted at the next stage of scheme development.

#### Emerging Local Plan

The Rawlings Green/Summix site is the only site within the Chippenham Urban Expansion which is an allocated site in the CSAP. The emerging Local Plan has identified the housing need for the area however it is not at the stage of allocating sites. Wiltshire Council and private landowners will submit their sites within the Chippenham Urban Expansion for consideration and inclusion in the emerging Local Plan and will be subject to robust site appraisal and selection process.

#### Please provide details of any inter-dependencies related to this shortlisted option

- Rawlings Green/Summix railway bridge

In order to deliver the full benefits of the HIF funded scheme there is an interdependency with the Rawlings Green/Summix site to deliver the railway bridge, providing the road crossing of the railway line from the western edge of the site to Parsonage Way. This is a key piece of infrastructure required to enable the completion of the distributor road from the A350 Lackham roundabout in the south to the A350 Malmesbury Road roundabout in the north.

An agreement is in place between the Rawlings Green/Summix site promoters and Network Rail for possessions to deliver the road. The site is going through the planning process and Wiltshire Council are working with the site promoters to ensure the delivery of this key link.

#### Emerging Local Plan

The Chippenham Urban Expansion will help deliver a significant proportion of the identified housing need of 22,500 homes for the Chippenham HMA from 2016-2036. Whilst the sites, with the exception of Rawlings Green site allocated in CSAP, are not allocated they are in a suitable location to ensure the housing need for the area can be met in the period 2016-2036 and beyond. Wiltshire Council, as the majority landowner and delivery body of the distributor road, will play a key co-ordinating role in ensuring the delivery of housing to meet the need. The urban expansion can therefore be a key strategic site in meeting the housing need and support the delivery of the emerging Local Plan.

#### Please provide details of the exit strategy for the shortlisted options

- Upon completion it is expected that the HIF funded Chippenham Urban Expansion Distributor Road would be adopted by Wiltshire Council for future ongoing management and maintenance.

The distributor road will unlock both privately owned and Wiltshire Council owned land.

Subject to final landowner agreements, the privately-owned sites will be taken through the planning application process and delivered by their respective promoters. At this stage Wiltshire Council does not expect to be involved in the delivery of these sites, other than in their capacity as the local planning authority.

It is expected that the Wiltshire Council owned sites unlocked by the distributor road will be managed according to the most appropriate delivery vehicle for them. For some plots it may be more appropriate for Wiltshire Council to manage the delivery of housing on sites and sell units for capital receipts or manage the delivery and ongoing operation of units. For other plots it may be more appropriate for the authority to receive capital receipts for the sale of plots to private developers.

Wiltshire Council aim to play a key co-ordinating role, through the use of landowner agreements, to ensure that the urban expansion delivers housing to meet the identified need. These will include details relating to the ongoing management of the sites.

#### 2. With a reduced amount of HIF funding

The preferred reduced funding option is the northern half of the distributor road, between the A4 London Road to the railway line boundary of the Rawlings Green/Summix site.

This option would deliver some of the infrastructure required to support existing communities but not fully due to the reduced scale (objective A). The transport mitigation effects will be limited, as a proportion of traffic will still be joining the A4 London Road and then routing into the town centre.

The land unlocked would allow delivery of around 5,272 housing units on Wiltshire Council, Chippenham 2020, Rawlings Green.

Shiles, Gough/Gleeson land parcels. This level of housing development is likely to only support short to medium term housing need provided and will not account for long term need, so the development will not fully meet objective B.

Economic growth will be restricted due to the land availability, and the full potential of the employment opportunities that could be located at the site will not be realised (objective C).

The unique offer of the Chippenham Urban Expansion will be degraded with reduced funding. This is because only a smaller number of development sites would be unlocked by the distributor road, as such to meet the identified housing need the density of development on the sites that can be unlocked would need to be increased which would compromise the garden village principles on which the development is based (objectives D and E) and conflict with planning policy. It will also mean that other development sites in potentially a less suitable location would need to be considered.

The funding provided will allow Wiltshire Council to recycle and invest in other infrastructure projects to support housing (objective F), however the extent of this will be limited as the full 7,500 homes can't be delivered with only the northern part of the distributor road being constructed.

#### What strategic risks do the shortlisted options carry?

Description	Likelihood	Impact
The risks identified for the full scheme relating to landowner agreements, the Local Plan allocations and constraint uncertainties are also key strategic risks for the reduced funding option. In addition, this option will result in a reduced scale of development as the total land unlocked will be significantly below that of the full scheme.	MediumLow	MediumHigh
This option also creates the risk that of an increase in the level of congestion in the town centre as traffic travelling northbound to access the site will still have to go through the centre of Chippenham.	MediumLow	High

**What are the constraints related to this shortlisted option?**

- **Transport network**

Transport evidence from the CSAP concluded that there is a need for a distributor road to deliver further growth in Chippenham. The full extent of the distributor road will unlock the ability to deliver planned growth in Chippenham within the next plan period and beyond and avoid unacceptable impacts on the Chippenham transport network. The reduced funding option will only partially contribute to mitigating the impact of planned development in the town and will not enable the full development potential of the Chippenham Urban Expansion to be unlocked.

- **Unmet housing need**

The emerging Local Plan has identified the future housing need for the area in the SHMA. The SHMA identified the Full Objectively Assessed Need for Housing for the period 2016-2036 to be 22,250 dwellings in the Chippenham HMA.

Chippenham is the main settlement in Wiltshire's largest housing market area. The study reported a significant increase in housing need for the area when compared to the level of housing planned for the period 2006-2016; an increase of 57%.

If a housing requirement for Chippenham settlement was set to a pro-rata 57% increase in need, a housing requirement Chippenham settlement for 2016-2036 would be in excess of 7,000 dwellings.

Deadweight testing in the West Wiltshire traffic model revealed that only 1,050 homes could be delivered without the delivery of the full extent of the distributor road.

**Please provide details of any inter-dependencies related to this shortlisted option**

- **Rawlings Green/Summix railway bridge**

In order to deliver a partial HIF funded scheme there is an interdependency with the Rawlings Green/Summix site to deliver the railway bridge crossing of the railway line from the western edge of the site to Parsonage Way. This is a key piece of infrastructure required to enable the completion of the distributor road from the A350 Lackham roundabout in the south to the A350 Malmesbury Road roundabout in the north. An agreement between the Rawlings Green/Summix site promoters and Network Rail for possessions to deliver the road, the site is going through the planning process and Wiltshire Council are working with the site promoters to ensure the delivery of this key link.

- **Emerging Local Plan**

The Chippenham Urban Expansion will help deliver a significant proportion of the identified housing need of 22,500 homes for the Chippenham HMA from 2016-2036. The Rawlings Green/Summix site allocated in CSAP and the Wiltshire Council and Chippenham 2020 sites can provide an appropriate location to ensure the housing need for the area can be met in the period 2016-2036 and beyond.

However, with only partial H F funding to deliver the northern part of the distributor road Wiltshire Council will be unable to deliver the full potential of the urban expansion to meet the identified housing need and play its role as a key strategic site in the emerging Local Plan.

**Please provide details of the exit strategy for the shortlisted options**

- **Upon completion it is expected that the partial H F funded Chippenham Urban Expansion Distributor Road from the A4 London Road to Parsonage Way would be adopted by Wiltshire Council for future ongoing management and maintenance.**

The distributor road will unlock both privately owned and Wiltshire Council owned land.

It is expected that, subject to final landowner agreements, the privately-owned sites will be taken through the planning application process and delivered by their respective promoters. At this stage Wiltshire Council does not expect to be involved in the delivery of these sites, other than in their capacity as the local planning authority.

It is expected that the Wiltshire Council owned sites unlocked by the distributor road will be managed according to the most appropriate delivery vehicle for them. For some plots it may be more appropriate for Wiltshire Council to manage the delivery of housing on sites and sell units for capital receipts or manage the delivery and ongoing operation of units. For other plots it may be more appropriate for the authority to received capital receipts for the sale of plots to private developers.

Wiltshire Council aim to play a key co-ordinating role, through the use of landowner agreements, to ensure that the urban expansion delivers housing to meet the identified need. These will include details relating to the ongoing management of the sites.

**Please summarise any economic appraisal conducted for this shortlisted option, relative to the do nothing (no HIF funding) option**

- **The Economic Model attached is provided with an O2 version.**

App24a and 24b to 3.2.5 provide tables showing the appraisal summaries for O1 and 2 compared to the deadweight option.

O2 has a total housing delivery of 5,272 units with no units at Candy site, and significantly reduced units at WC A (377 units). This is profiled as per O1 from 2025 to 2029, and then 2030 has the remainder 52 units assumed for delivery. The gross and net ha has reduced to 19.6 and 11.8ha respectively.

This option reduces both the housing income and the per unit costs and implications for the transport and infrastructure requirements, costs and impacts:

This option drives a lower school place requirement. A new secondary school at 1800 units is still required, the number of primary schools is calculated as 4 schools and early years places to 6 offerings (from 9 under O1). Open space and utilities (gas, electricity and water) were costed per unit and as such these cost items reduce, whilst it is assumed that 3 public squares and a health and wellbeing centres (as specified in Section 1 and 4) are required.  
See the Model – [C\_Demographics] and [C\_Infra Costs].

In terms of transport requirements, compared to O1 improvements to Lackham roundabout would not be required. As such, the scheme costs differ to O1 and total £122.6 in NPV.  
The transport impacts also differ and because under O2 there are less options for traffic to access the A350 and as such the benefits to Chippenham town centre are less. The HIF and local transport costs also reduce therefore compared to O1, with a

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The scheme value for money is reduced, where the BCR is lower than preferred O1 (3.7). Section 4.6.1 also presents some sensitivities on this BCR, with uncertainties and risks that lower the BCR and value for money assessment for O2.

### 3. Do nothing (no HIF funding)

Without H F funding, the scheme objectives will not be achieved. With no other funds of this scale available Wiltshire Council would be unable to finance the construction of the distributor road which is needed to unlock significant development potential for the area, deliver housing and support longer term economic growth. There would be a severe impact on the delivery programme for the Chippenham Urban Expansion if HIF funding is not awarded as alternative funding would have to be sourced and secured. Only 1,000 homes could be delivered without the distributor road, this will mean that Chippenham will fail to meet housing need, and demand will outstrip housing supply as is currently the case. This will lead to a failure to support the planned economic growth in the town and the SWLEP vision for economic growth in the area.

If the scheme is unable to go ahead due to lack of funding for the distributor road, then there will subsequently not be funding to recycle and invest in other infrastructure and housing projects in the future. This will further limit the level of development achieved in Chippenham and the surrounding area and restrict economic growth.

Without the HIF funding for the distributor road development at Chippenham will proceed by a piecemeal approach. It will mean that the Council will continue to lack a strategic and coordinated approach to delivery resulting in the limited provision of housing, and a failure to provide housing to meet the projected housing need. Economic growth will be stunted, leading in a lack of jobs for local people. There is unlikely to be another opportunity in the short term to provide an innovative approach to house building and to put the community at the centre of developments as private landowners with different interests and objectives are not able to co-ordinate their efforts around a common goal.

#### What strategic risks do the shortlisted options carry?

Description	Likelihood	Impact
The strategic risk of the Do Nothing approach is that the Chippenham Urban Expansion will not be possible due to a lack of other funding sources of this scale. Housing need will have to be accommodated in other, potentially less suitable locations in Wiltshire.	MediumLow	High

#### What are the constraints related to this shortlisted option?

- A strategic solution is required  
Without the HIF funding for the distributor road development at Chippenham will proceed by a piecemeal approach. It will mean that the council will continue to lack a strategic and coordinated approach to delivery resulting in the limited provision of housing, and a failure to provide housing to meet the projected housing need. Economic growth will be stunted, leading in a lack of jobs for local people.  
There is unlikely to be another opportunity in the short term to provide an innovative approach to house building and to put the community at the centre of developments as private landowners with different interests and objectives are not able to co-ordinate their efforts around a common goal.  
Unmet housing need  
The emerging Local Plan has identified the future housing need for the area in the SHMA. The SHMA identified the Full Objectively Assessed Need for Housing for the period 2016-2036 to be 22,250 dwellings in the Chippenham HMA. The study reported a significant increase of 57% in housing need for the area when compared to the level of housing planned for the period 2006-2016.  
If a housing requirement for Chippenham settlement was set to a pro-rata 57% increase in need, a housing requirement Chippenham settlement for 2016-2036 would be in excess of 7,000 dwellings.  
Deadweight testing in the West Wiltshire traffic model revealed that only 1,050 homes could be delivered without the delivery of the full extent of the distributor road.

**Please provide details of any inter-dependencies related to this shortlisted option**

- **Emerging Local Plan**

The Chippenham Urban Expansion will help deliver a significant proportion of the identified housing need of 22,500 homes for the Chippenham HMA from 2016-2036. Whilst the sites, with the exception of Rawlings Green site allocated in CSAP, are not allocated they will provide Wiltshire Council with an appropriate location to ensure the housing need for the area is met in the period 2016-2036 and beyond. Wiltshire Council, as the majority landowner and delivery body of the distributor road, will be able to play a key co-ordinating role in ensuring the delivery of housing to meet the need.

With no HIF funding to deliver the Chippenham Urban Expansion Distributor Road Wiltshire Council will not be able to unlock potentially suitable strategic sites at the most appropriate location to meet the identified housing need for the area and the successful implementation of the Local Plan.

**Please provide details of the exit strategy for the shortlisted options**

- Wiltshire Council does not have access to the funds required to deliver full distributor road and unlock the potential it could deliver. As such, in this option it is expected that a piecemeal, market led approach would be taken to housing in the town. Whilst the levels of housing delivery would be unlikely to meet the identified housing need due to the requirement for new links roads to enable future development in the town as outlined in the CSAP transport evidence.

**Please summarise any economic appraisal conducted for this shortlisted option, relative to the do nothing (no HIF funding) option**

- **OPTION 1: With HIF Funding**

The Economic Model attached is provided as Option 1.

The Economic Case of Section 4 should be referred to as the basis of the Option 1 Economic Appraisal.

Further, App24a and 24b to 3.2.5 provides a table showing the appraisal summaries for Option 1, 2 and 3.

The outcomes for the economic appraisal are (as per the App24a and 24b tables and as per Section 4).

[REDACTED]

Section 4.6.1 also presents some sensitivity analyses on Option 1.

**Options Summary**

**Please summarise why the preferred option, with the requested HIF funding, has been chosen and why the other shortlisted options have been discounted - this should make reference to advantages and disadvantages of the options in relation to scheme objectives and CSFs**

The preferred option unlocks land for the delivery of 7,500 new homes by providing access to plots which have not been unlocked previously due to the prohibitive cost of the infrastructure required. With an estimated BCR of 3.9 the scheme represents High Value for Money and will unlock delivery of housing sites along its length.

H F funding will deliver a road and improvements to M4 J17 which can unlock development sites for long-term delivery of housing in Chippenham

During the option selection process, the potential route options were compared using criteria including potential housing growth, scheme costs and transport assessment. The preferred route alignment has been selected as it has the potential to mitigate the most risks and unlock the greatest amount of housing land.

The route alignment travels east from the A350 Lackham roundabout and the splits into two sections at a new roundabout north of Lackham college. One section connects north to Pewsham Way at a proposed new roundabout, and the other section continues north east, crossing the lost Wilts and Berks canal, with the road approximately four metres above the tow path level and then crosses the A4 London Road at grade.

The road then heads north to New Leaze Farm. The route then continues through the Chippenham 2020 and Rawlings Green/Summix sites to the western edge of Rawlings Green/Summix site adjacent to the railway line.

The developer of Rawlings Green/Summix site will deliver the railway bridge crossing to Parsonage Way, linking to the already under construction North Chippenham Link Road from Parsonage Way to the A350 Malmesbury Road roundabout. This would complete the full distributor road running from the A350 Lackham roundabout in the south to the A350 Malmesbury Road roundabout in the north.

The H F funding request is to deliver the distributor road that will unlock development sites along its length, mitigate the impact of development traffic and provide a transport benefit to the community. Improvements to M4 J17 will mitigate the impact of development on the SRN. The route alignment and proposed development plots are primarily located on Wiltshire Council owned land which increases the deliverability of the sites and the speed at which the project can be delivered.

The council will be leading on the project, not a private developer which minimises the risk to the development as it will be driven by the housing need of the population as opposed to private developer driven. The council will have a strategic approach to delivery and be able to shape the scheme to amalgamate sustainable, innovative design and garden village principles which it would not otherwise be able to, creating a well-designed and settlement for future generations.

The scheme will unlock 658 ha of land to enable delivery of 7,500 homes by providing access to plots of land which have not been developed to date due to the high initial costs of the infrastructure required to unlock the land.

The Strategic Housing Market Assessment reported a significant increase in housing need for the Chippenham HMA (22,500 homes between 2016-2026), an increase of 57% compared to the level of housing planned for the period 2006-2016. If a housing requirement for Chippenham was set to a pro-rata 57% increase in need, housing requirement for 2016-2036 would be more than 7,000 dwellings. Chippenham Urban Expansion will contribute to the government's house building targets by delivering 7,500 homes

in Chippenham. The reduced funding option has been discounted as it does not have the potential to unlock enough housing. Cost savings and therefore increased value for money will also be achieved by providing the whole distributor road through economies of scale, and concurrent construction such as constructing the railway bridge and river bridge at the same time. The design of the road would also mean that construction can be commenced on the northern and southern sections at the same time with the option of different contractors, which will ensure costs remain competitive.

The preferred option fully meets the objectives set out for the scheme; by delivering transport infrastructure to unlocking a substantial amount of land to enable the delivery of homes to support new and existing communities. The scheme will be developed to ensure that community is at the heart of the development through design and provision of community facilities and creating local employment opportunities.

Reduced funding option delivers less homes

The reduced funding option will still allow Wiltshire Council to have a strategic approach to development through having oversight of the design of the plots that are included within Chippenham Urban Expansion. However, wider plots will be outside of the council's control, and this option will fail to make a significant contribution to housing and unlocking development land as it will only unlock enough land (294 Ha) to enable 4,272 homes to be built. Housing need will therefore continue to outstrip supply in the medium and long term and housing and employment opportunities will have to be located elsewhere in Wiltshire, therefore limiting the economic growth that occurs in Chippenham.

The section of road that will be able to be built will be the northern section of the distributor road, from the A4 the eastern edge of the Chippenham 2020 site. The road will then continue through Chippenham 2020 and Rawlings Green/Summix plots, but these sections will be funded by the developers. This will have a small contribution to alleviating traffic but will not contribute to the wider issues of congestion on the A350 and within Chippenham town centre that the preferred option will mitigate.

The reduced funding option has been discounted as it does not allow for the scale of development that is required to meet housing need in the long term.

No HIF funding will compromise the long-term delivery of housing in Chippenham

The Do Nothing option with no HIF funding has been discarded as it fails to meet the objectives of the scheme. If Chippenham Urban Expansion is not awarded funding through HIF, then this will have a severe impact on the timeline for delivery as an alternative funding method will have to be sourced and secured.

Although the scheme has a clear level of support from land owners and stakeholders, and the council is committed to the intention of delivering the scheme, there are no other funds available of this scale that would finance the construction of the road to unlock the development land to the same extent. The scheme would likely have to be scaled down and is at risk of being delivered in a piecemeal approach which is one of the current issues for housing in Chippenham. Without a strategic approach, the council would rely on private developers to identify and finance development plots of their choosing, as is currently the case.

Without HIF, the delivery of a distributor road is unlikely to be possible at the scale that is proposed in the preferred option, due to the so the level of housing and development will be limited to the housing identified in the Chippenham Site Allocations Plan 2006-2026 (CSAP, adopted May 2017). This is because development beyond this level could not be delivered without investment in new road links to avoid unacceptable impacts on the Chippenham transport network and to provide access to development sites. This will result in Chippenham failing to meet housing need.

#### **Please provide a summary of the impact should funding not be received**

If H F funding is not awarded to deliver the Chippenham Urban Expansion Distributor Road, it will compromise the full delivery of the Chippenham Urban Expansion. The urban expansion will help deliver housing in the short, medium and longer term to address the identified housing need. The scheme has a clear level of support from landowners and stakeholders and the council is committed to delivering the scheme. However, with no other funds of this scale available Wiltshire Council would be unable to finance the construction of the road which is needed to unlock significant development potential for the area, deliver housing and support longer term economic growth. There would be a severe impact on the delivery programme if H F funding is not awarded.

Failure to meeting identified housing need and support future economic growth in the area

The distributor road is critical to unlocking housing, without it housing will not be delivered where the identified housing need is. The Chippenham Site Allocations Plan (CSAP, adopted May 2017) evidenced that the road is needed to unlock growth beyond the levels allocated in the CSAP. Recent evidence shows that without the road only 1,050 units (deadweight) can be delivered, any development additional to this figure will cause unacceptable impacts on the existing road network. Without the HIF funding, Wiltshire Council will be unable to co-ordinate the development and effectively manage the delivery and phasing of housing.

The current projected housing need for the Chippenham HMA between 2016-2036 is 7,000 dwellings. This figure is based on a pro-rata 57% increase, using evidence for projected housing need between 2016-2026 identified in the Strategic Housing Market Assessment (SHMA, 2017). The 1,000 that are permitted by the CSAP without transport infrastructure investment will mean that Chippenham will fail to meet housing need, and demand will outstrip housing supply as is currently the case.

Housing that is built in the area is unlikely to have the same community focus as the Chippenham Urban Expansion scheme and will be a missed opportunity to develop innovation and sustainable development in the house building market.

Failure to deliver the transport infrastructure required to support future growth

The will also mean that any new development is negatively impacting on the current congestion on the A350, A4 and roads within Chippenham town centre, leaving the council with limited options to relieve the pressure as is currently happening as the transport infrastructure is viewed as too expensive in comparison to the potential development land.

Future revenue stream is compromised

Without the HIF funding, there will subsequently not be funding for Wiltshire Council to recycle and invest in other infrastructure and housing projects in the future. Housing need and economic growth is likely to be accommodated at other potentially less suitable locations in Wiltshire, which will limit economic growth in Chippenham. The town is therefore likely to fail to reach its aspirations in terms of developing employment opportunities and making it a place that both current and future generations can live, work and stay. This will further limit the level of development achieved in Chippenham and the surrounding area.

Government intervention is needed to co-ordinate agreement between disparate, private landowners and provide certainty that the land will be developed, whilst also influencing the design of the plots to ensure housing need is met.

Without the provision of HIF funding, the developers may need to burden the cost of road and junction works to enable the sites to become viable prospects for housing developments. In considering this an upfront cost, or an implied cost at site development decision, the early site developments become less viable for developers.

If you have any further information to support your options appraisal, which has not already been captured in the above, please include these here

Filename	Description
App01 Position statement on highway resilience at Chippenham.pdf	App01 Position statement on highway resilience at Chippenham
App02 spp-swjsf-2017-11-chippenham-housing-market-area-profile.pdf	App02 spp-swjsf-2017-11-chippenham-housing-market-area-pro
App03 Chippenham Urban Expansion HIF - Transport Modelling & Economics TN Issue 2b.pdf	App03 Chippenham Urban Expansion H F - Transport Modelling
App04 SHELAA site references docx	App04 SHELAA site references
App04 shela-2017-appendix-5.4-chippenham.pdf	App04 shela-2017-appendix-5.4-chippenham
App05 Spatial PLanning H F Statement of Support March 2019.pdf	App05 Spatial PLanning HIF Statement of Support
App08 spp-shma-2017-final pdf	SHMA
App10a Map 1.png	Map 1
App10b Chippenham Urban Expansion scheme map.pdf	App10b Chippenham Urban Expansion scheme map
App10c Map 2 transport labels.pdf	App10c Map 2 transport labels
App42 SHELAA01StrategicHousingandEconomicLandAvailabilityAssessmentSHELAAMethodology.pdf.pdf	App42 SHELAA01StrategicHousingandEconomicLandAvailabilityAsse
App43 - 5150821 - Revisit Chippenham Transport Strategy Refresh DRAFT v1 2 2016.pdf	App43 - 5150821 - Revisit Chippenham Transport Strategy Refre
App24a Appendix for Options Analysis 3 2 5 docx	App24a Appendix for Options Analysis 3.2.
App24a Appraisal Summary Option 1 and 2 for 3.2 5 xlsm	App24a Appraisal Summary Option 1 and 2 for 3.2.5
APPENDIX INVENTORY pdf	APPENDIX INVENTORY

**Economic Case****Net Present Value (NPV) of housing benefits**

Please provide the estimated NPV (in 2018/19 prices) of the additional housing benefits (as monetised using land value uplift) of the preferred option relative to the do-nothing option

██████████

Please provide the estimated NPV (in 2018/19 prices) of the current use land value for the scheme overall (before additionality adjustments)

██████████

Please provide the estimated NPV (in 2018/19 prices) of the site specific residential land value for the scheme overall (before additionality adjustments)

██████████

Please provide the undiscounted values used to estimate the residential land value calculation across all sites

GDV (compliant with the Economic Case guidance)

Build costs

Externals

Professional fees

Sales costs

Finance costs

Contingencies

Developer profit

Please provide the additionality % assumed for the scheme (deadweight and displacement)



Please provide a detailed explanation of the method and assumptions used to derive the deadweight and displacement estimates. As part of this, an estimate of deadweight for each site individually must be provided, by illustrating how the homes/each site are linked to the infrastructure

a) Displacement

**1. Displacement through the planning system**

Major sites in the market area

A housing study conducted by DCLG and University of Glasgow in late 2006 (before last housing market recession) noted the importance of market differentiation and the distance between sites to be considered by developers to be competitive (DCLG and University of Glasgow, Factors Affecting Housing Build Out Rates, February 2006). The findings from this study are summarised in Table 1, App21.

A distance of up to 8 miles indicates the potential extent of the area in which displacement may occur, although a larger urban extension is likely to have an impact over a wider area. The displacement analysis has therefore considered sites permitted or allocated for over 400 homes in an area roughly defined by

- North M4.

- South Salisbury.

- West Bath, but excluding the city itself.

- East land outside Swindon and Newbury catchment areas.

This area is wider than the Chippenham HMA (provided in Figure 1, App21) as it also captures Corsham, Melksham, Calne, Devizes and Pewsey.

#### Planning - policy, allocations and permissions

Within this wider housing market area current policy is generally supportive of bringing sites forward and delivering housing to meet unmet need and to provide a wide variety of housing types in different locations. This planning approach reduces the likelihood of displacement.

Within this area there are no other allocated or permitted sites of a comparable scale to Chippenham Urban Expansion as major locations are constrained by environmental factors (App31, App32, App33). The Chippenham Urban Expansion is proposed as a key focus for new housing development within the wider area, although there are several smaller scale sites permitted/allocated

Strategic permitted and allocated housing sites within Chippenham (also providing highway improvements leisure, open space and education)

- North Chippenham - 750 homes and 2.7 ha employment land.

- Hunters Moon - 450 homes and 2.3 hectares of employment land. Both of these sites will

- South West Chippenham's Rowden Park - 171ha proposed mixed-use development including 1,000 dwellings.

- Rawlings Green - 50ha for mixed use development, including 650 dwellings.

#### Planning delivery

The trajectory for housing delivery envisioned over the coming years at Chippenham at the allocated strategic sites listed above is provided in App21 with Figure 2 and Table 2. This does not include non-strategic, infill or windfall sites. It should be noted that past delivery rates do not necessarily mean that the Chippenham Urban Expansion will follow in the same way.

Further housing, to meet the significant housing need identified across the Chippenham HMA, could only be delivered through the Chippenham Urban Expansion enabled by the HIF funded distributor road. The assumed, central trajectory for housing delivery associated with this urban expansion are provided in Table 3, App21, providing sites for long-term continued housing delivery beyond the completion of those permitted or allocated in the CSAP.

## 2. Market displacement

This part of the assessment takes into account housing needs that are unmet and arising from population growth and changing migration patterns in this local area, including house price and rental signals. These figures will help to elaborate upon the long-term housing need for the area and their implications upon the local market, and as such to what extent the introduction of further strategic housing sites within the Chippenham Urban Expansion would result in displacement of value.

#### Significant population growth

Recent population growth in Chippenham HMA of 6% (between 2011-2016) was higher than that of the HMAs for Salisbury, Swindon Trowbridge, and is expected to increase to (21%) between 2016-2036. This rate of growth is second only to Swindon Borough. See Table 4, App21.

#### Growth in economically active population

Recent growth of the economically active population in Chippenham HMA was equal to total population growth of 6% between 2011-2016 (matching that of Swindon), but higher than the other three HMAs. Chippenham's economically active population is projected to grow at a slower rate than the total population over the current plan period to 2036. The economic and population growth patterns are similar - lower than Swindon, but higher than the other three HMAs. The implications for changes in inward and outward migration patterns are discussed below. See Table 5, App21.



#### Growth in population and households

Chippenham HMA's households were projected to rise by 1,028 per year between 2011-2016 this is slightly lower than the annual rate of Swindon. Chippenham town's projected annual change between 2016-2036 is 1,017 households. Chippenham HMA's dwellings were projected to rise by 1,071 per year between 2011-2016 this is lower than the annual rate of Swindon. See Table 6, App21.

#### Implications for housing market

Chippenham HMA has a need for between 21,000 and 22,000 new homes over the 20-year period to 2036 – annual delivery rate of between 1,058 and 1,111 homes. Up to 5,183 of these would be delivered on the Chippenham Expansion sites within the plan period ending 2036 (7,500 in total up to 2043), which at an average annual projected delivery rate of 324 units per annum from 2021 onwards will comprise approximately 24% of total housing delivery. See Table 7, App21.

### 3. Market signals

In assessing potential displacement local housing data has been analysed. This includes data on overcrowding, vacancy levels in housing stock, households on the housing register. Market related indicators have also been assessed – affordability ratio, price and rental growth.

#### Overcrowding

Chippenham HMA has the lowest levels of overcrowding of the four HMAs at less than half the national average, whereas the rate of development over the last decade was 13% (61% above the England rate). See Table 8, App21.

#### Housing rental value changes

Whilst rents in the Chippenham HMA sit below the average rents for Wiltshire (and England as a whole), and above those for Swindon, they rose at a faster rate than both between 2010-2015, at 13%, or 3.25% per year. See Table 9, App21.

#### House price changes

Chippenham's lowest quartile house prices are below the overall level for Wiltshire but

higher than Swindon HMA, the same is true for the monthly rent and affordability. Rents in the Chippenham HMA have increased at a faster pace, whereas changes to house prices and affordability are in line with Wiltshire increasing 11% between 2009-2015 (2.2% per year). See Table 10, App21.

#### Affordability Ratio

Chippenham HMA has an affordability pressure of 7.7 which is 11% higher than the average for England. Housing in the HMA has become less affordable between 2010-2015, with an increase in ration between house price and earnings of 3% (compared to 2% in Wiltshire and Swindon). See Table 11, App21.

#### In and Out migration – Commuting data

Data from Statistics for Commuting Zones (2011 Census) provided in Table 12 and 13 of App21 shows that Chippenham meets the ONS definition of 67.5% of self-containment (people who live and work in the area).

#### Vacant and Unoccupied Dwellings

Data on the number of vacant dwellings in Swindon, Wiltshire and Chippenham, extracted from the 2011 Census is provided in Table 14, App21. Whilst there unfortunately no trackable dataset to compare the rate of vacancies over time in the area, the data shows that at 3.2% vacancies Chippenham demonstrates a rate that is higher than the current England national average of 2.5% in 2017 (dwelling stock estimates 2017, gov.uk), though the English rate of vacancies in 2011 is unknown.

#### 4. Displacement

The above data demonstrates that there is an acute need for delivery of new housing in the Chippenham HMA, due to projected significant population growth (including economically active residents who may commute to or from the area). Chippenham HMA demonstrates faster increases in rental value, house prices and unaffordability than Wiltshire as a whole.

Overall the data suggests a pent-up demand for housing in Chippenham HMA, which would result in a low level of displacement of value. Based on the above data we have suitably assessed displacement to be 10%.

#### b) Deadweight

##### Model overview

The model used for the appraisal of the Chippenham Urban Expansion has been developed from the Wiltshire 2018 Base SATURN Model. The Wiltshire Base Model is based on the South West Regional model with improvements made to the network and demand in the Wiltshire area.

It is a peak period model which has five user classes. The Wiltshire 2018 Base SATURN Model was calibrated and validated following TAG guidance, which was fully documented in the Local Model Validation Report (LMVR) issued in November 2018 (Issue 1).

##### Determining non-dependent development (deadweight)

To determine the volume of non-dependent development (deadweight) a number of tests were conceived. These have been agreed with both Wiltshire Council and Highways England. The development site at Rawlings Green was allocated in the CSAP for up to 650 dwellings, policy CH1 states that Cocklebury Link road is required for more than 200 houses to be built. This location and development of the site near Stanley Lane was assumed to be non-dependent from a planning and infrastructure delivery perspective. The wider network infrastructure assumed for the deadweight tests is equivalent to the core.

The incremental deadweight scenarios tested in the model were

- a) 200 houses at Rawlings Green (RG) site. 200 additional houses to Core.
- b) 200 houses at Rawlings Green and 200 houses at Stanley Lane site. 400 additional houses to Core.
- c) 200 houses at Rawlings Green and 400 houses at Stanley Lane site. 600 additional houses to Core.
- d) 650 houses at Rawlings Green and 400 houses at Stanley Lane site. 1,050 additional houses to Core.
- e) 650 houses at Rawlings Green and 600 houses at Stanley Lane site. 1,250 additional houses to Core.

Each of the test scenarios was modelled with the core infrastructure and development assumptions. The change, as a result of the incremental deadweight testing, in delay and junction

operation (volume over capacity) at several key junctions was analysed.

The analysis identified that once 1,050 houses are constructed, the level of strain on the road network in 2041 in the Chippenham area becomes unacceptable. At this point multiple key junctions in the Chippenham area are either close to reaching capacity or over capacity. Notably in the AM peak, Station Hill/New Road Junction and Rowden Hill/Bath Road Junction have a volume over capacity ratio (V/C) of 107.0% and 98.1% respectively, and in the PM peak Bumpers Roundabout and Chequers Roundabout have a V/C ratio of 94.7% and 92.1% respectively (note this V/C ratio is weighted to only include approach arms which are in excess of 70%). Generally, in the north west Wiltshire area in 2041, there is an 8% increase in average delay in the AM peak, and 5% in the PM peak.

Based on output from the models, the planning policy context and the deliverability in terms of non-dependent infrastructure, deadweight test d) 1,050 out of 7,500 houses, 650 houses at Rawlings Green and 400 at Stanley Lane) are considered non-dependent on the infrastructure required to deliver the whole of the Chippenham Urban Expansion.

Scheme Impact – unlocking potential for further development in Chippenham

At the deadweight point of 1,050 houses, with the delivery of the distributor road, many of these problems are effectively mitigated against. In 2041 none of the identified key junctions in Chippenham are over capacity, and far fewer are approaching capacity. In both the AM and PM peak, Station Hill/New Road Junction and the Bridge Centre Junction no longer have any approach arms greater than 70% V/C, and Rowden Hill/Bath Road Junction and Marshfield Road/Park Lane Junction experience a 6.9% and 13.8% decrease in V/C respectively. The wider benefits of the distributor road to the north west Wiltshire area are clear, with an 8% decrease in average delay in the AM peak, and 7% in the PM peak, and a decrease in average travel time of 2% across all time periods.

**Please provide a detailed explanation of the method and assumptions underlying the estimates of NPV of residential land value, NPV of current use value, and NPV of additional housing benefits above, as outlined in the Economic Case guidance**

#### 4.1.1 NPV of housing benefits methodology notes

- This is derived by the per unit Land Value Uplift (LVU) for each site, considering the GDV and cost items.
- An LVU per unit (a 4.1.4 equivalent) is used before profiling and discounting, in 2018/19 prices. This LVU is then profiled across the period according to each site's housing unit delivery phasing and is uplifted by the land value growth assumption – the MHCLG guidance level of 5% (justified in 4.1.7)
- BCIS Inflation is not used on the costs deriving this LVU.
- Additionally is then applied according to the deadweight scenario of 1,050 homes and with a 10% displacement applied, as set out in 4.1.6.
- More detail is provided in 4.1.7 and can be seen in the Economic Model that accompanies this Section, in particular sheets [O\_Economic Case] and [Appraisal Summary]

#### 4.1.2 NPV of current land use value notes

- No land value growth applied.
- This puts the existing value in development year 1 for all sites and discounts this.
- More detail is provided in 4.1.7 and can be seen in the Economic Model that accompanies this Section.

#### 4.1.3 NPV residential land value notes and assumptions

- No land value growth or BCIS inflation applied.
- All items deriving RLV – GDV, costs, profits etc are profiled according to site development phasing.
- More detail is provided in 4.1.7 and can be seen in the Economic Model that accompanies this Section.

#### 4.1.4 residential land value notes and assumptions

- NPV, 2018/19 prices
- This is the outcome of profiling items according to the housing development phasing, in 2018/19 prices and discounting them
- Externals are covered under Build costs
- This does not include inflation on build costs, nor land values growth
- The undiscounted version of these items (see Economic Modelling; [Appraisal Summary]) determines an LVU per unit per site that is then profiled, uplifted by the land value growth per annum (5%) and discounted for 4.1.1
- More detail is provided in 4.1.7 and can be seen in the Economic Model that accompanies this Section.

#### Overall assumptions and Economic Model

All benefits and costs were assessed over a 60-year appraisal period, beginning in 2018/19.

Discount rates of 3.5% were applied to benefits and costs for the initial 30 years from the current year and rates of 3.0% were applied to subsequent years.

Costs and benefits were converted to 2018/19 factor price, adjusting for GDP inflation and discounting.

Land value growth was only applied on the outturn LVU profile, as residential land value uplift, to determine the net additional housing benefits (4.1.1). The 5% growth rate recommended by the MHCLG Appraisal Guide has been used for 4.1.1, whilst 4.1.2, 4.1.3 and 4.1.4 did not incorporate this growth rate. The 5% rate is justified as the central case where house prices in Wiltshire have very closely followed the UK house price trend for 2006-2018, this is demonstrated in App22 Figure 1.

The accompanying Economic Model presents the key NPV assumptions in [L\_Assumptions], covering

- Growth rates;
- Overall scheme assumptions;
- Economic assumptions;
- Housing mix, values and demographics;
- Costs – social infrastructure, utility, development;
- Financial costs;
- Land values;
- External impacts;

- Additionally;
- and
- Price Index

The input sheet [I\_Development] also presents the inputs of housing mix and delivery profile. The further input sheets include

- [I\_Residual value] presents modelled residual values for each site, these are then applied in subsequent costing and finance calculations
- [I\_Transport and Wider] presents the inputs for transport impacts from the scheme as well as costings, as per the transport modelling and technical note, these are then applied in subsequent costing and finance calculations
- [I\_WCC funding] presents inputs from Wiltshire County Council on the CIL rates for each of the Chippenham Urban Expansion sites, these are then applied in subsequent costing and finance calculations.

These assumptions and inputs drive the calculation and profile sheets, where the output tabs present the Economic Case components [O\_Economic Case] with the estimated current use values (4.1.2), assumed residential land value (4.1.3 and 4.1.4) and net additional housing benefits (4.1.1).

The Appraisal Table output [O\_DCLG Appraisal Table] shows the BCR components from 4.1 as well as 4.2, 4.3 and 4.4 (detailed in following sections).

#### Housing delivery and build out rates

Section 2.1.2 and 5.1.1 set out the strategic and commercial case for the Chippenham housing requirements, referring to the SHMA, and to previous build out rates and build out environment. App25 and App21 detail the site housing delivery over time.

The 2017 SHMA objectively assessed the need for an additional 22,500 homes between 2016-2036, this represents a substantial increase on the provision made in Core Strategy for 4,510 dwellings at Chippenham between 2006-2026. This signals a substantial increase in Chippenham's growth after a sustained period of slow rates of house building and a lack of land for employment development.

Delivery of new housing in Chippenham has declined since 2009, partly due to the recession but also lack of development land. Chippenham has not met its annual target as set in Wiltshire & Swindon Structure Plan (1996-2016) every year since 2009 after being above target for 2006-09. This period of lower delivery also relates to the previous focus on town centre sites, where there was little land availability. Chippenham's housing delivery rate has remained subdued since 2009, however the North and West Wiltshire HMA has returned to nearer its previous levels (Table 2, App25).

Key market indicators of price and affordability also suggest that housing delivery is not keeping pace with current housing need or demand. This means increased speed of delivery and a range of new housing products are needed to meet the future needs and support economic growth aspirations in the area. (As detailed in 5.1.1).

Therefore, the build out rate for the Chippenham Urban Expansion, as set out in Table 1 of App22, reflects this pent-up demand and with a return to previous build out rates in Chippenham and the surrounding area before 2009, and compensating for the drop off since 2009. The Chippenham Urban Expansion is judged to be able to deliver 326 units per year on average, across the 7 sites (47 per site per year) for 2019-2043.

#### NPV of current use value

The current land is greenfield and in agricultural use across the seven Chippenham sites, at a gross total of 658 ha.

The existing land use value was estimated at £25,000 per ha. This was sourced from the RICS/RAU Land Market Survey, which reports agricultural land values regularly, as well as a local market survey of comparable sites shown below. The most recent RIC/RAU report<sup>[1]</sup> suggests England and Wales values of £21,218/ha (£8,586/acre) for arable land and £16,054/ha (£6,497/acre) for pasture. The South West values are a little more than these being £22,239/ha (£9,000/acre) for arable land and £17,605/ha (£7,125/acre) for pasture.

A survey of agricultural land for sale was also undertaken, demonstrating the following values

- Lavington, Wiltshire. 327.40 ha. Asking price £8,000,000. £/ha 24,435.

- Broad Town, Swindon. 55.73 ha. Asking price £1,700,000. £/ha 30,504.

- Poole Keynes, Cirencester. 49.64 ha. Asking price £1,635,000. £/ha 32,937.

- Edgeworth, Stroud. 81.10 ha. Asking price £1,600,000. £/ha 19,729.

- Cotmarsh, Broad Town. 55.62 ha. Asking price £1,500,000. £/ha 26,969.

- Lot 6 Thoulstone Farm, Westbury. 46.70 ha. Asking price £1,000,000. £/ha 21,413.

- Edgeworth, Stroud. 42.31 ha. Asking price £950,000. £/ha 22,453.

Source Market Survey (October 2018).

As such, an EUV for agricultural land was suitably deemed £25,000/ha.

The level of current land moving to housing development was profiled in line with the housing development phasing (App17 & table 1, App22) where existing land was assumed to be taken three quarters before the development delivery and the current use value has been assumed to occur in the same year the residential land value is realised. This assumption is a simple application to ensure the level of existing land and its value is profiled across the scheme-wide programme. No land value growth was applied here.

This drives an NPV of **£14,522,000** for existing land value in 2018/19 prices. The seven sites start at different points and with different phasing. The NPV current land value for each of the sites, according to their areas and development start, in 2018/19 prices, are presented under 4.1.2. This does not incorporate any BCIS inflation or land value growth rates.

**NPV of residential land value**

**GDV/Incomes**

The GDV was calculated with the use of a Viability Assessment undertaken by HDH Planning. The assessment set out the following estimated residential values for the scheme build.

Two price points were considered

- One these are considered to be serving the top (most expensive) part of the market. The homes will be well above the Nationally Described Space Standards (NDSS), and incorporate car parking etc. These are more likely to be of more innovative designs (perhaps with energy requirements). Homes in this group are not necessarily at lower density – high quality design, high value and higher density can (with careful design) go together.

- Two the majority of housing will fall in this band. This will largely be 'conventional estate housing' of the type brought forward on many larger scale housing estates across England. All the units are likely to be larger than NDSS.

These price points translate to

- One – houses at £3,500/sqm and flats at £3,400/sqm.
- Two – houses at £3,300/sqm and flats at £3,200/sqm.

For the base scenario, all sites except Summix (given its north position and use of price point 1) were modelled at price point 2, for a conservative approach to housing income. The modelled price points are provided in Table 3 of App22.

These were sourced from a local market report undertaken in October 2018 for the scheme, which considered Chippenham and wider sales rates, build out rates and values over time. In this assessment, no allowance is made for residential ground rents. The supporting evidence for these values is detailed below.

The Chippenham Strategic Site Viability Assessment of April 2016 by BNP Paribas considered development around Chippenham and was used to inform Wiltshire Council's Chippenham Site Allocations Plan that was adopted in May 2017. This used the following average values per unit and per m2 (2016 prices)

- 1 bed flat - £130,000; £2,766 (average 47m2).

- 2 bed flat - £165,000; £2538 (average 65 m2).

- 2 bed house - £225,000; £3,000 (average 75m2).

- 3 bed house - £310,000; £3,263 (average 95m2).

- 4 bed house - £400,000; £3,478 (average 115m2).

- 5 bed house - £475,000; £3,519 (average 135m2).

The Land Registry may oversimplify the situation in Chippenham as Wiltshire is a large unitary authority and of the 40,000 house sales since the start of 2017, just 7,000 were in Chippenham and nearby towns. Across England and Wales, the average house price for Wiltshire is 130th (out of 348) at £304,313 and Wiltshire's median price is lower than the mean at £265,000. In Wiltshire, new build house prices are about 21% than the price of existing houses.

The average house prices from the Land Registry at October 2018 for sales January-October 2017 were

- £483,084 for detached.

- £274,462 for semi-detached.

- £235,085 for terraced.

- £169,558 for flats.

- £301,918 for all.

Further, supporting, evidence has been drawn from zoopla, with average house price data for October 2018 at

- £483,970 for detached.

- £282,000 for semi-detached.

- £235,455 for terraced.

- £170,121 for flats.

The values of flats used however is less than that suggested by the Land Registry Price Paid Data. The PPD includes a number of higher value, town centre schemes that generate values that are somewhat those that may be generated (at least initially) on a large urban extension.

The modelling undertaken for the scheme, from a unit type and per sqm basis, drives an average house price of £277,400 (2018/19 prices) across market and affordable and split as

- Market unit - £370,520.

- Intermediate unit - £164,540.

- Affordable rent unit - £117,600.

Housing mix



The overall shares for market, affordable rent and intermediate were 60%, 24% and 16%. The actual mix used for the modelling is provided in Table 2 of App22.

The average size as such for affordable units is 76.5sqm and for market housing is 111.8sqm.

#### Costings

Following the income modelling and profiling as determined by the above, expenditure items are taken from the GDV. These cover build costs; externals; planning and professional fees; sales costs; finance; contingencies; and developer profit.

#### Build costs

The build time per unit is assumed 3 quarters. Build costs were determined with adjusted BCIS rates per unit, for different housing types – flats, terraced, semi and detached units.

The cost assumptions are derived from the Building Cost Information Service (BCIS) data – using the figures re-based for Wiltshire. The cost figure for 'Estate Housing – Generally' is £1,228/m<sup>2</sup> at the time of this assessment.

Further, on top of this basic BCIS, there are additional % uplifts for flats at 10%. Further, per sqm there are design costs of £2.50/sqm; Acc & Adt costs of £2/sqm and water connection at £1/sqm. Site costs are a further 20% on top of the BCIS rate.

Overall, the average BCIS per unit is **£1,610/sqm** including the above and these are provided in Table 4 of App22, and are presented in the Economic Model in [Assumptions] and [Development].

Externals are included in this rate, and as such appear as a 0 cost item in the cost breakdown per site.

#### Professional fees

For residential development on reasonably sized sites we have assumed professional fees amount to 8% of build costs in total, covering architects, QS, planning consultants and other professional input. This is likely to vary across the sites and sub areas, but 8% is at the top of the expected range for large strategic sites, whilst the fees rate for Rawlings Green development appraisal was 7%.

#### Planning fees

Planning fees were calculated as a planning application fee per unit, at £462 per unit and £138 per unit for other 50 units. CIL costs were also calculated here, as provided by WCC and provided in the Economic Model [WCC funding].

#### Sales costs

Sales costs cover stamp duty on residual values below and above £250,000; legal acquisitions at 1.5% of residual value, and further agent and legal fees at 3.5% of total income.

#### Finance

Finance costs were composed of 6% p.a interest rate for total debit balances, with no allowance for any equity provided by the developer. The 6% assumption may seem high given the low base rate figure (0.75% October 2018) though developers that have a strong balance sheet, and good track record, can undoubtedly borrow less expensively than this, but this reflects banks' view of risk for housing developers in the present situation. The assumption is that interest is chargeable on all the funds employed, has the effect of overstating the total cost of interest as most developers are required to put some equity into most projects. A cautious approach is being taken.

#### Contingencies

The sensitivities (see 4.6.1) have run on greater contingencies according to scenarios of risk and uncertainty. In the base case we have used a 2.5% contingency on build costs for Chippenham Urban Expansion, where it is deemed a stable area without significant risk that can emerge around land contamination or unknowns. For previously undeveloped and otherwise straightforward sites, a contingency of 2.5% is a reasonable standard. Further, as the site is all greenfield this supports a 2.5% assumption where there are no land contamination risks.

#### Developer profits

Developer profits on market housing are assumed 20% of income; and for affordable units the profits are assumed 6%.

These GDV and cost items are profiled across the site development phasing as described above, before being discounted. As such, the NPV residential land value for each of the sites, in 2018/19 prices, without land value growth or build cost inflation, is calculated and presented in the Economic Model [O\_Economic Case] as Table 4.1.3 above.

This does not incorporate any BCIS inflation or land value growth rates, whilst 4.1.1 does incorporate land value growth, detailed below.

#### Land value growth

There is clearly uncertainty in the market and there is not a clear or robust way to predict how the market may change in the coming years, and whether or not there will be a further increase in house prices. Further, it is not yet possible to predict the impact of leaving the EU, beyond the fact that the UK and the UK economy is in a period of uncertainty.

However, in looking at the historic house price trends for Wiltshire, it has been observed that the area's price growth has closely followed the UK trend. As such, we have used the annual growth for the LVU following the national uplift presented in the MHCLG guidance of 5%. Alternatively, for the sensitivities (4.6.1) we have also considered a growth level in line with the UK and Wiltshire medium-long term average (3%).

In October 2017 the Government announced that affordable rents will rise by CPI +1% for five years from 2020. We have considered this the basis for affordable rent units, that they will rise by 1% by annum above inflation.

#### NPV of additional housing benefits

The net additional housing benefits were calculated from the Land Value Uplift, as per the modelled residual values for each of the sites above, taking away existing land value and costs to develop.

The land value uplift per unit for each site without discounting (in 2018/19 prices) is used to reflect an uplift at a point in time. These per unit uplifts are then multiplied by the build out units and profiled across the period with an annual residential land value uplift of 5%, as detailed above.

The 2018/19 land value uplifts per unit are provided in Table 5 of App22 and are also calculated and presented with the Economic Model in the [C\_Appraisal Summary] sheet. The land value per site is then profiled across the scheme period and discounted for a NPV.

Additionally is then applied to this differential according to 4.1.6 – with a deadweight of 1,050 homes composed of 450 at Rawlings Green and 600 at Stanley Lane, and a justified displacement level of 10%.

The NPV of additional housing benefits is therefore **£358,121,000**.

App22, Table 5 provides the breakdown of the Land Value Uplift by site, before Additionality.

Filename	Description
App21 Displacement analysis for 4.1.6 pdf	App21 Displacement analysis for 4.1.6
App22 Economic Case modelling assumptions for 4.1 to 4.5 docx	App22 Economic Case modelling assumptions for 4.1 to 4.5

#### NPV of external impacts of additional housing

**Please provide the estimated NPV (in 2018/19 prices) of external impacts of additional housing from the preferred option relative to the do-nothing option**

Type	Summary of impact	NPV of impact
Health benefits from affordable housing	From reducing overcrowding and reducing rough sleeping	£1,920,000
Lost amenity from land	From existing agricultural use to developed uses	£-8,474,000
Distributional	LVU subsidy accruing to Social Tenants (welfare weighted)	£22,857,000

**Please provide a detailed explanation of the method and assumptions underlying these estimates, as outlined in the Economic Case guidance**

For external benefits, the DCLG Appraisal Guidance has been followed for where consistent and transparent impacts can be included as set out in the current guidance. The robust external impacts for inclusion are

- Health impacts from new affordable rent units.

- Amenity benefits-costs of land use.

- Distributional impacts of transfer to social tenants.

#### 1. Annual health impacts.

The DCLG Appraisal Guidance has been followed where the health impacts cover

- An annual health care cost multiplied by the probability that someone is a former rough sleeper; plus

- The probability of a new rented AH unit reducing overcrowding multiplied by the annual impact of reduced overcrowding.

The values here were determined from the guidance and its TBRE cost estimates, where there is a 1% chance the new tenant is a former rough sleeper, and a 89% chance crowding is reduced. The annual health care cost that is saved is £4000, and the annual crowding impact is £96.

This equates to £125 per year (as per guidance F34). We translated this £125 (as 2016 prices) to a 2018/19 value and applied it to the cumulative profile of new affordable units from the scheme.

This derived an NPV of £2,480,000, before additionality, and £1,920,000 post additionality.

### 1. *Amenity value (benefit – lost amenity) of development*

The Appraisal Guidance has been followed where the amenity impact was determined by using the values of different uses

- Urban Core - 2016 prices £109,138. 2018/19 prices £113,335.

- Urban Fringe (Greenbelt) - 2016 prices £1,797. 2018/19 prices £1,866.

- Urban Fringe (Forested Land) - 2016 prices £5,457. 2018/19 prices £5,667.

- Rural - 2016 prices £13,392. 2018/19 prices £13,907.

- Agricultural (Extensive) - 2016 prices £6,366. 2018/19 prices £6,611.

- Agricultural (Intensive) - 2016 prices £208. 2018/19 prices £216.

- Natural & Semi-Natural - 2016 prices £13,371. 2018/19 prices £13,885.

And applying the following assumptions for use type between existing and developed land for the scheme

- Existing Agricultural (Extensive) 80%. Agricultural (Intensive) 20%, where most of Chippenham's agricultural land is pasture land.

- Option 1 urban fringe (greenbelt) 30%, Urban Fringe (Forested Land) 17%, Natural & Semi-Natural 17%.

The share of the development ha of the area's gross ha (36%) has been used, so that 64% of the land has amenity value about the housing sites.

Applying these values and use shares, determines an amenity value for developed land of an average £3,884 per ha and for the existing use of £5,332 per ha. As such, the overall impact is a loss of amenity.

Profiling this per ha value, according to the development phasing, determined an amenity loss of NPV £10,949,000, before additionality, and £8,474,000 after additionality.

## 1. Distributional impacts

These impact calculations have followed DCLG Appraisal Guidance (Annex G).

The scheme will benefit residents in social housing tenure. The impact of this on individuals depends on their incomes, where a £1 benefit will impact utility differently at different income levels.

For affordable housing (and social tenants), the rent subsidy that tenants would receive has been calculated as the per unit market land value uplift multiplied by the price differential of market to affordable rent – which is 47% of market price. This is detailed in App22.

This calculates the amount of additional money these tenants would have in their pocket compared to if they had to pay a market rent. The difference is funded by direct government subsidy.

Weights have followed DCLG guidance (DWP data) as welfare weights per income decile. The average weight then depends upon the % of social tenants in the income groups. Summing across all these weights gives a figure of 1.72 so that each £1 of benefit drives £0.72 of welfare gain.

This profile of additional money (subsidy) to social tenants is discounted to provide present value with the Do Nothing net off before the additionality factors are applied.

**This derived an NPV of £38,000,000, before additionality, and £29,411,000 post additionality.**

These 4.2 values are presented in the Economic Model in [C\_Appraisal Summary], [O\_Economic Cost] and calculated in [C\_Profiles\_constant] and [C\_Profiles\_consD], in particular rows 542-560.

Filename	Description
App22 Economic Case modelling assumptions for 4.1 to 4.5 docx	App22 Economic Case modelling assumptions for 4.1 to 4.5

### NPV of infrastructure impacts

**Please provide the estimated NPV (in 2018/19 prices) of infrastructure impacts, and any other monetised impacts not captured above, from the preferred option relative to the do-nothing option**

Type	Summary of impact	NPV of impact
Transport net benefits (benefits – external costs on existing users)	Travel times	£104,200,000
Transport net benefits	VOC	£18,100,000
Transport benefits	Indirect tax	£-6,500,000
Transport net benefits	Greenhouse gas	£3,000,000
Transport net benefits	Air quality	£1,500,000
Transport net benefits	Noise	£13,700,000
Transport net benefits	Changes in imperfect markets	£3,000,000

**Please provide a detailed explanation of the method and assumptions underlying these estimates, as outlined in the Economic Case guidance (incl annex A)**

The Economic Model presents these infrastructure impacts in Model in [C\_Appraisal Summary], [O\_Economic Cost] and calculated in from the transport modelling as input in [L\_Transport and wider].

For the infrastructure impacts, we have modelled

- Net transport benefits – travel times, vehicle operation costs, indirect tax, greenhouse gas, air quality, noise and changes in imperfect markets. These are driven as both impacts from the new transport infrastructure, and as impacts of housing on existing transport users.

These are explained in turn.

#### **Transport costs and benefits**

Overall assumptions

- All benefits and costs were assessed over a 60-year appraisal period, beginning in 2018/19.

- Discount rates of 3.5% were applied to benefits and costs for the initial 30 years from the current year and rates of 3.0% were applied to subsequent years. All present values are quoted in the market price unit of account unless otherwise stated.

- The price base was also 2010 and therefore all prices were adjusted for inflation to be presented in 2010 prices, after allowing for real growth above standard inflation.

- As per HIF guidance, costs and benefits were then converted to 2018/19 factor price, adjusting for GDP inflation, discounting and calendar year to financial year.

Analysis years

- First year 2024 (scheme opening year).

- Last year 2083 (60 years from opening year).

- Modelled years 2024, 2041.

- Current (appraisal) year 2018.

No further growth in traffic or benefits was assumed beyond 2041 (apart from an allowance from continued growth in the real value of time, in line with TAG).

The impacts of each scenario on travel times and vehicle operating costs for trips using the model junction after scheme opening were assessed using the DfT's Transport Users Benefits Appraisal (TUBA) software program (v1.9.10). TUBA provides a complete set of default economic parameters in its standard economics file, including values for variables such as values of time, vehicle operating cost data, tax rates and economic growth rates. TUBA estimates costs and benefits experienced by users and providers of the transport system by comparing transport conditions in different scenarios by

- Calculating user benefits by vehicle type and for each element of journey cost (i.e. travel time and vehicle operating costs - fuel and non-fuel).

- Calculate the changes in the indirect tax income received by the government (for highway schemes this primarily reflects the levels of indirect taxation incurred on fuel cost).

- Calculate the changes in the greenhouse gases emissions.

Output from the highway model previously described was used to derive a range of "level 1" economic user impacts from the scheme as outlined below

- User impacts (TUBA).

- Greenhouse gases (TUBA).

- Air quality and noise impacts (marginal external cost rates along with forecast changes in vkm).

Travel demand in the TUBA assessment was based on the demand in Scenario S only, i.e. no additional demand from the new housing enabled by the proposed scheme. This approach ensured that transport impacts on dependent development travellers are excluded from this assessment.

Appraisal of the impact of transport interventions without dependent demand

The approach follows that set out in Section 3.3.3 of TAG A2.2 – "Valuing the transport scheme" (which relates to NPV of infrastructure impacts in HIF guidance). In the case of Chippenham Urban Expansion, it means that this will not count user impacts to those that will reside in the dependent development housing. The appraisal of the scheme's impacts was therefore undertaken by comparing

- Scenario P vs S (without vs with transport scheme and both without dependent development)

Appraisal of the impact of dependent development trips on existing transport users

The approach follows that set out in Section 3.3.9 TAG A2.2 – Transport External Costs. The appraisal of the impact of dependent development trips on existing users was undertaken by comparing

- Scenario R vs S (with vs without dependent development, both with transport scheme).

Not included

The following impacts are not quantified: Increased physical activity, disruption impacts during construction and maintenance, journey quality, static and dynamic agglomeration, more people working impact or moves into more productive jobs.

Overall impacts

The modelling and transport economics undertaken demonstrates that the infrastructure package included as part of the submission (which includes the eastern distributor road, M4 Junction 17, Malmesbury roundabout and a range of other measures) is considered enough to mitigate the likely impact of the additional trips resulting from the housing and employment in the Chippenham region.

The NPV for the scenarios tested are presented below. The total benefits PVB includes changes in the following variables, assessed using TUBA

- Travel times - **PVB** £178,300,000. **External costs on current users:** -£74,100,000.

- VOC - **PVB** £20,800,000. **External costs on current users:** -£2,700,000.

- Indirect tax - **PVB** -£7,400,000. **External costs on current users:** £900,000.

- Greenhouse gas - **PVB** £3,500,000. **External costs on current users:** -£500,000.

Further, air quality, noise and changes in imperfect markets have been assessed

-Air quality - **PVB** £1,500,000. **External costs on current users:** N/A.

-Noise - **PVB** £13,700,000. **External costs on current users:** N/A.

-Imperfect markets - **PVB** £5,400,000. **External costs on current users:** -£2,400,000.

The overall PVB - Benefit of transport scheme, without dependent development – **NPV** £215,700,000

The transport external costs on existing users – **NPV of £78,800,000**

Together, these drive net benefits as PVB – external costs, across the different categories, as presented in 4.3.1.

These items are also included in the initial and/or adjusted BCR and are demonstrated below in 4.9.1.

Filename	Description
App22 Economic Case modelling assumptions for 4.1 to 4.5 docx	App22 Economic Case modelling assumptions for 4.1 to 4.5

#### **NPV of scheme costs**

**Please provide the estimated NPV (in 2018/19 prices) of infrastructure scheme costs (and revenues) as incurred by the following groups under the preferred option relative to the do-nothing option, ensuring no double counting of any costs included in prior answers – NPV of housing benefits, NPV of external impacts of additional housing, and NPV of infrastructure impacts**



Type		Total Nominal Amount	NPV (18/19 constant prices)
HIF funding	Cost		
	Revenue		
Central Government	Cost		
	Revenue		
Local Authority	Cost		
	Revenue		
Other public sector	Cost		
	Revenue		
Private sector (not developer contribution)	Cost		
	Revenue		
Private sector (developer contribution)	Cost		
	Revenue		
Optimism Bias applied to <i>Total Public Sector Costs</i>	Cost		
Optimism Bias applied to <i>Total Private Sector Costs</i>	Cost		
Real Net Present Public Sector Cost			
Real Net Present Private Sector Cost			

Please provide a detailed explanation of the method and assumptions underlying all estimated costs, as outlined in the Economic Case guidance

**Overall assumptions**

The figures presented in 4.4.1 are rounded to the nearest £1,000, and do not include housing costs (as these are covered under 4.1, 4.2 and 4.3.). The Local Authority cost do not include any prudential borrowing and loan repayment costs – these will be recognised in the Financial Case – but include the strategic road mitigation and health and well being facilities. The Private sector contributions cover social infrastructure, utilities and the railway bridge. The Economic Model presents these scheme costs in [O\_Economic Case] where they are calculated in the profile sheets (nominal and discounted constant, respectively).

**Further**

Table 4.1.1 applies optimism bias in line with 4.7.1.

All benefits and costs were assessed over a 60-year appraisal period, beginning in 2018/19.

Discount rates of 3.5% were applied to benefits and costs for the initial 30 years from the current year and rates of 3.0% were applied to subsequent years. All present values are quoted in 2018/19 prices.

**HIF funded infrastructure costs (Distributor Road and M4 Junction 17)**

The method for identifying the infrastructure costs for the HIF funded road were identified by establishing the quantity and scale of infrastructure required to support the proposed development of

7,500 homes and applied the rates.

The general assumptions for the costs are

- Assumes economies of scale.
- Assumes that the road will be constructed in phases.
- Construction works are part sequential and part concurrent as per the highways programme and summary delivery plan detailed in 7.3.2.
- Land Purchase is not included in the Distributor Road Costs.
- Land Purchase is included for a temporary easement into adjacent farmland to reduce disruption during improvement works for M4 Junction 17.
- A I HIF funded scheme costs include Design, Construction and Supervision.
- B II of Quantity Item descriptions and Method of Measurement is Volume 4 of Manual of Contract Documents for Highways Works.
  
- Cost estimate rates are based on local representative scheme costs with a base year of 2017; Where rates are not available from local representative schemes they are based on Spons Civil Engineering and Highway Works Price Book 2018.
- Level data from LIDAR has been used to inform Infracore highway geometry and infrastructure preliminary design; The Infracore design provides measures for cost estimates.
- Scheme construction durations are based on local representative scheme programmes; Phase 2 and 3 require additional plant and labour to achieve programme deadlines, multiple site access locations are available to achieve programmed construction durations.
  
- Service Utilities
  - Service diversion costs are included at junctions with existing highway network. Preliminary Junction modelling to establish road widening and a review of NRSWA C2 information provides measures for affected utilities.
    - Diversion cost rates are pro-rated from local representative schemes.
  - Ducting/trenchwork has been included along the route to cater for service supplies to Highway infrastructure including street lighting.
  - New service supplies to housing developments has not been included.
  
- Highways surveys

Surveys are based on local representative schemes.

Cost estimate for manned aircraft topographical survey for Preliminary Design.

Cost estimate for GPS laser survey included for Detail Design.
  
- Design and planning works for Housing & Infrastructure Fund submission

Local Authority and Consultant Costs – Sunk Costs.
  
- Highways design (Including Junction Improvements & Highway Planning Permission Drawings)

Preliminary design (to support Planning Application) & Detailed Design costs are 10% of the Construction total
  
- Highways construction supervision

Site Based - Project Manager, Assistant Project Manager, Site Supervisor, Quantity Surveyor, Clerk of Works.

Design Office Based - two designers to support site queries.

- Structures: Rail Possession/OLE Design

Cost estimate for the rail bridge based on local representative rates including a 72-hour possession of the rail line. Cost for possession derived from representative schemes.

Cost assumptions Highway construction details:

Highway geometry

Design speed 70kph

Preliminary speed limit 40mph

Distributor road

Highway Cross Section is an Urban Single Carriageway SU2 (TD27/05), 7.3m wide with a 2.5m verge, 3.0m shared use cycleway/footway, 1.5m segregation strip on the town centre side of the road and a 1.5m verge on the perimeter of the Distributor Road.

Link roads (Link to Pewsham Way and Stanley Lane)

Highway Cross Section is an Urban Single Carriageway SU2 (TD27/05), 7.3m wide with a 3.0m footway/cycleway on one side and a 1.5m verge on both sides.

Distributor road - junctions

Roundabout junctions/connections included to access existing highway network.

Preliminary junction modelling to establish road widening for junction entry arms has been undertaken.

Highway preliminaries

Preliminary items measured by units of time have been prorated from representative schemes to achieve construction programme durations.

Preliminaries are included for each phase.

Includes provision for temporary accommodation, contract management operatives, traffic management, haul road, access and environmental/ecological mitigations/fencing at compound and water courses and any special measures (e.g. crane hire) based on the scheme durations.

#### Highway site clearance

General Site clearance based on proposed distributor road highway boundaries.

#### Highway fencing

Highway Boundary Fence included along full length of Distributor Road and Link Roads.

#### Highway Vehicle Restraint Systems

Vehicle Restraint Systems have been included in all locations where the embankment height is over 3m

- Embankment Hazard Height based on criteria listed in DfT Design & Maintenance Guidance for Local Authority Roads, October 2011.

Vehicle Restraint Systems have been included on approach and departure from approach/departure of structures.

Parapets have been included along both sides of each structure.

#### Highway Drainage, including swales & balancing ponds

Carrier drainage pipes both sides of the Distributor and Link Roads with Access Chambers every 100m and Gullies every 20m.

Swale/Ditch system along toe of embankment 1x1m for both sides of the scheme length, to provide estimated capacity for attenuation.

#### Highway earthworks (cut/fill)

Earthworks cut and fill volumes are from Infraworks preliminary design.

Arisings are classed as unsuitable for re-use and are itemised for disposal to tip.

All topsoil is to be reused on site.

#### Road pavement

Road pavement foundation and asphalt design thickness is based on local representative scheme designs that cater for low sub-grade strength and 40 year design life.

#### Kerbs, footways and paved areas

Precast concrete kerb and included along edge of carriageways.

Precast concrete edging included along edge of footways/cycleways.

Footway foundation and asphalt thickness caters for frost susceptible sub-grade materials.

Road markings & signs

Advance direction and direction signs are included on approaches to each approach arm at junctions with the existing highway network.

Centre line lane markings and studs for entire length of scheme.

Hatched areas, lane designation lettering, numbering and arrows are included.

Highway lighting and electrical works

Trench/ducting to both sides of distributor road to cater for new LV supply to street lighting.

Lighting to junctions only, including 100m approach lengths with column's spaced at 20m intervals.

Structures & culverts

Highway structures include Box culverts for flood mitigation in flood zones and species pathways, Underpass for interface with national cycleway, canal bridge at interface with disused Wits & Berks canal and a species pathway structure included as preliminary mitigation (possible bat bridge). These have been individually costed with local representative schemes in line with typical Wiltshire structure types.

Highway Landscaping & ecology mitigation & investigations

Preliminary landscape visual impact mitigation includes planting in verge/embankments.

Preliminary ecology mitigation fencing included in construction preliminaries estimate.

Preliminary species pathway mitigation included in structures and culverts.

Highway junction improvements – Strategic Road Network

M4 Junction 17

Widening of all entries to provide additional lane (except westbound offslip).

Widening of circulatory both sides of M4 (not including overbridges).

Local representative scheme rates with a base year of 2017 or Spons 2018 where no rates were available.

**Whole Life Costs:**

- Maintenance rates have been identified as per the following methods:
  - Rates have been identified from Wiltshire Term Maintenance Contract rates.
  - Yearly cyclic/routine maintenance covering all highway cyclic/routine maintenance activities (gully cleaning, street cleaning, grass cutting, winter maintenance, reactive maintenance).
  - Planned minor maintenance intervention road pavement & footway surfacing & drainage cleansing & drainage CCTV survey.
  - Major maintenance intervention full depth road pavement, full depth footway surfacing, drainage cleansing, drainage cctv and 20% pipe replacement, street lighting full replacement.
  - Full Renewal is not included in the costs.

**Other Infrastructure**

The Wiltshire Infrastructure Delivery Plan (IDP) 2016 presented child yield assumptions for new development dwellings as

- Four 0-2 year olds per 100 dwellings
- Nine 3-4 year olds per 100 dwellings
- 31 primary school age children per 100 dwellings
- 22 primary school age children per 100 dwellings

This derived an estimated need of 975 early years places, 2325 primary school places and 1650 secondary school places.

**Primary school**

Using the projects presented in the Wiltshire Infrastructure Delivery Plan (IDP) 2016, a cost estimate per primary place was determined at £18,758 in current prices. Over the profile of the Chippenham Expansion, there would be a need for 5 primary schools at a mix of 3x420 and 2x630 place capacities. This equates to a total of £43.3m (without inflation or discounting), and a NPV of £33.3m.

**Secondary school**

Using the projects presented in the Wiltshire IDP 2016, a cost estimate per primary place was determined at £22,940 in current prices.

The secondary school place needs drive a need for a new school, which has been assumed as a 1800 capacity school with 6<sup>th</sup> form entry for 300 places. This school provision would cost [REDACTED] (without inflation or discounting).

This would likely be north of the housing sites and away from the existing Abbeyfield School. The extension of the existing Hardenhuish School has also been costed in, with an extension for 150 places. The extension has been costed at [REDACTED] (without inflation or discounting).

This covers the need for 1650 school places, whilst the extension can meet initial school place needs by starting and completing earlier in 2023.

#### Early years

For 7,500, we have assumed there will be a need for 975 early years places. We have assumed 60 places can be provided at each new primary school – leaving a residual need for 675 places.

The Wiltshire IDP 2016 provides some indicative costs and this has been used for a per place cost estimate of £17,530, equivalent to a current cost of £18,055.

A popular size for private providers for a financially viable full day nursery is to have a site big enough to provide around 80 places. This would require approximately 0.5 acres for the building, parking and outside play areas. Wiltshire would also look for some funding to be used for nursery that can specifically accommodate children aged 0 to school age with a high level of need, who cannot access their local main stream provision.

#### Health and wellbeing centre

Melksham multi-purpose health and wellbeing centre has been used as a suitable comparator for the provision of health and community facilities, featuring swimming pools, a GP practice, a new library, a café, a sports hall, community space and a studio. This centre has come at a cost of £23m.

At this stage, a high-level estimate (2018/19 prices) of £25m has been used. Once profiled and discounted this drives a NPV of £21.05m.

#### Open space and sports facilities

The planning application defined quantum has covered open space for sites 4-7 of Chippenham Expansion with

- Playing pitches (amenity green space) – 24.1%
- Outdoor sports (park and recreation grounds) – 19.3%
- Equipped/ designated play areas – 4%
- MuGA (children and youth play) – 1.1%
- Informal open space (recreation space) – 48.2%
- Allotments – 3.2%

These shares have been applied to the open space provision of each site, which have the following open space

- Rawlings Green/Summix – 22.5 ha.
- Riverside/Chippenham 2020 – 57.4 ha.

- Forest Farm, Gough/Gleeson – 4 ha.
- Wiltshire Council A – 17.5 ha.
- Wiltshire Council B – 16.6 ha.
- Shiles – 3.3 ha.
- Candy – 2.8 ha.

A value has been applied on each site's Ha as £10 per sqm. This drives a total cost of £12.4m (2018/19 prices), which was then profiled in line with the housing development profile for a NPV of £9.5m.

#### Public realm – squares

The Concept Framework provided public realm costs for three larger 'Community hearts' at £3m cost and two 'Community hearts' at £1m cost each. This did not include the Summox or Chippenham 2020 sites, and as such this scale of public realm has been assumed for Chippenham Expansion with the £5m cost applied to three public realm areas. These public realm works were profiled in proportion and in advance to the housing development rate, driving an NPV of £12.3m.

#### Utilities, electricity, water and gas

Initial analysis has been undertaken for cost estimates for electricity, water and gas

Electricity – It is assumed there would be a need for 15MVA capacity, through a primary substation, EHV infrastructure, HV and LV infrastructure (including 20 substations) – at a total estimate of £4.625m

Water – water and sewer infrastructure at £2.6m and service connections and meters at £1.7m. This does not include on-site mains costs (which are picked up in the build costs – see 4.1.4), whilst the upstream reinforcement costs will be covered by infrastructure charges.

Gas – the capacity that is currently available within existing WWU MIP/LP gas network is unknown.

On-site gas mains and service connections are £1000/plot, equalling £7.50m.

These estimates derived a total utility cost estimate of £16.4m, which was then profiled in line with the housing development profile and produces an NPV of £12.6m in 2018/19 prices.

Filename	Description
App22 Economic Case modelling assumptions for 4.1 to 4.5 docx	App22 Economic Case modelling assumptions for 4.1 to 4.5

#### Non-monetised impacts

Are there any impacts it is not feasible or proportionate to monetise?

Yes

Details, including an indicative scale of impact and why these have not been monetised

Transport external costs and benefits (See 4.3.2)

The following impacts are not quantified for the benefits of the new road infrastructure:

- Increased physical activity.
- Disruption impacts during construction and maintenance.
- Journey quality.



- Static and dynamic agglomeration.
- Impact of more people working or moves into more productive jobs.

Infrastructure impacts (see 4.2.2)

We have followed DCLG guidance and covered impacts that have been deemed robust and evidence based for inclusion – that is: land value uplifts and amenity benefits of development in the initial BCR, and health impacts from affordable housing and distributional impacts in an adjusted BCR.

As recognised, 'the evidence base for some of these externalities needs developing and so further research is needed before they can be included in the 'initial' BCR.' These items could include:

- Environmental impacts of additional housing development.
- Educational impacts of additional housing.
- Public realm impacts.
- Cultural impacts.
- Social infrastructure job creation.
- Social infrastructure wellbeing impacts and NHS savings.
- Crime.
- Energy use and greenhouse gas emissions.

Given the nature of the current land use and its position within Chippenham, as a high-quality place to live, cultural and public realm aspects may be small in scale.

The provision of new education and health facilities may support local demands and lessen supply constraints (App13). However, an understanding of current and other planned facility development would be needed.

Commercial land employment

Although the Chippenham sites are predominately a housing scheme, they will also deliver some commercial space. The Local Enterprise Partnership identifies Chippenham as having one of the greatest potentials for growth in Wiltshire, and also identifies town centre regeneration as a focus for delivering substantial growth in the area. The Chippenham sites should seek to support this. There is an opportunity to deliver new employment land consistent with the FEMA, with direct access to the M4, and this is further supported by the current and planned investment, e.g. the Chippenham Railway Hub.

The scheme has been estimated to be able to unlock up to 1,000,000 square feet of employment space. This will also help to improve self-containment by providing more jobs for local people.

However, at this stage of development it would not be robust to ascertain what an employment mix would look like into the future, where it will be imperative that actual needs and demands are met and that the town centre regeneration is complemented. It is likely the sites would include a mix across office, small industrial and small/ secondary retail units, as well as non-commercial community use space.

This has not been monetised at this stage, though is recognised as a complementing development to the housing delivery.

Sensitivity Analysis

Please describe sensitivity analysis conducted (if not covered above)

App23 presents the sensitivity results with model run outputs, focusing on the net additional housing benefits and BCR components.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

## Optimism bias

### Please describe how optimum bias has been applied in line with the Green Book guidance (and where relevant DfT WebTAG guidance (if not covered above))

Optimism bias for the infrastructure package (the distributor road and other transport mitigation) has been set in line with Transport Appraisal Guidance (WebTAG) and the Supplementary Green Book Guidance.

The transport infrastructure proposed to support and mitigate the development within the Chippenham Urban Expansion is a I considered 'standard civil engineering' and is classified as capital expenditure.

In line with WebTAG guidance, optimism bias has been applied to the risk-adjusted scheme costs once they have been converted to current year prices, but before adjustment and discounting.

The principle of assessing is to start with the upper bound and consider for each contributory factor (see table 3 in the Supplementary Green Book Guidance – Optimism Bias, 2013) whether any adjustments can be made.

Whilst it is likely that there are certain contributory factors (e.g. how complex the scheme is, stakeholder support) which could be reduced for some, or a I of the proposed elements, given the current level of design the upper bound of 44% has been chosen as the level of optimism bias for the transport infrastructure.

The level of optimism bias assigned to the scheme costs is therefore considered conservative but does reflect the relatively early stage of design development.

## Risk Analysis

### Please describe how risk has been assessed and appraised in line with HMT Green Book guidance (if not covered above). The risk analysis should focus both on the risks to the delivery of the infrastructure and the delivery of housing

The objective of a risk management process is to minimise the impact of unplanned incidents on the project by identifying and addressing potential risks before significant, negative consequences occur. Our Risk Management Plan outlines how risk will be dealt with including how it will be assessed, who is responsible and how often risk planning will be undertaken.

#### Identification

A register has been created with risks identified through the following methods

- Brainstorming – A small workshop event involving leads for the various client and consultant disciplines involved in the project.
- Working groups – The Project Manager will request that the discipline leads hold working groups amongst their individual teams to produce a long-list of risks. Each discipline will then be responsible for feeding responses back to the Risk Coordinator.
- Regular risk call – The Risk Coordinator will lead a monthly teleconference with the discipline leads to summarise change in the risk register from the previous month, and to request any information on new risks.
- Risk workshop – A full risk workshop is required to identify new risks (including those from stakeholders) and to review known risks.

For each risk a clear understanding of cause, event and effect is required before an assessment can be made regarding the rating levels of probability and impact can be assigned. It is the responsibility of the Project Manager to identify these aspects for each risk through consultation with the source of risk identification and the relevant risk owner.

#### Categorisation

Similar types of risk may also have interactions which will be investigated further during the risk assessment. This will be particularly true of programme risks where the effects on time cannot simply be added together. An understanding of the overall schedule of activities and the critical path through these activities will be ascertained to determine the real aggregate effect of time risks.

The following principles have been adopted when considering when to group/categorise risks

- Similar causes/type of risk.
  
- Potential domino effect.
  
- Same/similar response strategy.
  
- Same owner.
  
- Activities run in parallel.

#### Assessment

Each identified risk is to be assigned a prescribed level of probability and impact within a 5x5 matrix, and an overall risk rating (from minor to critical) is calculated (see App18). The specific levels of probability and impact for each identified risk will be proposed, discussed and agreed through many of the same channels as identified for risk identification - notably the working groups and risk workshop. The project team are empowered to deal with various degrees of risk in the following ways

- Minor - Tolerate but keep the risk under review. Ensure adequate allowance included in cost estimates/risk allowances and programme plans
  
- Moderate - Manage/mitigate the risk as part of day-to-day project team activities and re-assess as risk register is updated. Ensure adequate allowance included in cost estimates/risk allowances and programme plans
  
- High - Focused senior project management attention is required to address the risk and seek to mitigate. Ensure adequate allowance included in cost estimates/risk allowances and programme plans
  
- Critical - Risk with high likelihood and having significant detrimental impact on achievement of project objectives which cannot effectively be controlled by project team. May require elevation to the Project Board

A likelihood categorisation has been applied to each risk

1. Remote (0% to 5%).
2. Unlikely (6% to 24%).
3. Possible (25% to 49%).
4. Probably (50% to 80%).
5. Almost certain (81% - 100%).

Cost impacts are categorised within value thresholds (as % of scheme cost) as

1. Very low (less than £100,000).
2. Low (£100,000 to £200,000).
3. Medium (£200,000 to £500,000).
4. High (£500,000 to £1 million).
5. Very high (above £1 million).

Programme impacts have been categorised using the following levels

1. Very low (<2 weeks).
2. Low (2 weeks to 1.5 months).
3. Medium (1.5 months to 3 months).
4. High (3 months to 7 months).
5. Very high (>7 months).

Response

Once risks have been identified and assessed, decisions will need to be made on how best to respond to them. The concept of applying the five basic options for responding to risk (known as the 5 "Ts") will be adopted on this project and are as follows

- Treat - mitigation action to reduce the likelihood of a risk or the effect of the risk

- Transfer - where the ownership of the risk is transferred to another party

- Tolerate - if the likelihood of a risk occurring is very low and/or the consequences are small, it may be appropriate to ignore the risk

- Terminate - the project or activity - if the risks associated with a project or activity are beyond the risk appetite of Wiltshire Council or where the project is no longer viable due to the potential risk costs

- Take the opportunity - it may be possible to exploit new opportunities.

Proposed mitigation of identified risks will be undertaken by the risk owner. Quantitative analysis of risk will be carried out as part of the estimating process using the risk ratings for cost identified within the risk register.

#### **Supporting material and additional economic considerations**

**Please provide any other information not covered above to support the economic case**

The Economic and Financial Model 'Chippenham H F\_Option 1.xls' 'the Model' is provided as an attachment. Monetary figures have been presented in the submission to the nearest £1000 where appropriate.

The Model provides the modelling behind the presented Economic Case assumptions and figures provided for 4.1 – 4.8 above. The Model presents output sheets for the Economic Case as [O\_Economic Case] and [DCLG Appraisal Table]. The Model also provides several of the Financial Case outputs as [O\_Financial Case] – these are detailed below under Section 6 where relevant.

#### BCR

The Model provides the Scheme BCR and Appraisal Table as [O\_DCLG Appraisal Table].

The preferred option initial BCR is 3.71.

The following provides some key points of the approach to defining the BCR, as is demonstrated in the Economic Model. The BCR items are referenced to their relevant section of the bid submission for further detail.

- The PVB has been guided by HMT Green Book and by DCLG Appraisal Guide (2016).
- The PVB for the initial BCR includes the net additional housing benefit (4.1.1 above, and detailed in 4.1.7); changes in land amenity (4.2.2); WebTAG net travel time impact (4.3.2 and transport technical note App03); WebTAG net vehicle operating cost impact (4.3.2); WebTAG net indirect tax impacts (4.3.2); and WebTAG net Greenhouse Gas impact (4.3.2).
- Optimism bias (4.7.1) has been included on the PVC of the scheme, as public sector costs.
- The initial BCR PVB is [REDACTED], and the initial BCR PVC is [REDACTED].
- The adjusted BCR PVB also includes: health impacts of affordable housing (4.2.2); distributional impacts of affordable housing provision (4.2.2); transport air quality impacts (4.3.2); transport noise impacts (4.3.2); and transport changes to imperfect markets (4.3.2).
- The adjusted BCR rises to 3.54.1.

App22 provides the DCLG Appraisal Table, broken down by item in Table 6.

Atkins provided key financial profile outputs for Wiltshire Council, as captured with the Chippenham HIF\_Option 1' Model. These were used to determine the financing and funding strategy, and cashflow, as items for Section 6.

Models for Option 1 and 2 are attached. These have utilised the deadweight and displacement factors (presented in 4.1.6) to produce their net additional outputs.

As a test, we have estimated and modelled Option 3 separately, with its own housing delivery, infrastructure and cost inputs to compare this to Option 1 and 2 and produce equivalent net additional outputs. There is no material difference between these two approaches.

The BCRs remain at 3.7 and 3.0 for Option 1 and Option 2 respectively, with only a marginal change to the PVB (less than 1%)

Filename	Description
App22 Economic Case modelling assumptions for 4.1 to 4.5.docx	App22 Economic Case modelling assumptions for 4.1 to 4.5
App23 Appendix for Economic Case Sensitivity Analysis.docx	App23 Appendix for Economic Case Sensitivity Analysis
App01 Position statement on highway resilience at Chippenham.pdf	App01 Position statement on highway resilience at Chippenham
App02 spp-swjsf-2017-11-chippenham-housing-market-area-profile.pdf	App02 spp-swjsf-2017-11-chippenham-housing-market-area-profile
App04 SHELAA site references docx	App04 SHELAA site references
App04 shela-2017-appendix-5.4-chippenham.pdf	App04 shela-2017-appendix-5.4-chippenham
App05 Spatial PLanning H F Statement of Support March 2019.pdf	App05 Spatial PLanning HIF Statement of Support
App06 csap-adopt-adopted-may-2017.pdf	App06 csap-adopt-adopted-may-2017
App08 spp-shma-2017-final.pdf	App08 spp-shma-2017-final
App10a Map 1.png	Map 1
App10b Chippenham Urban Expansion scheme map.pdf	App10b Chippenham Urban Expansion scheme map
App10c Map 2 transport labels.pdf	App10c Map 2 transport labels.pdf
App12 Chippenham Options Assessment Report Revision_V1_150319.pdf	App12 Chippenham Options Assessment Report Revision_V1
App16 Rawlings Green Railway Bridge Supporting Information.pdf	App16 Rawlings Green Railway Bridge Supporting Information
App15 Chippenham H F - Urban Expansion Housing Phasing v1 0.pdf	App15 Chippenham HIF - Urban Expansion Housing Phasing
App18 Appendix for 4.8.1 Risk analysis.docx	App18 Appendix for 4.8.1 Risk analysis
App42 SHELAA01StrategicHousingandEconomicLandAvailabilityAssessmentSHELAAMethodology.pdf.pdf	HELAA01StrategicHousingandEconomicLandAvailabilityAsses:
APPENDIX INVENTORY.pdf	APPENDIX INVENTORY
App43 - 5150821 - Revisit Chippenham Transport Strategy Refresh DRAFT v1 2 2016.pdf	App43 - 5150821 - Revisit Chippenham Transport Strategy Refre

Please attach all economic modelling done as part of the economic case (other than that provided in specific questions)

Filename	Description
Chippenham HIF_Option 1.xlsx	Chippenham HIF Option 1 Model
Chippenham HIF_Option 2.xlsx	Chippenham H F Option 2

Schemes with Transport Impacts

**For any transport modelling conducted, please refer to Annex B of the guidance and attach**

Filename	Description
H F Transport Requirement Checklist - completed.docx	H F Transport Requirement Checklist - completed
App03 Chippenham Urban Expansion HIF - Transport Modelling & Economics TN Issue 2b.pdf	App03 Chippenham Urban Expansion H F - Transport Modelling & Economics TN Issue 2b
App09 Wiltshire 2018 Base Model LMVR Issue 1.pdf	App09 Wiltshire 2018 Base Model LMVR Issue 1
App38 Chippenham HIF - Rail Assessment v1.2 Issued.pdf	App38 Chippenham H F - Rail Assessment v1.2 Issued
App33 Chippenham H F Environment TAG Report v1.0.pdf	App33 Chippenham H F Environment TAG Report v1 0
App41 Chippenham DI Report v2.0.pdf	App41 Chippenham DI Report v2.0
App31 5169497-ATK-ZZ-ZZ-DR-L-9103 - Constraints 1 0.pdf	App31 5169497-ATK-ZZ-ZZ-DR-L-9103 - Constraints
App32 Chippenham HIF AST v1.1.pdf	App32 Chippenham HIF AST
APPENDIX INVENTORY.pdf	APPENDIX NVENTORY

## Commercial Case

### Market analysis

**Please provide details of how the proposed scheme fits with the local housing market and with local demand. Please provide supporting evidence of relevant value assumptions in the area**

#### Overview

Chippenham is one of Wiltshire's three Principal Settlements, designated as a Growth Focus in Wiltshire Core Strategy policy CP2 and at the heart of two sub-regional SWLEP Growth Zones: Swindon-M4 and A350. Economic and housing data and recent assessments indicate significant growth at Chippenham up to 2036 (App05, App08).

The 2017 SHMA objectively assessed the need for an additional 22,500 homes between 2016-2036, this represents a substantial increase on the provision made in Core Strategy for 4,510 dwellings at Chippenham between 2006-2026. This signals a substantial increase in Chippenham's growth after a sustained period of slow rates of house building and a lack of land for employment development.

Major growth in west Wiltshire settlements is generally constrained by topography, environmental designations, flood zones (App31, App32, App33). In the case of Chippenham there is a need for significant investment in strategic transport infrastructure to unlock development. Chippenham benefits from excellent connectivity to both the motorway and rail network for access to key employment centres. The town is a more sustainable location for significant growth than others in Wiltshire, due to its connectivity to local and more distant employment locations.

The CSAP allocates strategic sites to meet the housing requirement of 4,510 dwellings in Chippenham for the period 2006-2026. The CSAP transport evidence demonstrated that in order to deliver levels of growth beyond the adopted CSAP development quantum, major new transport infrastructure would be required.

Unlocking the growth potential of the Chippenham Urban Expansion by delivering the HIF funded distributor road will ensure development sites are unlocked to deliver 7,500 homes. This will significantly contribute to addressing the recent shortfall in supply and meet more than a third of the housing need for the Chippenham HMA up to 2036 and beyond. It will help realise the area's potential for improved affordability and substantially support annual build rates to return and exceed pre-recession levels.

#### Trends and patterns in the local housing market

Key market indicators of price and affordability suggest that housing delivery is not keeping pace with current housing need or demand. This means increased speed of delivery and a range of new housing products are needed to meet the future needs and support economic growth aspirations in the area.

National Planning Practice Guidance 2014 (PPG), requires an uplift to planned housing numbers based on population and household projections (baseline) where there are worsening market indicators.

The 2017 SHMA proposes a 5% uplift over baseline projections due to:

- Lowest quartile house price for all types of property (£150,000) was 10% above England average (the market assessment shows new build prices across Wiltshire are 21% are higher than for existing housing

stock).

- Affordability ratio (lower quartile house price to earnings) had increased to 7.7 in 2014/15, 11% more than England average. The ratio of new house price to earnings also rose from 8.6 to 10.2 between 2011 and 2016.

- Although lower quartile rent levels were below the England average, they showed high relative growth from 2010.

- 4.2% of households were overcrowded.

- Only 21% of all homes built for 2006-17 was "affordable housing", significantly below target levels of 40% [1]. The main reason cited is a lack of larger development sites.

#### Market absorption and sales rates

Delivery of new housing in Chippenham has declined since 2009, partly due to the recession but also lack of development land. Chippenham has not met its annual target of 150 set in Wiltshire & Swindon Structure Plan (1996-2016) every year since 2009 (though was above target between 2006-09).

North & West Wiltshire HMA, of which Chippenham is part, has failed to meet its housing targets in 7 of last 11 years (App17). The Core Strategy increased the target for Chippenham to 301 per annum, averaged over the period 2011-2026. There has been a decline in housing completions over recent years. The average gross completions over this period can be compared to the minimum housing requirement of 325 as set in Core Strategy (App07).

The emphasis in the Local Plan 2011 on urban sites, without substantial greenfield development, did not provide enough capacity to meet Chippenham's housing needs. The undersupply of new housing in recent years, and changing market dynamics detailed below, indicate a substantial pent-up demand for housing. The allocated housing sites and additional land unlocked by the proposed link road, will be key to satisfying this demand.

#### Average house prices and comparables

Wiltshire is a large unitary authority and Land Registry data at this level may oversimplify the situation in Chippenham, especially where Chippenham and the nearby towns reflect just 7,000 of the 40,000 house sale records since 2017 for Wiltshire in the Land Registry. The data shows that Wiltshire's housing market closely tracks trends in the South West and across the UK. Average house prices in Wiltshire are now well in excess (c. 22%) of the 2007/2008 pre-recession peak. (App22).

When ranked across England and Wales, the average house price for Wiltshire is 130th (out of 348) at £304,313. To set this in context, the Council at the middle of the rank (174 – Ryedale, in Yorkshire), has an average price of £258,761. House prices in Chippenham have grown 14% since 2010. Wiltshire-wide the house price-average wage ratio (10.5) is significantly above the national average of 7.6, indicating a significant latent demand to increase housing land supply.



Market data from zoopla.com, enables the comparison of Chippenham's current average house price with other local areas (App25). The data shows that prices are generally lower in Chippenham than in Bradford-upon-Avon, Cirencester, Malmesbury and Tetbury, but generally higher than in Calne and similar to those in Devizes.

Analysis of the Land Registry Data identifies that:

- New build house prices in Wiltshire are 21% more than the price of existing houses.

- Across Chippenham HMA, only 99 new build homes sales were recorded since Jan 2017 (Land Registry), though the average price paid in Chippenham is £3,354/m<sup>2</sup>, comparable with other similar nearby areas, whilst the prices of flats is 7% higher at £3,590/m<sup>2</sup>.

- Bradford-on-Avon was the highest with an average of £4,447/m<sup>2</sup> and Trowbridge at the lower end with an average of £2,475/m<sup>2</sup>. Chippenham was 3rd highest in these new build price paid.

Chippenham HMA's lowest quartile house prices (all homes – newbuild and existing) are below the Wiltshire average but higher than Swindon HMA. This is also reflected in monthly rent and affordability indicators. Whilst rents in Chippenham HMA remain lower than average, they have increased at a faster pace; whereas changes to house prices and affordability are in line with Wiltshire and above national levels.

In October 2018, only 13 new houses and flats were advertised for sale in Chippenham (although on some of these, construction had yet to start). Asking prices for new build homes ranged from £225,000 to £650,000, average is just over £370,000.

#### Local demographics

Wiltshire's population continues to grow above the national rate with the fourth highest growth rate of all LEPs at 13.9% between 2001 and 2014 (SWLEP SEP App19). The highest increase is in the working age population (11.6% Swindon/Wiltshire; 8.6% England & Wales), as people are attracted to the area by employment opportunities and the attractive environment.

Chippenham plays an important role in providing housing for the wider area, as a large share of residents work outside the Chippenham HMA. New housing close to good public transport links and new employment opportunities throughout the Growth Zones are important factors. The SHMA has forecast 37,400 additional residents and 8,300 additional jobs by 2036 compared to 13,500 additional workers.

Filename	Description
APPENDIX INVENTORY.pdf	APPENDIX INVENTORY

**Delivery strategy**

**Please provide details of who will be delivering the infrastructure**

Wiltshire Council are the lead delivery body for the HIF funded Chippenham Urban Expansion Distributor Road and improvements to M4 J17.

The preferred delivery approach for the highways works associated with the Chippenham Urban Expansion distributor road and mitigation is to be through either a Traditional or Develop & Construct approach. This will ensure that Wiltshire Council retains control over the design of the new infrastructure required, allowing for greater oversight of the design process and reasonable cost certainty.

A Traditional approach is where the design is produced by client-engaged consultants before tender and separate placement of a contract for the construction works. Develop & Construct is a hybrid of 'traditional' and Design & Build (detailed design and construction are both undertaken by the same organisation). Develop & Construct is where part of the design is prepared before the contractor is appointed to finalise the design and construct the infrastructure.

Understanding the objectives and risks for the construction of the scheme leads to a preference of using either a Traditional contract approach – utilising the term consultants to take the scheme through detail design and then tendering for construction; or a Develop & Construct approach which the contractor will finalise design. The process of contractor procurement will include competitive tendering.

**Procurement strategy**

**Please provide details of engagement with contractors to date and the procurement strategy for delivery of the infrastructure scheme**

Preferred approach

The preferred procurement approach for the highways works associated with the Chippenham Urban Expansion distributor road and mitigation is to be through either a Traditional or Develop & Construct approach. This will ensure that Wiltshire Council retains control over the design of the new infrastructure required, will be undertaken either through a traditional or the preferred approaches a lot for more oversight of the design process and reasonable cost certainty.

This approach was considered the most appropriate following the considerations as set out below.

Requirements

The procurement process for the Chippenham Urban Expansion scheme shall be run in strict accordance with the processes and supporting procedures identified in the following Wiltshire Council policy documents

- Constitution; Section 10 Procurement and Contract Rules - 12 July 2016.

- Strategic Procurement Hub; Procurement e-Manual.

Under these Rules and Regulations Procurement Gateway Process, the strategy will be subject to review by the Council's Strategic Procurement Team Procurement Manager, senior Legal Officer and senior officers from across the Council who are highly experienced in strategic procurement and contract management. Express approval must be gained from the Procurement Gateway Board in two stages, firstly to enable the tender documentation to be released through the production of a supporting Procurement Strategy and secondly to enable the procurement to move to the award procedure stage following review of the award recommendation, this will be supported by a full Procurement Evaluation Report along with an Officer's Decision Report.

The effective procurement of services is crucial to supplementing the Council's capacity and delivering the Chippenham Urban Expansion project in line with its objectives. Early engagement is critical to ensuring that procurement is conducted effectively and delivers the best value for money for the project. Where procurement is under-resourced early in the programme lifecycle, programmes often struggle to get stakeholder buy-in, leading to procurement that does not deliver the programme's objectives.

There are three key aspects to effective procurement which will be considered in the procurement process

1. Establish clear objectives

It is essential that the purpose of procurement is broadly understood and has buy-in from key stakeholders. This will give the procurement, and subsequent implementation clear direction. Objectives should be derived from the broader programme vision and objectives.

These objectives can be applied to the procurement process through the development of the Procurement Strategy and supported by robust evaluation criteria within any competitive exercise conducted.

There will be robust evaluation criteria to enable procurement decision makers in the Council to prioritise and weight varying demands (e.g. financial return, risk appetite, delivery capacity) – leading to the selection of the service provider that will most effectively deliver against programme objectives.

2. Managing risk and uncertainty

As with objectives, the Council will clearly establish its risk position before undertaking a procurement process. This will enable key risks to be mitigated, and selection criteria to take risk appetite into account. Gathering information on the programme (e.g. site surveys, planning information etc.) at an early stage will enable the Council to identify and mitigate risks early on – and can reduce the costs of addressing risks later in the programme lifecycle.

### 3. Design an efficient procurement process

The procurement process will flow from objective setting. The process will be designed to establish how suppliers perform against the selection criteria. Consideration must be given to what to test at each stage, as well as the number of bidders to be selected. The council will ensure that the pool of bidders is broad enough to provide options, without narrowing down too early (thereby potentially excluding strong bidders) which is important in identifying the best providers whilst managing the level of resource dedicated to a procurement.

#### Procurement strategy

The capital (infrastructure) works procurement strategy captured through the Sourcing Plan will identify and acknowledge appropriate risk allocation and work with the design strategy and set the appropriate engagement of consultants and contractors for the detailed design and implementation. The capital works strategy is realised through the resulting project organisation, project management, contracting strategy and the consistency and co-ordination of the contract terms between the client and external organisations.

One of the most fundamental decisions when addressing the procurement strategy for infrastructure works is how to source the design elements of the work. There may be elements in some of the options that are challenging and may present a risk of delay either because of design complexity or because of necessary interface with third parties. Examples of risk accruing from relative technical complexity are new bridges over the floodplain of the River Avon and the rail line, and the re-design of junctions and highway to connect the new route to the existing network as well as mitigation in key areas. Examples of risk accruing from design interfaces with third parties are land assembly and design approvals from the respective statutory bodies for planning and highways amendment consents.

Infrastructure design is a process with distinct but related stages. Operational design, sometimes referred to as 'Preliminary', 'Outline' or 'Reference', defines the performance criteria of the scheme and what the actual outputs will be, whereas detailed design defines the construction of the project and how it is delivered on the ground.

Given that the key external constraints and risks on the project (land assembly and statutory utilities diversions) are largely defined during the initial phases of the design, the procurement strategy can be effective in partially managing these risks before the delivery mechanism is set.

In terms of the construction phase of the project, the key risks identified in the options include the planning and logistics involved with the construction of a new bridge over the floodplain.

#### Objectives

Prior to assessing options and developing a strategy for procurement of the project, it is necessary to understand clearly the focus of the procurement.

To determine the priorities of a procurement process it is common practice to examine the objectives i.e. the purpose of the procurement. The purpose can often be split into 'primary' and 'secondary' objectives - primary objectives being those which procurement options considered must deliver and; secondary objectives being those where it would be beneficial if a chosen solution delivered the preferred outcome.

In setting or determining procurement objectives, it is necessary to consider the project being procured. The objectives must be specific to the individual project. In addition, it is common to use some generic objectives to ensure that the general regulatory requirements will be met by any particular approach to procurement.

At this stage, the suggested objectives are as outline below, looking separately at primary and secondary issues.

- Primary objectives include delivering the scheme within the available funding; ensuring best value is delivered; offering an affordable solution; reducing risk to as low as reasonably practicable.

- Secondary objectives include offering the opportunity to engage Contractors in the early planning stage development of the scheme; providing Contractor input to the design, risk assessment and delivery programme; offering to engage a Contractor in the planning public inquiry in respect of construction techniques, disruption and subsequent mitigation measures during the works; and offering the promoters affordable opportunities for change throughout the project life-cycle.

The ability of any particular procurement route to offer the promoters with the chance of affordable change throughout the project life cycle is a challenge for any procurement process. Where a high degree of risk transfer to the contractor takes place, there is an almost equal degree of increase in the cost of promoter changes during the project. There are few procurement options that offer a high degree of risk transfer and the chance of affordable changes to the project during its life-cycle.

It is important that any consideration of procurement routes or options acknowledges that the procurement process itself is all about risk management and transfer. Perhaps more accurately it is about appropriate risk transfer at an affordable price.

Frequently, expectations with respect to risk transfer are unrealistic at the planning stage and subsequently result in overly optimistic forecasts of construction costs. Risk management and transfer come with a cost. It is equally important to understand that the cost associated with a particular risk is not simply a function of the risk itself but the potential impact of that risk on other activities. During the construction phase the cost of a risk is highly proportional to the impact on the construction programme as this is normally considered critical from a contractor's perspective. If there can be flexibility in the delivery date, then the cost of many risks can be reduced dramatically.

Procurement options - the contract strategy will determine the level of integration of design, construction and maintenance for a project. This should support the objectives for outputs expressed in respect of time, cost, and quality which, subject to fine tuning, are understood to be generally stated as follows

1. Cost - a high degree of certainty that the scheme can be delivered within the available funding constraints

2. Quality - the provision of a high-quality asset with minimal maintenance issues and interruptions to planned operation levels

3. Time - bringing new assets into operation quickly after funding is approved.

These objectives conflict to a certain degree and consequently the sourcing option will reflect an optimised balance between them. Mechanisms will be put in place in the chosen contract strategy to further incentivise the supply chain towards the objectives. The choice of strategy must ensure that control is concentrated where it is most needed and, on the factors, most important to the partnership, with risk being allocated in a way that it is held by the party best able to manage it, consistent with the stated objectives.

The main types of procurement strategy for capital works are

- **Traditional:** design by client-engaged consultants before tender and separate placement of a contract for the construction works.
- **Design & Build:** detailed design and construction are both undertaken by the same organisation.
- **Develop & Construct:** a hybrid of 'traditional' and D&B where part of the design is prepared before the contractor is appointed.
- **Construction management:** design by the client's consultants and construction of the works overlap. A fee-earning construction manager defines and manages the work packages. All contracts are between a client and the trade contractors. The final cost of the project may only be accurately forecast when all packages have been let.
- **Management contracting:** design by the client's consultant and construction overlap. A management contractor is appointed early to let elements of work progressively by trade or package contracts ('works packages'). The contracts are between the management contractor and the works contractors. As with construction management, the final cost can only be forecast with reasonable certainty when the last package has been let.

Certain identified design and construction risks exist, and all scheme options will require complex engineering design associated with bridges to cross the River Avon at various points. This will include compliance with requirements of the Water Framework Directive and undertaking Flood Risk Assessments, with consideration given to compensatory flood storage. The contractor will need to meet these legal requirements and work with the Environment Agency to agree appropriate solutions.

One key design risk is the time taken to undertake the necessary land assembly. The land transactions, if concluded by negotiation/agreement, will potentially involve a large number of separate contracts with third party landowners. Consequently, it will take a significant amount of time before the route can be finalised and the consequent time and cost risk can be removed. This argues for the D&C procurement process, where a relatively detailed outline design is developed at an earlier stage than under the D&B model (before the contractor is engaged) enabling the client to commence acquisition of land as early as possible.

The problem of a large number of land transactions deriving from the chosen route may be mitigated significantly by the exercise of compulsory purchase powers (if such are authorised see App20) through the general vesting declaration process, which would not require a large number of separate contracts with third party landowners.

In addition, another major risk is with the utilities that may need to be diverted to incorporate the new roads and maintain service provision in the area to residents and businesses. This work comes with significant time and cost implications as the engagement process prescribed under the New Roads and Street Works Act 1991 (NRSWA) is capable of being extremely prolonged and costly. Early engagement with drainage and utilities companies is therefore considered vital to identify the necessary diversions and the cost and programme requirements of these works. Additionally, mostly being installed underground, the adaptation work is likely to be needed at a relatively early stage in the construction process. The preparatory engagement with the utilities companies should reap dividends in time savings, final arrangements, detailed planning and implementation are more effectively managed by the contractor who should be required to contract with each utility company for the works.

The only caveat to this recommendation is that the discount given by utilities companies to public authority clients under the provisions of the NRSWA may not accrue to the works contractor. Although experience has suggested that, if the contractor provides evidence that the works are being undertaken on behalf of a public authority, then most utility companies will offer the same discount. This will be one of the issues to be checked during the early stages of client/utility company engagement; if the discount will not be offered to a contractor, then this aspect of the procurement strategy ought to be re-considered.

With some minor exceptions, the work involved seems suited to transferring a significant amount of design to the construction supply chain; the quality aspects of most of the infrastructure being heavily prescribed by nationally codified highways standards rather than client preference. However, it needs to be acknowledged that the operational performance standards required for the infrastructure need to be set out and the contractor's designs to achieve that performance reviewed for compliance as highways standards may not address these aspects satisfactorily.

The risks accruing from the negotiation of land purchases to a low the new infrastructure to be established within a given boundary is unsuitable to be transferred to a contractor and would almost inevitably lead to delay and cost escalation.

**Please outline the procurement strategy to ensure build out of the wider scheme, including engagement with development partners to date, including use of SPVs, other joint ventures and legal proposals to bring forward homes**

The Chippenham Urban Expansion project is a multi-decade project to deliver a substantial housing development involving both council and privately-owned land. As such it will require a multi-pronged procurement strategy to deliver a range of housing and associated infrastructure in a co-ordinated program to achieve the overarching objectives of the project as well as managing risk and maximising financial resources.

During the inception of the scheme, discussions have been undertaken with all the stakeholders whose land will form part of the road infrastructure. From these discussions, many of the stakeholders have outlined ideas as to how they wish to develop their land, and some are in discussion with developers. Primarily these will be built for build and sale.

The scale of Chippenham Urban Expansion provides Wiltshire Council with the opportunity to develop different sites in different ways – according to the level of control, risk, and type of revenue that is required. Selecting the appropriate delivery options to achieve this will require both analysis and a clear understanding of the risk profiles and their involvement in delivery.

It should be stated that the delivery options considered here – together with their associated characteristics – are not fixed positions. Rather, there is scope and discretion available to the Council to modify each option and characteristic for the specifics of each individual deal and transaction. Given this, the options and characteristics identified here are intended to provide a broad sense of the various delivery models.

The choice of an appropriate delivery vehicle will reflect the Council's overall objectives, framed in the context of the site or development under review. For example, where the Council might want to maximise revenue from development, this may be secondary to minimising the Council's risk exposure where a site is of significant size and complexity in terms of construction and land assembly.

Smaller developments on Council-owned land with minimal land contamination issues might be regarded as being relatively low risk (potentially business as usual). On these lower risk sites, the Council may be comfortable developing the site either within the Council or via a wholly owned company and retaining 100% of all capital receipts and/or long-term revenue streams.

Where sites are more complex (larger scale), different mix, significant infrastructure, multiple landowners etc.), it may be more appropriate for the Council to secure some form of partnership or commercial arrangement with other public and private sector organisations. Depending on the nature of the site, the Council may still choose to participate in the development as an investor and share in the long-term project returns. In these instances, it will be imperative that the Council establishes a robust process for procuring the 'right' type of partner at the 'right' deal.

The Chippenham urban expansion is a large-scale programme that will involve significant investment and expenditure and have a multi-decade duration. Inevitably, delivering this scale entails substantial financial, operational, reputational, and other types of risk. Consequently, a key aspect of the programme's governance will be risk management. Implementing a strong but straight forward risk management system will be crucial to successfully implementing the Chippenham urban expansion

- **Governance** Establish risk appetite and risk tolerance; Develop tools for measuring, recording, and tracking risks; Define

criteria and means for escalating risks;

- **Identification** Regularly assess the delivery plan to identify key events and dependencies – and risks to these. Also consider external factors that could have a detrimental impact on the programme;
- **Assessment & reporting:** Sort risks by category and assess their probability, potential impact, and proximity. Report risks to the appropriate level of governance – according to the escalation criteria;
- **Mitigate:** Develop mitigation measures and incorporate these into delivery plans. Consider contingency options where mitigation options are unavailable or unattractive (costly, time-consuming);
- **Monitor, manage and resolve:** Regularly review new and existing risks – escalating, resolving, closing, or implementing contingency plans as appropriate. In addition to these steps, establishing a culture whereby risks are proactively identified and openly discussed is key to effective risk management.

The approach to governance at Wiltshire Council is based on simplicity, delivering the programme in the most efficient fashion, and avoiding unnecessary activity wherever possible. Two key features are critical to supporting simple and effective governance are responsibilities for decision making are clearly delineated. Decisions can be made at five levels of the governance structure

- Full Council;
- Sponsorship Board;
- Programme Board/Design Authority;
- Delivery Group/Task & Finish Group;
- Technical workstreams.

The level at which a decision is taken will depend upon factors such as significance and risk level. A

robust set of criteria will be established to define the level at which any decision is taken. The second key aspect is Lines of communication are clearly established. This enables issues requiring decisions to be quickly escalated to the appropriate level, and decisions to be clearly communicated to those responsible for implementation.

Over the last 3 years, Wiltshire Council had delivered many housing developments involving both green and brown field sites. These developments have included a sheltered housing project in Amesbury and an extra care unit project in Devizes. In Trowbridge, a general housing development has just been completed and many bungalows have been built across the county. All these were delivered on time and within budget. Lessons learned from these developments will be used to advise the delivery strategy especially for the smaller bespoke developments which will be required.

The developments highlighted above were delivered under Wiltshire Councils Procurement Strategy. The strategy is required to meet and operate within the UK's legal framework and as such, this strategy complies with;

- Public Contract Regulations 2015;
- Wiltshire Council Part 10 Procurement Regulations;
- Public Services (Social Value) Act 2012;
- Modern Slavery Act 2015;
- Money Laundering Regulations 2007;
- Bribery Act 2010;

- Localism Act 2011;

The procurement projects were undertaken using the following fundamental principles;

- Optimising value for money - Ensuring that the procurement of resources delivers cost-efficient and effective outcomes, whilst ensuring competitive pricing and affordability;
- Considering and balancing the quality and cost of the goods, services and works being procured and the total cost of ownership of these to the Council;
- Considering wider benefits realisation and added value to the Council, including social value and benefits for the wider community;
- Taking a proportional approach to minimise risk and maximise outcomes;
- Planning well and minimising the resources required to deliver procurement through adopting an efficient and consistent approach to projects, standardised documents, specifications, and forms of contract;
- Compliant with procurement legislation and the key principles of equal treatment, transparency and proportionality;
- Informed by spend analysis and benchmarking against our peers and other external, comparable organisations. Agreeing appropriate sourcing routes for individual projects; utilising best practice procurement techniques, considering use of consortiums and procurement frameworks where appropriate;
- Recognising the importance of excellent contract and relationship management throughout the procurement lifecycle and resourcing this skill set to manage performance and deliver the right outcomes;
- Sustaining and maximising the benefits and value identified at project initiation and minimising risks throughout the life cycle of the contract.

There are three main ways to procure housing;

- **Traditional:** Involves the contractor undertaking to build in accordance with designs provided by the Council's design team. This provides very tight control of the build a design and is good for simple builds with consistent parameters but does stifle contractor innovation.
- **Design & Build:** The contractor designs (completes the design) and builds according to the Council's brief and specification. This allows the contractor to use their experience to reduce the cost of construction, without affecting value to the Council. This is the model that Wiltshire Council has used on previous housing projects although the level of design work required has varied with each project which has been dependent on the complexity of the site conditions. This is our preferred method of procuring Housing and larger construction projects utilizing JCT and NEC contracts.
- **Management based:** Instead of a contractor, there is a manager who offers co-ordination and management skills, the actual work of construction is carried out by subcontractors and specialists.

Shown below is a summary of a range of potential delivery options available to the Council to help it realise its objectives for Chippenham. A fuller explanation is contained in App30. These delivery options range from a relatively straight-forward site disposal through to more complex partnering approaches and Joint Venture models and on to direct development via a wholly-owned subsidiary. Each delivery option offers the Council a varying degree of control. While the actual risk profile will depend on the characteristics of any transaction, in general a greater amount of control will often result in a related increase in risk profile (financial or otherwise).



**Option 1: Land disposal (no planning consent)**

The Council sell parcels of land to the developer in return for best consideration linked to residual value or a deferred payment, and typically underpinned by a Red Book or equivalent valuation. The Council may agree an overage mechanism with buyer, although establishing the base case in the absence of planning may be difficult, and are deemed surplus or 'non-core' to the Council's key priorities.

**Option 2: Land disposal (planning consent)**

The Council obtains planning consent and then provides parcels of land to developers through outright sale, in return for a sum linked to residual value or a deferred payment, and typically underpinned by a Red Book or equivalent valuation. The Council may agree an overage mechanism with buyer if development outputs exceed base case assumptions. This may suit sites which deliver considerable value uplift that the Council wants to realise, the Council has the in-house capacity to manage planning and pre-development risks and have complex development and delivery programmes.

**Option 3: Development agreement with masterplan developer(s)**

The Council procures a masterplan developer (for one or more sites) who provides resources to fund site preparation and infrastructure works. Plots of land are serviced and packaged by the masterplan developer and typically some if not all are sold to others to deliver.

The Council receives a capital receipt (either upfront or through a deferred payment linked to key milestones) for the land with masterplan developer receiving a percentage of disposal receipts.

**Option 4: Strategic Partnership**

The Council forms a partnership with a strategic partner to identify and source sites, de-risk them through, for example, funding site preparation, securing planning permissions, and delivering infrastructure works and developing them out post-planning. Council may invest land in exchange for shares in the vehicle. Land should be transferred for best consideration and may be underpinned by Red Book valuation or equivalent. Returns are typically generated by developing the land and selling (or retaining) assets delivered on site.

**Option 5: Joint Venture SPV**

The Council forms a corporate partnership with a private sector partner ("PSP"). The Council invest its land into the JV vehicle in exchange for shares. Land should be transferred for best consideration and may be underpinned by Red Book valuation or equivalent. Land may already be enhanced through the undertaking of site preparation or provision of infrastructure by the Council thus creating greater value for the Council. The JV vehicle funds and develops sites on a phased basis. Potential for serviced land/phases to be sold to third party developers

**Option 6: Sale and Leaseback**

Council commits to the development by transferring the freehold (or granting a long leasehold) to the investor and agreeing to take, on practical completion being achieved, a lease (usually 30 to 45 years). Rents are fixed and subject to annual increases linked to CPI/RPI, often with a cap and collar arrangement. At the end of the lease term, the Council has the option to acquire the freehold. Institutional funder typically requires a strong covenant underpinning property related income.

**Option 7: Wholly owned company ("WOC")**

The Council has established an external vehicle in which it is the sole shareholder. Council can transfer land to WOC in exchange for equity. Land should be transferred for best consideration. Council can use cash for further share subscriptions and to lend to the WOC to fund development costs. All Council investment must be state aid compliant and on commercial terms.

**Option 8: Council Direct Development**

Council directly develops with the development directly registered to the Council rather than through an arms-length company.

**Conclusion**

In conclusion, engaging early will be critical to ensuring that the strategic procurement programme is conducted effectively. Where procurement is under-resourced early in a programme lifecycle, programmes often struggle to get stakeholder buy-in – leading to procurement that does not deliver the programmes objectives.

In January 2019, the Wiltshire Council Cabinet agreed to the setting up of a wholly owned Development Company and a £50 million initial drawdown to allow a range of options including, the selling and purchasing of land parcels and entering in to multiple Joint Ventures. As this is a substantial commitment, the following three key aspects need to be in place to deliver effective procurement.

- The first is to establish clear objectives. It is essential that the purpose of procurement is broadly understood and has buy-in from key stakeholders. This will give the procurement, and subsequent implementation clear direction;
- The second objective is managing risk and uncertainty. As with objectives, it is important that the Council clearly establishes its risk position before undertaking a procurement process. This will enable key risks to be mitigated, and selection criteria to take risk appetite into account;
- The third objective is to design an efficient procurement process. The procurement process should flow from objective setting. The process should be designed to establish how suppliers perform against the selection criteria. Consideration must be given to what to test at each stage, as well as the number of bidders to be selected. Ensuring that the pool of bidders is broad enough to provide options, without narrowing down too early (thereby potentially excluding strong bidders) is important to identifying the best providers whilst managing the level of resource dedicated to a procurement.

**Please attach any supporting evidence from contractors / developers which support your proposal**

Filename	Description
App34 Stakeholder Letters of Support Combined.pdf	App34 Stakeholder Letters of Support Combined
App34b Stakeholders letters of support full table.pdf	App34b Stakeholders letters of support full table
App36 Establishing a local housing company and local development company WC cabinet paper.pdf	App36 Establishing a local housing company and local development company WC cabinet paper
App30 5.3.2 - Housing Procurement Options for appendix.docx	App30 5.3.2 - Housing Procurement Options for appendix

**Implementation timescales**

**Please provide an overview of the implementation timescales for your procurement strategy**

Wiltshire Council's excellent delivery record

Wiltshire Council have an excellent record for the delivery of major highway projects. Examples of recent successes include

- A350 North of Chippenham.

The A350 North of Chippenham was a £2.7m scheme, submitted in February 2013, funded partly through the Government's Local Pinch Point Fund. The scheme comprised of a combination of road widening and junction improvements.

- A350 Chippenham Bypass Improvements (Bumpers Farm).

The Bumpers Farm Improvements, completed in February 2016, was a £3.4 million scheme funded by the Local Growth Fund (LGF). This delivered increased capacity along the A350 Chippenham Bypass near Bumpers Farm roundabout.

- A350 Chippenham Bypass Improvements (Badger-Brook and Chequers).

The A350 Chippenham Bypass Improvements (Badger-Brook and Chequers) builds upon the A350 Chippenham Pinch Point scheme and Bumpers Farm Improvements. The £7.1m scheme is funded by the Government's Growth Fund and is currently in the construction period, with a projected completion date of August 2018.

Chippenham Urban Expansion Distributor Road – preferred approach to procurement

The preferred procurement approach for the highways works associated with the Chippenham Urban Expansion distributor road and mitigation is to procure contractors through either a Traditional or Develop & Construct approaches. This will ensure that Wiltshire Council retains control over the delivery of the new infrastructure required allowing for more oversight of the design process and reasonable cost certainty.

Chippenham Urban Expansion Distributor Road – Implementation timescales for procurement.

It is expected that the preferred procurement approach will be adopted for all delivery phases of the road which have the following delivery periods

- Phase 1 railway line, Summix site, to river. Delivery period 04/08/2021 - 03/01/2024.

- Phase 2 river to A4 London Road to Gough/Gleeson and [REDACTED] Delivery period 02/02/2022 - 22/12/2023.

- Phase 3 A350 Lackham roundabout to Gough/Gleeson site. Delivery period 02/02/2022 – 15/08/2023.

- Junction mitigation works. Delivery period 29/06/2022 - 29/08/2023.

Due to programming and resource sequencing each stage of the scheme development and delivery will be phased and as such phasing of the scheme delivery will be phased.

Scheme development from surveys to detail design will be procured, commissioned and managed under Wiltshire Council professional services framework. The timescales for these stages of work are

- Surveys for all phases 01/03/2019 - 31/12/2020.

- Planning and consultation for urban expansion scheme including distributor road 01/11/2019 – 23/01/2020.

- Detail design 26/05/2020 – 19/07/2021.

In order to achieve the programme for delivering the distributor road it is expected that two contractors are appointed to deliver the road in phases. This is primarily because it is considered that one contractor is unlikely to have the resources or capacity to deliver the programme.

The procurement schedule is expected to run in parallel for two contractors for all three phases of road construction. The expected procurement timescales for construction of phases 1, 2 and 3 of the distributor road are

- Contract documents 16/02/2021-26/04/2021 (50 days).

- PQQ 27/04/2021 - 07/06/2021 (30 days).

- Tender pricing/ITT 27/04/2021 - 07/06/2021 (30 days).

- Tender review 08/06/2021 - 19/07/2021 (30 days).

- Cabinet/Council approval 08/06/2021 - 19/07/2021 (30 days).

- Tender award 20/07/2021 - 20/07/2021 (1 day).

- Standstill period 21/07/2021 - 03/08/2021 (10 days).

The procurement for delivering the junction mitigation measures is expected to be deferred to the distributor road due to the scale of works and the expected timing of delivery. The procurement timescales for construction of the junction mitigation works are

- Contract documents 02/11/2021 - 21/03/2022 (100 days).

- PQQ 22/03/2022 - 02/05/2022 (30 days).

- Tender pricing/ITT 22/03/2022 - 02/05/2022 (30 days).

- Tender review 03/05/2022 - 13/06/2022 (30 days).

- Cabinet/Council approval 03/05/2022 - 13/06/2022 (30 days).

- Tender award 14/06/2022 - 14/06/2022 (1 day).

- Standstill period 15/06/2022 - 28/06/2022 (10 days).

In March 2019 Wiltshire Council will be holding an early contractor engagement workshop to inform the strategy for procurement and delivery of the distributor road.

### **Please provide an overview of your phasing and implementation strategy for the wider scheme**

#### **Overview**

The HIF funding represents a significant opportunity for Wiltshire Council to unlock strategic development sites in Chippenham by delivering the Chippenham Urban Expansion Distributor Road which will unlock development sites within the Chippenham Urban Expansion.

The urban expansion site will enable the short, medium and longer-term delivery of housing to meet the identified housing need in the area. The distributor road will be delivered in phases unlocking development sites on its route enabling a phased delivery of housing on the site. Housing will be delivered in a phased approach alongside the delivery of community facilities and infrastructure to meet the vision for the development.

#### **Phasing of housing delivery (App15)**

The expected phasing of housing delivery in the urban expansion represents an ambitious and needed change to housing delivery in the town. This step change will be enabled by the HIF funding which will trigger a step change in the availability of development sites as strategic sites are unlocked by the delivery of the distributor road. A year by year phasing profile is provided, in summary it is expected that the delivery of housing in the urban expansion for five year periods is as follows

- 2019-2023 450 homes.

- 2024-2028 1,400 homes.

- 2029-3033 1,833 homes.

- 2034-2038 2,400 homes.

- 2039-2043 1,417 homes.

This means that before 2035 4,408 houses would be delivered, this represents 59% of the total urban expansion quantum of housing.

This represents an average build out rate across a 25-year programme of housing delivery of 300 homes per year across seven sites.

Housing must be delivered alongside community facilities and infrastructure. An assessment of the infrastructure requirements for the development has identified the phase delivery of this infrastructure.

Programme for securing planning approval

The programme to secure planning approval for the delivery of the distributor road and urban expansion is currently expected to be

- Masterplanning, surveys, planning application documents March 2019 – January 2021.

- Local Plan review call for sites - Chippenham Urban Expansion sites promoted for allocation in emerging Local Plan January 2019 – July 2020.

- Regulation 18 Pre-submission of the emerging Local Plan consultation November 2019.

- Submit hybrid planning application for Chippenham Urban Expansion – distributor road (full) and development (outline) February 2021.

- Approval for Chippenham Urban Expansion hybrid planning application June 2021.

- Detailed design for Chippenham Urban Expansion Distributor Road May 2020 – July 2021.

- Local Plan Review examination in public February 2022.

- Local Plan adoption November 2022.

Delivering the homes

The Chippenham Urban Expansion project is a multi-decade project to deliver a substantial housing development involving both council and privately-owned land. As such it will require a multi-pronged procurement strategy to deliver a range of housing and associated infrastructure in a co-ordinated program to achieve the overarching objectives of the project as well as managing risk and maximising financial resources.

The scale of Chippenham Urban Expansion provides Wiltshire Council with the opportunity to develop different sites in different ways – according to the level of control, risk, and type of revenue that is required. Selecting the appropriate delivery options to achieve this will require both analysis and a clear understanding of the risk profiles and their involvement in delivery.

It should be stated that the delivery options – together with their associated characteristics – are not fixed positions. Rather, there is scope and discretion available to the Council to modify each option and characteristic for the specifics of each individual deal and transaction. Given this, the options and characteristics identified here are intended to provide a broad sense of the various delivery models.

As discussed in detail in response 5.3.2 the options being for delivery vehicles available to Wiltshire Council include (see App30 & App36)

- Option 1 Land disposal (no planning consent)
  
- Option 2 Land disposal (planning consent)
  
- Option 3 Development agreement with masterplan developer(s)
  
- Option 4 Strategic Partnership
  
- Option 5 Joint Venture SPV
  
- Option 6 Sale and Leaseback
  
- Option 7 Wholly-owned company ("WOC")
  
- Option 8 Council Direct Development

Working with landowners

Wiltshire Council is the majority landowner of the Chippenham Urban Expansion, and in its role as the lead delivery agent of the distributor road will use its co-ordinating role to manage this risk by

- Actively engaging in constructive discussions with landowners throughout the process and agreeing a programme with them to achieve signed agreements between relevant parties.
  
- Taking a lead role in developing and securing landowner agreements.
  
- Sharing information and evidence as appropriate to keep landowners informed.

#### **Contract management approach**

**Please provide details of your approach to contract management and any details of any arrangements already in place - this should include charging mechanisms**

The key components of Wiltshire Council's contract management policy which will be applied to the Chippenham Urban Expansion project are

- Ensure that contracts are known and understood by all those who will be involved in their management. Ensure that adequate resource is identified and appointed well before award of contracts and there is an effective handover or transition from sourcing to contract management.

- Be clear about accountability, roles and responsibilities. Ensure contract ownership, management processes and governance mechanisms are clear with defined roles and responsibilities at appropriate levels of seniority. Ensure contracts have a documented Contract Management Plan.

- Establish and use strong governance arrangements to manage risk and enable strategic oversight; ensure that governance structures are proportionate to size and risk of contracts, are suitably empowered and support the business outcomes and objectives. Understand and use contractual options such as appointment of Remedial Advisor, Rectification Plans and Step In rights. Ensure appropriate business continuity and contingency plans are in place.

- Adopt a differentiated approach based on risk; distinguish between tactical and strategic contracts, direct the most/strongest resource to contracts where the risks and rewards are highest. Consider a 'self-managing' approach with exception reporting for lower risk contracts.

- Manage contracts for business/public service outcomes; the owners of the required outcomes should be accountable for successful contract performance and should work closely with commercial staff to manage contracts. Focus on successful outcomes and take account of public service and accountability obligations and risks.

- Accept that change will happen and plan for it; develop flexible approaches to change through joint working with suppliers; accept that change will affect both parties during the contract life, but control costs with robust change control mechanisms. Ensure that senior level assurance and controls are in place to prevent changes from altering the strategic intent of the contract.

- Measure and report on performance and use KPIs and data efficiently to incentivise good performance; administer contracts proactively and efficiently, making maximum use of benchmarking and performance measurement data. Use a balanced scorecard to measure 'hard' data such as KPI performance alongside 'soft' measures e.g. customer satisfaction and relationship management, with a focus on achievement of outcomes. React quickly to issues when they arise. Ensure KPIs and incentives are appropriate and proportionate to the contract.

- Challenge KPIs and incentives regularly and ensure a mechanism to change and evolve them through the life of the contract.

- Drive continuous improvement, value for money and capture innovation; actively use contract tools and provisions to leverage the relationship, continually drive value for money and seek out and implement innovative ideas for improvement.

- Accept that successful delivery of major projects is best achieved through a single fully integrated team where the supplier and the Council work as a single team with one focus, delivery of the successful outcomes.

- Adopt and encourage mature commercial behaviours; understand what drives suppliers behaviour and know how to assess profit vs. excess profit; be open and receptive to ideas, explore and use appropriate commercial structures (e.g. alliances), but remain competent and robust in protecting the Crown's commercial position and driving value for money. Use open book and audit provisions with confidence. Use the Crown Commercial Service's Model Service Contract where appropriate.

To put this in to practice, Wiltshire Council have an existing Contract Management Framework that is divided into three strands of activity.

- **Systems and Processes** - these are the centrally held ICT systems and used to support the department-led contract management activity and the centrally-led agreed processes.

- **Capability and Capacity** - this relates to the skills and knowledge held by the contract managers spread throughout the organisation. To ensure development and share best practice there is a phased training programme available for all contract managers and aspiring leaders which has been in place since 2017 and provided training to 129 individuals.

- **Direct Support from the Strategic Procurement Hub (SPH)** - this includes monitoring a supplier's financial position as well as attending meetings and supporting the contract manager in their communications with the supplier.

To ensure the centrally-led message and approach is consistent and that systems and processes are best practice and conform to all legislative and organisational requirements we have a designated Supplier Relationship Management and Contract Management Specialist (SRM & CM Specialist) based in the SPH.

The roles and responsibilities within the Council are as follows

#### 1. Contract Managers, Senior Relationship Officers (Service Areas)

- Management of contracts in accordance with the Contract Management Framework
- Contribution to the development of and use of corporate guidance and systems

#### 1. Strategic Procurement Hub (SRM & CM Specialist)

- Development and implementation of the Contract Management Framework across the Council
- Advice to Senior Relationship Officers (SRO), Senior Stakeholders and Contract Managers
- Development of tools, templates and systems (in conjunction with contract management users)
- Raising the profile/awareness of good contract management practice

#### 1. Corporate Procurement & Commissioning Board

- Executive oversight and accountability for the usage and effectiveness of the CMF across the Council

All Contracts are categorised as

- Category Platinum Estimated value £5m> risk 50%>

- Category Gold Estimated value £5m> risk 50%<

- Category Silver Estimated value £5m< risk 50%>

- Category Bronze Estimated value £5m< risk 50%<



Risk is calculated using three questions

- How critical are the goods and services?

- How easy would it be to swap supplier?

- What is the size of the supply market?

The weighting applied is

- Price 50%

- How critical are the goods and services? 25%

- How easy would it be to swap supplier? 12.5%

- What is the size of the supply market? 12.5%

The categorisation of a Contract impacts on the contract management approach taken by the SPH and influences support provided. For Platinum Contracts, the financial standing of the supplier is reviewed quarterly, for Silver/Gold it is reviewed every 6 months and for bronze it is conducted annually. The number of meetings and level of involvement varies according to Contract, departmental approach and resources, and situation, but the SPH recommend monthly meetings for Platinum contracts, quarterly or biannually for Gold and Silver and annually for Bronze.

The Strategic Procurement Hub encourages departments to build contract management processes into their contracts, which includes (but not limited to) KPI's, SLA's, meeting schedules, escalation procedures and conflict resolution mechanisms.

Where dealing with template contracts that include contract management procedures, such as NEC or JCT, then the department are required to follow the stipulated approach with procurement support.

For the specific Contract which this funding will cover, Wiltshire Council will establish a Project Board for delivering the scheme. The Project Board will take overall responsibility for its delivery and will be formed by Council representatives at a sufficiently senior level to have authority to act on behalf of the Council. Meetings of the Project Board will take place at least monthly, but will also be linked to key milestones, where they will consider progress through Highlight and Exception Reports, changes to the Risk Register, and changes to the Scheme Implementation Programme.

The Project Board will be led by the Director Highways and Transport as Senior Responsible Owner (SRO) who will be responsible for providing guidance and direction to the Project Manager. The SRO will ensure that the project team is progressing the scheme in line with the Scheme Implementation Programme and that outputs and milestones agreed by the Project Board are achieved.

Following FBC approval, the Project Manager will be appointed by the SRO and will be responsible for delivering the scheme in line with the agreed controls and procedures set out in the Project Plan. The Project Manager will report to, and be accountable to, the SRO and the Project Board. The primary focus of the Project Manager will be to ensure that the scheme is delivered on time, within budget and to specification. The Project Manager will also be responsible for preparing Highlight and Exception Reports. Other members of the team covering property, legal, procurement, planning and design will provide the required project assurance. Atkins as the main supplier and term consultant for Wiltshire Council will provide the technical oversight to carry out these works.

The management of the contract will be carried out by the Project Manager with support and guidance from the SRO with Legal Services and Strategic Procurement also providing support where needed.

Due to the criticality and estimated value of the project, this contract would be categorised as Platinum and as such we would expect the contract management of this project to include (not limited to)

- Staged payments linked to key deliverables (e.g. payment 1 linked to clearing of specific parcels of land, etc)
  
- Monthly meetings between Project Manager, the term consultant, and supplier representative
  
- Clear escalation process
  
- Weekly update reports from supplier
  
- Transparency of the supplier's supply chain allowing Wiltshire Council to anticipate issues and work with stakeholders to minimize risk
  
- Incentivization clauses in the event of early completion
  
- Penalty clauses in the event of delays (excluding force majeure)
  
- Clear pricing and payments schedule including adjustments for inflation and currency fluctuation (if necessary)

Wiltshire Council has a good track record of delivering major highway schemes, including recently the A350 Chippenham Pinch Point Scheme, A350 Chippenham Dualing and M4 Junction 17 improvement. The governance structures, excellent contract management and suitably experienced staff are already in post to take on the delivery of major projects. The knowledge and experience of the team, with additional support from specialist consultants, provides the Council with proven capacity and capability for delivering major highway and similar schemes. These projects used NEC 3 Option B contracts (Bill of Quantities).

The NEC contracts are deliberately written to formalise the requirement to carry out good practice project management systems that should assist the project teams in understanding the status of both time and cost for the lifecycle of the project.

It is intended to provide mechanisms for contractors and project managers to work collaboratively, and are designed to contribute to the effectiveness of the management of the work and the understanding between the two parties.

They are founded on a number of key principles, which include

- Foresight applied collaboratively which mitigates problems and reduces risks
  
- A regularly accepted programme allows the parties to understand where the parties are and assess future progress and change
  
- Provides a prescriptive process for assessing change i.e. compensation events

The Engineering and Construction Contract (ECC) is Suitable for any construction based contract between an Employer and a Contractor. Wiltshire Council uses Option B Priced contract with bill of quantities.

Under Option B, the bill of quantities is a 'traditional' bill of quantities, i.e. a document prepared by the cost consultant (often a quantity surveyor) that provides project specific measured quantities of the items of work identified by the drawings and specifications in the tender documentation. From the employer's specified quantities, the contractor prices its rates accordingly, and bears the risk of carrying out the work at the agreed prices.

The contractor is entitled to interim payments, certified at assessment dates by the project manager as set out in the contract. The price for the work conducted to date is the quantity of completed work for each BoQ item multiplied by the relevant rate and a proportion of any lump sum item in the BoQ. The proportion of the lump sum items to be paid is determined by the extent to which they have been completed.

The contract contains core and secondary option clauses, the shorter schedule of cost components, and contract data.

Wiltshire Council has delivered 2 Assisted Living complex's as well as 16 other smaller build projects across Wiltshire, mainly on brownfield sites. These were contracted under the Joint Contracts Tribunal, also known as the JCT, which produces standard forms of contract for construction. The JCT D&B Contract is designed for construction projects where the contractor carries out both the design and the construction work. Design and build (D&B) projects can vary in scale, but the D&B Contract is generally suitable where detailed provisions are needed.

The JCT D&B Contract is where the contractor is responsible for undertaking both the design and the construction of the work in return for a lump sum price. There are variants on this option depending on the degree to which initial design is included in the client's requirements.

The Council's requirements can range from a simple accommodation schedule to a fully worked out scheme design, but generally should be matched by the contractor's proposals.

The Council has control over the design element included as part of its requirements, but, once the contract is let, has no direct control over the development of the contractor's detail design. The contractor assumes responsibility for design at this point, and usually appoints his own consultants (although the designers may be in-house) to formulate a design or to develop the design in the Council's requirements as necessary. Although it is a common practice for the Council to ask the contractor to take over his own consultants under a novation agreement, there can be problems in such arrangements in terms of design accountability.

There can be reasonable certainty over construction costs because a contract price is known at the outset. Provided that the Council refrains from ordering changes during the construction of the work, the contractor will be obliged, subject to the conditions, to complete the project for the contract sum.

Completion within the contract period is an obligation on the contractor, although the Council may have to accept a later completion to take account of delays due to reasons listed in the contract.

Speculative risks are largely with the contractor but can reduce according to the extent of the design input by the Council. In terms of cost and time this is a relatively low risk procurement option for the Council, but there can be uncertainty over design and quality, particularly if insufficient attention was paid initially to the preparation of the Council's requirements and the checking of the contractor's proposals.

D&B arrangements can take various forms. The Council may take a standard design from a manufacturer, sometimes called a 'package deal', or enter into a turnkey contract. The Council may decide to place the design decision making with the contractor, thereby in theory opting for a single point responsibility; in practice, single point responsibility is not often achieved.

Although the proposed project is larger in scale than previous projects by using our core contract management principles, Wiltshire Council are well placed to deliver the various construction projects and developments that are proposed as part of the Chippenham Urban Expansion project.

#### **Please provide details of the proposed key contractual clauses**

Due to the need for the HIF funding to realise the opportunity presented by the Chippenham Urban Expansion project there are currently no contractual clauses in place at present. This is reflective of the current stage of scheme development, with HIF funding Wiltshire Council would accelerate scheme development.

#### **Additional information**

#### **Please provide details of the proposed key contractual clauses**

Filename	Description
App01 Position statement on highway resilience at Chippenham.pdf	App01 Position statement on highway resilience at Chippenham
App02 spp-swjsf-2017-11-chippenham-housing-market-area-profile.pdf	App02 spp-swjsf-2017-11-chippenham-housing-market-area-pro
App03 Chippenham Urban Expansion HIF - Transport Modelling & Economics TN Issue 2b.pdf	App03 Chippenham Urban Expansion H F - Transport Modelling
App04 SHELAA site references docx	App04 SHELAA site references
App04 shela-2017-appendix-5.4-chippenham.pdf	App04 shela-2017-appendix-5.4-chippenham
App05 Spatial PLanning H F Statement of Support March 2019.pdf	App05 Spatial PLanning HIF Statement of Support March 2019
App06 csap-adopt-adopted-may-2017..pdf	App06 csap-adopt-adopted-may-2017
App08 spp-shma-2017-final pdf	App08 spp-shma-2017-final
App10a Map 1.png	App10a Map 1
App10b Chippenham Urban Expansion scheme map.pdf	App10b Chippenham Urban Expansion scheme map
App10c Map 2 transport labels.pdf	App10c Map 2 transport labels
App12 Chippenham Options Assessment Report Revision_V1_150319.pdf	App12 Chippenham Options Assessment Report Revision
App15 Chippenham H F - Urban Expansion Housing Phasing v1 0.pdf	App15 Chippenham HIF - Urban Expansion Housing Phasing
App16 Rawlings Green Railway Bridge Supporting Information.pdf	App16 Rawlings Green Railway Bridge Supporting Information
App25 Appendix for 5.1.1.docx	App25 Appendix for 5.1.1
App30 5.3.2 - Housing Procurement Options for appendix.docx	App30 5.3.2 - Housing Procurement Options for appendix
App42 SHELAA01StrategicHousingandEconomicLandAvailabilityAssessmentSHELAAMethodology.pdf.pdf	SHELAA01StrategicHousingandEconomicLandAvailabilityAsse
App43 - 5150821 - Revisit Chippenham Transport Strategy Refresh DRAFT v1 2 2016.pdf	App43 - 5150821 - Revisit Chippenham Transport Strategy Refr
APPENDIX INVENTORY.pdf	APPENDIX INVENTORY

## Financial Case

What are the total scheme costs?

██████████

Will the infrastructure costs be 100% funded through HIF?

No

Please provide a summary of the total infrastructure costs of the project

Description	Type	Cost	HIF Funding
Distributor Road	Preparation costs (design and planning)	██████████	██████████
Transport mitigation	Preparation costs (design and planning)		
Rail bridge	Preparation costs (design and planning)		
Transport mitigation	Land (exc. Sunk costs)		
Distributor Road	Construction		
Transport mitigation	Construction		
Rail bridge	Construction		
Supervision: Distributor Road	Other		
Supervision: Transport mitigation	Other		
Supervision: Rail bridge	Other		
Quantified risk: Distributor Road	Other		
Quantified risk: Rail bridge	Other		
Distributor Road	Contingency		
Quantified risk: Transport mitigation	Other		
Early years school facilities	Infrastructure		
Primary Schools	Infrastructure		
Secondary Schools	Infrastructure		
Open space/Sports facilities	Infrastructure		
Public realm - public squares	Infrastructure		
Utilities - total	Infrastructure		

Please provide a summary evidencing how you have assumed these costs

Overall assumptions:

All benefits and costs were assessed over a 60-year appraisal period, beginning in 2018/19.

Costs have been provided here in current prices, as a nominal total where inflation has been added.

Build costs BCIS were inflated by the RICS December 2018 BCIS forecasts for 2018/19 to 2022/23. 3% BCIS inflation was assumed for 2018/19 to 2019/2020, with 5% per annum for 2020/21 to 2022/23. The assumption thereafter was made at 4% per annum.

Land values were inflated by 5% per year in real terms, as per the recommendation in the MHCLG Appraisal Guide, where there was insufficient local evidence to defer from this national level.

Other infrastructure items such as planning and professional fees were inflated in line with the GDP deflator of December 2018, which falls to 2% in the long run after 2024/25. This is a high-level assumption, in the absence of more nuanced item inflation rates.

Transport costs (nominal terms, current prices)

For the generation of outturn costs, values provided in 2017 Q3 prices are used as a starting point, inclusive of the forecast value of risk. These values are profiled over time to identify the range of years in which the various elements of costs will fall.

Inflation indices have been identified, to best reflect the expected rate of future inflation for each element of cost. E.g. construction cost growth is based on the Tender Price Index (TPI) while for preparatory costs the Retail Price Index (RPI) is more representative. This inflation is applied to each cost item, to convert from 2017 Q3 prices into the value at the time the expense will be incurred. E.g. adding 2 years inflation for costs incurred in 2019 or 6 years of inflation for costs incurred in 2023.

The inclusion of this inflation reflects a forecast of actual payments which will need to be made once work is completed.

The TPI has been sourced from RICS BCIS database (Building Cost Information Service), while RPI is provided in DfT's WebTAG databook.

Other infrastructure costs:

The Wiltshire Infrastructure Delivery Plan (IDP) 2016 presented child yield assumptions for new development dwellings as:

- Four 0-2 year olds per 100 dwellings
- Nine 3-4 year olds per 100 dwellings
- 31 primary school age children per 100 dwellings

• 22 primary school age children per 100 dwellings

This derived an estimated need of 975 early years places, 2325 primary school places and 1650 secondary school places.

#### Primary school

Using the projects presented in the Wiltshire Infrastructure Delivery Plan ( DP) 2016, a cost estimate per primary place was determined at £18,758 in current prices. This covers cost across categories such as planning and professional fees

Over the profile of the Chippenham Expansion, there would be a need for 5 primary schools at a mix of 3x420 and 2x630 place capacities, where the profiling has been aligned to build in advance of capacity needs for a new school by calculating the cumulative estimate for 0-4 year olds from the new dwellings over time and flagging needs for new provision as capacity meets half need. This equates to a total of nominal cost of [REDACTED]

#### Secondary school

Using the projects presented in the Wiltshire DP 2016, a cost estimate per primary place was determined at [REDACTED] in current prices. This covers cost across categories such as planning and professional fees

The secondary school needs, drive a need for a new school, which has been assumed as a 1,800 capacity school with 6th form entry for 300 places. This school provision would cost [REDACTED] (without inflation or discounting).

This would likely be north of the housing sites and away from the existing Abbeyfield School. The extension of the existing Hardenhuish School has also been costed in, with an extension for 150 places.

Overall, the secondary school facilities have been costed at [REDACTED] in nominal terms.

This covers the need for 1650 school places, whilst the extension can meet initial school place needs by starting and completing earlier in 2023. The secondary school facilities have also been profiled to be built in advance of capacity needs for a new school.

#### Early years

For 7,500 homes, it is assumed there will be a need for 975 early years places. We have assumed 60 places can be provided at each new primary school – leaving a residual need for 675 places.

The Wiltshire DP 2016 provides some indicative costs and this has been used for a per place cost estimate of [REDACTED] in 2018/19 prices. This drives a total early years facility build cost of [REDACTED] in nominal terms. The school facilities have also been profiled to be built in advance of capacity needs for a new school.

A popular size for private providers for a financially viable full day nursery is to have a site big enough to provide around 80 places.

This would require approximately 0.5 acres for the building, parking and outside play areas. Wiltshire would also look for some funding to be used for nursery that can specifically accommodate children aged 0 to school age with a high level of need, who cannot access their local main stream provision.

#### Health and wellbeing centre

Melksham multi-purpose health and wellbeing centre has been used as a suitable comparator for the provision of health and community facilities, featuring swimming pools, a GP practice, a new library, a café, a sports hall, community space and a studio. This centre has come at a cost of £15m, as provided by WCC.

At this stage, a high-level estimate (2018/19 prices) of £25m has been used, in 2018/19 prices which, given its profile of assumed build for 2027-28, drives a nominal total of [REDACTED] in current prices.

#### Open space and sports facilities

The planning application defined quantum has covered open space for sites 4-7 of Chippenham Expansion with:

- Playing pitches (amenity green space) – 24.1%
- Outdoor sports (park and recreation grounds) – 19.3%
- Equipped/ designated play areas – 4%
- MuGA (children and youth play) – 1.1%
- Informal open space (recreation space) – 48.2%
- Allotments – 3.2%

These shares have been applied to the open space provision of each site, which have the following open space Ha:

- Summix – 22.5
- Chippenham 2020 – 57.4
- Gough, Gleeson – 4
- Wiltshire Council A – 17.5
- Wiltshire Council B – 16.6
- Shiles – 3.3
- Candy – 2.8

A value has been applied on each site's Ha as [REDACTED]. This was then profiled in line with the housing development profile, in proportion to the total provisions above, for a nominal total of [REDACTED] in current prices.

#### Public realm – squares

The Concept Framework provided public realm costs for three larger 'Community hearts' at £3m cost and two 'Community hearts' at £1m cost each. This did not include the Summix or Chippenham 2020 sites. As such, this scale of public realm has been assumed for Chippenham Expansion with the [REDACTED] cost applied to three public realm areas, and profiled for building the three provisions in 2024-2025, 2029-2030 and 2035-36, for a nominal total of [REDACTED] in current prices.

#### Utilities, electricity, water and gas

Some initial analysis has been undertaken for cost estimates for electricity, water and gas:

Electricity – it was assumed there would be a need for 15MVA capacity, through a primary substation, EHV infrastructure, HV and LV infrastructure (including 20 substations) – at a total estimate of [REDACTED] in 2018/19 prices.

Water – water and sewer infrastructure at [REDACTED] and service connections and meters at [REDACTED], in 2018/19 prices. This does not include on-site mains costs (which are picked up in the build costs – see 4.1.4), whilst the upstream reinforcement costs will be covered by infrastructure charges.

Gas – the capacity that is currently available within existing WWU MP/LP gas network is unknown.

On-site gas mains and service connections are £1000/plot, equalling £7.50M in 2018/19 prices.

These estimates derived a total utility cost estimate by being profiled in proportion with the housing development profile, for a nominal total of [REDACTED]

No attachments

Can you provide detailed costing for the housing element of the wider project that forms part of your total scheme costs?

Yes

Description	Type	Cost
Build Cost to Developers	Construction	
Finance costs to Private Developers	Finance costs	
Build costs to Wiltshire Council Site Developers	Construction	
Finance costs to Wiltshire Council Site Developers	Finance costs	
Health & Wellbeing Centre cost to Wiltshire Council Site Developers	Other	

Please provide a summary evidencing how you have assumed these costs

Overall assumptions

See App39.

All benefits and costs were assessed over a 60-year appraisal period, beginning in 2018/19.

Costs have been provided here in current prices, as a nominal total where inflation has been added.

Build costs BCIS were inflated by the RICS December 2018 BCIS forecasts for 2018/19 to 2022/23. 3% BCIS inflation was assumed for 2018/19 to 2019/2020, with 5% per annum for 2020/21 to 2022/23. The assumption thereafter was made at 4% per annum.

Land values were inflated by 5% per year in real terms, as per the recommendation in the MHCLG Appraisal Guide, where there was insufficient local evidence to defer from this national level.

Other infrastructure items such as planning and professional fees were inflated in line with the GDP deflator of December 2018, which falls to 2% in the long run after 2024/25.

Build costs growth

RICS' BCIS forecasts of December 2018 have been used to inflate build costs over the scheme profile. These national forecasts go to 2023 as 3% 2018/19 to 2020/21, and 5% 2020/21 to 2022/23. In considering these rates, we have assumed a long run rate of 4% from 2022/23 for the scheme.

Costings

Housing expenditure items cover the following:

- Construction
- Contingencies
- Planning and professional fees
- Land costs
- Finance

Build costs

The build time per unit is assumed 3 quarters.

Build costs were determined with adjusted BCIS rates per unit, for different housing types – flats, terraced, semi and detached units.

The cost assumptions are derived from the Building Cost Information Service (BCIS) data – using the figures re-based for Wiltshire.

The cost figure for 'Estate Housing – Generally' is £1,228/m<sup>2</sup> at the time of this assessment.

Further, on top of this basic BCIS, there are additional % uplifts for flat sites at 10%. Further, per sqm there are design costs of £2.50 /sqm; Acc & Adt costs of £2/sqm and water connection at £1/sqm.

Site costs are a further 20% on top of the BCIS rate.

Externals are included in this rate, and as such appear as a 0-cost item in the cost breakdown per site.

Being profiled alongside the Chippenham Urban Expansion housing development rate, with BCIS inflation applied.

Contingencies

In the base case we have used a 2.5% contingency on build costs for Chippenham Expansion, where it is deemed a stable area without significant risk that can emerge around land contamination or unknowns. For previously undeveloped and otherwise straightforward sites, a contingency of 2.5% is a reasonable standard. Further, as the site is all greenfield this supports a 2.5% assumption.

Planning and professional fees

Professional fees are applied as a% uplift on the build costs, as:

- Architects – 5%
- QS – 0.5%
- Planning consultants – 0.5%
- Other – 2%

For residential development on reasonably sized sites we have assumed professional fees amount to 8% of build costs in total. This is likely to vary across the sites and sub areas, but 8% is at the top of the expected range for large strategic sites, whilst the fees rate for Rawlings Green development appraisal was 7%.

Planning fees were calculated as a planning application fee per unit, at £462 per unit and £138 per unit for other 50 units.

Land/Sales costs

Sales costs cover stamp duty on residual values below and above £250,000; legal acquisitions at 1.5% of residual value, and further agent and legal fees at 3.5% of total income.

Finance

The developer cashflow and assumption of 6% interest for borrowed funding to serve this derives a finance cost.

Filename	Description
App39 Cashflow pdf	App39 Cashflow

**Please provide a detailed cost plan for the scheme proposed to be fully or part funded by HIF.**

Filename	Description
App39 Cashflow pdf	App39 Cashflow

**Please provide detail on how the land cost included in your scheme costs has been arrived at and the basis of this assumption (if you have included these costs in either your infrastructure or housing costs)**

Wiltshire Council are positively engaged with the landowners of the Chippenham Urban Expansion. At this stage it is not expected that land costs are required for the delivery of the distributor road and land arrangements would be subject to landowner agreements. Landowner agreements are being actively pursued by Wiltshire Council.

Land costs have been assumed for M4 J17 improvements as provided in response 4.4 for what is currently agricultural land.

**Please attach any evidence to support how the land cost has been assumed**

Filename	Description
App20 Compulsory Purchase Note v2.pdf	App20 Compulsory Purchase Note



## Funding and Financing Sources

Have you applied for or received, other public funding or financing for the scheme?

No

What are the overall funding sources for the infrastructure scheme?

Description	Source	Total amount	Amount secured	Amount to secure	18/19	19/20	20/21	21/22	22/23	23/24	Future years
	HIF (this bid)										
A significant proportion of finance for capital highway improvement is channelled through opportunity/competitive funding streams.	Other Central Government										
The [redacted] of CIL funding was calculated by applying the charges from the Wiltshire CIL Charging Schedule (May 2015) to the scheme, considering the	CIL										
Infrastructure costs in relation to schools, early years, open space and public realm have been estimated based on Wiltshire Council planning policies	S.106										
This relates to infrastructure costs in relation to utilities and a bridge that will be covered by the relevant private developer as they are directly	Private Sector (Developer)										
This refers to infrastructure costs in relation to utilities on Wiltshire Council sites and will need to be covered when the site is developed alongside	Local Authority										

What is the proposed funding and financing strategy for the infrastructure scheme? If funding sources have not been secured you should also provide commentary of how this is expected to be secured and progress against this - please reference the above table in your answer

The overall funding sources detailed in 6.2.3 have been presented from Wiltshire Council's perspective as a Local Authority and not as a Land owner/Developer. They are the funding sources required for the whole scheme, covering all sites owned by private developers and Wiltshire Council.

Wiltshire Council are actively exploring several delivery options for its own sites, these include developing the sites through a local development company, or a joint venture, with a delivery partner plus the opportunity to raise capital receipts through the sale of land parcels to local and national developers. The delivery model selected may well be a combination of all the above, seeking to develop new homes at pace and responding to presenting need while managing cashflow and risk.

In preparation for this the Council has approved the establishment of a local housing company and a local development company. Funding has been approved in the 2019/2020 Budget for £50 million for the local housing company, £5 million for the local development company, and £50 million for commercial investment. Both companies will be well established with several schemes completed, by the time Wiltshire Council housing sites are due to be developed in 2025.

For this bid finances have been modelled based on developing sites through the Local Development Company.

HIF £75,054,880

THE HIF grant is essential to unlocking the housing delivery.

The cash flow shows that upfront infrastructure costs are leading to significant cashflow requirements over a period of eleven years. Without the H F grant the level of cashflow required makes the scheme unviable to developers.

The modelling shows the HIF fund is recycled between years 2028 to 2039. Wiltshire Council is unable to cashflow £75 million for this period. Borrowing costs would be significant and it would impact on the Council's approved capital programme and the ability to bring forward its own housing sites in relation to the scheme.

CIL [redacted]

The [redacted] of CIL funding was calculated by applying the charges from the Wiltshire C L Charging Schedule (May 2015) to the scheme, considering the differential rates for the two charging zones that apply to Chippenham and Neighbourhood Plans that exist today. For residential development this is £40 for Zone 1 and £30 for Zone 2. Consistent with each charging zone different levels of affordable housing also apply (40% and 30% respectively), which have also been taken into account. The programme has four development sites in Zone 1, two sites in zone 2 and one site across both zones.

The principle was then applied that CIL generated by the development would be reinvested into Chippenham for sustainable transport projects, two of which are already included on the Council's Regulation 123 list (see below) and have already been allocated CIL funding towards preliminary studies in line with the Council's business processes.

The Council has a process agreed by Cabinet about the prioritisation of CIL spending. This involves considering items on the Regulation 123 List against criteria including:

- how the proposal supports the delivery of growth within the Council's Local Plan;
- whether it would be 'Essential' or 'Place Shaping' infrastructure (NOTE as 'Essential', transportation infrastructure would be a priority);
- whether alternative sources of funding could be used to deliver the project;

- whether it would enable other sources of funding to be secured.

Included within the transport mitigations identified in this programme, two projects are already included in the CIL Regulation 123 List

- A350 Chippenham Bypass Dualing - Badger to Chequers
- Malmesbury Road Roundabout - Additional Capacity Improvement

In December 2018 Cabinet approved an allocation of [REDACTED] CIL funding for preliminary studies for three transport projects, which included Malmesbury Road, demonstrating the Council's commitment to prioritising and delivering this type of infrastructure.

To approve the full amount of C L funding shown in the funding table of [REDACTED] the Council will follow its agreed process involving a prioritisation workshop with members of Cabinet and the Public Service Board to inform a recommendation to Cabinet for approval. If the H F Bid is successful, to enable the development to be unlocked, then these schemes would be categorised as Essential projects under sustainable transport criteria and would be strong candidates for CIL funding.

As at September 2018, the total strategic CIL receipts stood at c £8 million. This is growing at a significant rate annually, and Wiltshire Council has approved spend of only £0 255 million to date. This is for preliminary studies on an Education Scheme and three Transport projects to confirm full costs of these projects and inform bids for future funding. The strategic C L fund will therefore help manage any cashflow timing differences until C L is collected in line with the development and Wiltshire Council's CIL phasing policy.

The [REDACTED] is the total amount of CIL Wiltshire Council will seek cabinet approval to allocate against the Transport mitigations for the whole development. The profile is based on when the funding will be required to fund the mitigations.

It will be the responsibility of the Private Developers and Local Development Company (dependent on which option Wiltshire Council selects to take forward) to pay their CIL contribution to Wiltshire Council. The funding profile does not align to the spend profile for transport migrations however Wiltshire Council can manage this cashflow as it has an established CIL fund of c.£8 million.

The CIL due to Wiltshire Council for its own sites would be [REDACTED]. The Local Housing Company (dependent on which option Wiltshire Council selects to take forward) will fund this from working capital and borrowing.

#### S106 [REDACTED]

Infrastructure costs in relation to schools, early years, open space and public realm have been estimated based on Wiltshire Council planning policies.

These costs will be covered through S106 agreements with private developers and the Local Development Company (dependent on which option Wiltshire Council selects to take forward its own sites) as they will be directly related to the development proposed.

The S106 agreements for Wiltshire Council sites will be [REDACTED] and will be the responsibility of the Local Housing Company (dependent on which option Wiltshire Council selects to take forward) and will be funded by borrowing and income from future sales.

#### Other Central Gov [REDACTED]

A significant proportion of finance for capital highway improvement is channelled through opportunity/competitive funding streams.

Recent/current examples include Local Growth Deals, National Productivity Fund, and MRN (via Sub National Transport Bodies).

The Council has a very strong track record of success in accessing such funds, typically relying on:

- a) having projects developed to a high state of readiness and
- b) demonstrating that projects represent good value for money

Both of which apply to the improvements in question.

If the Council does not secure any grant funds, the Council will look to borrow the [REDACTED] to manage cashflow until the HIF grant is recycled.

The Council has sufficient headroom within its approved authorised operational boundary and authorised limit for external debt to allow for this level if required. The Council will need to approve the borrowing, this will be done as part of 2022/2023 budget setting if grant was unsecured at that stage.

#### Private Sector Developer [REDACTED]

This relates to infrastructure costs in relation to utilities and a bridge that will be covered by the relevant private developer as they are directly related to individual sites.

#### Wiltshire Council Local Development Company / Other [REDACTED]

This refers to infrastructure costs in relation to utilities on Wiltshire Council sites and will need to be covered when the site is developed alongside any CIL or S106 obligations by the Local Development Company (dependent on which option Wiltshire Council selects to take forward). This will be funded by borrowing.

#### Local Development Company

As detailed above funding streams due to the Council for CIL and S106 (total [REDACTED]) and utilities (total [REDACTED]) for the Council sites will be the responsibility of the Local Housing Company (dependent on which option Wiltshire Council selects to take forward).

On 15th January 2019 Wiltshire Council approved the establishment of a local housing company and a local development company,

limited by shares and initially set up as wholly owned subsidiaries of the Council.

As part of 2019/20 budget setting it was approved that the Council will provide loan finance of up to £50 million from 2019/20 to 2023/24 to the local housing company and up to £5 million to fund equity investment, and loan finance to the local development company from 2019/20 to 2023/24. In addition £50 million was also approved for commercial investment, the definition of which includes loans made by the council to any wholly-owned companies in the future or their associates, to a joint venture, or a third party. This can be re-profiled for future years as appropriate or necessary.

The establishment of a local development company is aimed at enabling Council land assets to be developed to meet the strategic economic and social needs of Wiltshire.

Both companies will be well established and will have completed several developments by the time Wiltshire Council housing sites start to be developed in 2025.

The funding streams for the Local Development Company are assumed to be 49% from borrowing (£55 million approved above), 3% from working capital and 48% from income from future sales.

Filename	Description
App39 Cashflow pdf	Cashflow

**What are the overall funding sources for the housing scheme (excluding this bid)?**

Description	Source	Total amount	Amount secured	Amount to secure	18/19	19/20	20/21	21/22	22/23	23/24	Future years
Private Sector (Developer)	Private Sector (Developer)										
Wiltshire Council Local Development Company	Local Authority										

**What is the proposed funding and financing strategy for the housing scheme? If funding sources have not been secured you should also provide commentary of how this is expected to be secured and progress against this - please reference the above table in your answer**

Wiltshire Council Housing Scheme [REDACTED]

Wiltshire Council is actively exploring several delivery options for developing its sites, these include developing the sites through a local development company, a joint venture, with a delivery partner plus the opportunity to raise capital receipts through the sale of land parcels to local and national developers. The delivery model selected may well be a combination of all the above, seeking to develop new homes at pace while managing cashflow and risk.

On 15th January 2019 Wiltshire Council approved the establishment of a local housing company and a local development company, limited by shares and initially set up as wholly owned subsidiaries of the Council.

As part of 2019/20 budget setting it was approved that the Council will provide loan finance of up to £50 million from 2019/20 to 2023/24 to the local housing company, and up to £5 million to fund equity investment, and loan finance to the local development company from 2019/20 to 2023/24. In addition, £50 million was also approved for commercial investment, the definition of which includes loans made by the council to any wholly-owned companies in the future or their associates, to a joint venture or a third party.

The proposal to develop a local development company is aimed at enabling Council land assets to be developed to meet the strategic economic and social needs of Wiltshire.

Both companies will be well established and will have completed several developments by the time Wiltshire Council housing sites start to be developed in 2025. The return generated will be available for re-investment into the Local Development Company alongside the Council's land as a viable option for developing out the Wiltshire Council housing sites.

Future borrowing will be required if the Council chooses to develop all sites through the Local Development Company. This will be approved as part of 2024/2025 Budget setting based on a detailed business case. Alternatively, the Council may seek to sell some land parcels to generate receipts to build out other housing sites, or enter into a partnership where the land is put in as equity and the house build funded by a private developer.

The Council is establishing a Local Housing Company aimed at providing residential accommodation in Wiltshire to meet wider strategic housing needs as well as generating long term revenue returns for the Council.

The Local Housing Company will buy units from the Local Development Company depending on its portfolio, market demand and business case at the time. This will generate receipts for the development company to reinvest and progress with future phases of the development. This negates some of the risk and time delays of selling on the open market, ensures receipts are generated when required and are available as a funding source.

No attachments

## Gross Development Value

How much is the assumed Gross Development Value (GDV) for the scheme?

██████████

Please provide a breakdown of the assumed GDV of the scheme in relation to the below

Private sale

Rent income

Affordable sales income

Commercial income

Other



Please provide a summary evidencing how you have assumed the GDV subject to this bid

Section 4.1.7 sets out the assumptions and approach to the calculation of GDV for Economic Case, where the Financial Case has some diversion from this assumption and approach and these are the focus here.

The GDV presented in 6.3.1 is the nominal undiscounted value.

In short, the approach to calculating GDV (as covered in 4.1.7) is for the scheme units, as determined in market, affordable and intermediate provision, to be profiled as an income stream using housing values. The modelled price points are provided in Table 3 of App22.

These are then grown as a profile according to the land value growth rate of 5% (as assumed and detailed in 4.1.7).

Section 4.1.7 determines the housing build out and values used for the economic case, whilst the financial case considers the affordable units at their actual value rather than the open market values as per the Economic Case, where Section 4.1.7 sets out the evidence for the market values per sqm by unit type.

The affordable and intermediate housing assumptions are detailed below.

The following sets out the assumptions for the intermediate and affordable units as part of the scheme:

Intermediate units are all valued at 65% of the market value, whilst affordable units are valued at £1,540 (47% of market value) and this is detailed below. As confirmed by the WCC, it is assumed that all affordable housing for rent is provided as Affordable Rent rather than Social Rent.

### Affordable housing values

The Council has a policy (Core Policy 43 – Providing Affordable Housing) that seeks 40% affordable housing on sites in the Chippenham area. We are advised by the Council that the preferred tenure split is 60% Affordable Rent and 40% shared ownership. This has formed the basis of the modelling. In terms of mix, at the request of the Council we have included a number of 1 bed and 5+ bed units in the Affordable Rent tenure.

In this assessment, it is assumed that affordable housing is constructed by the site developer and then sold to a Registered Provider (RP). This is a simplification of reality as there are many ways in which affordable housing is delivered, including the transfer of free land to RPs for them to build on or the retention of the units by the scheme's overall developer.

There are various methods used to assess the value of affordable housing; here a capitalisation of gross rent was used. It has been assumed the rent is in line with the Local Housing Allowance cap. These are set relative to market rents. It is assumed that, because a typical Affordable Rent unit will be new, it will command a premium rent that is a little higher than equivalent older private sector accommodation. In estimating the likely level of Affordable Rent, a survey of market rents across the nearby settlements was undertaken. There is relatively little variation in rents, except for the larger units, where two bed rents were found to be £552, three bed £682, four bed £900 and 4 bed £1200.

As part of the reforms to the social security system, housing benefit /local housing allowance is capped at the 3rd decile of open market rents for that property type. The HCA affordable rent data was used alongside Valuation Office Housing Allowance caps for the West Wiltshire Broad Rental Market Area.

In calculating the value of affordable rents, it is assumed the rent is set at the LHA cap, where 10% management costs, 4% voids and bad debts and 6% repairs are allowed for and capitalised the income at 5%. It is important to note that voids in the affordable sector are relatively low (2.2% according to the 2011 SHMA). Historically, rent arrears in the affordable sector has run at between 4% and 5%. There are some concerns that this may increase with the move to Universal Credit. It is therefore necessary to take a relatively cautious view on value.

These methods, under the Affordable Rent tenure, derived a value of £1,540/m<sup>2</sup>. Further, the Council advised that the value of housing in this tenure were generally around 50% of market value (and sometimes higher). Based on the values of market housing above £1,540/m<sup>2</sup> would be about 50% of market value.

### Intermediate

Intermediate products for sale include shared ownership, discount market sale, and shared equity products. Since April 2015 there have been 14 shared ownership homes and 5 Discount Market Units completed in the Chippenham Community Area. There are 9 shared ownership units currently on site in Chippenham. A further 126 shared ownership units and 90 Discount Market Sale units have planning consent in Chippenham.

A value of 65% of open market value is assumed for these units. This is based on purchasers buying an initial 50% share of a property and a 2.75% per annum rent payable on the equity retained. The rental income is capitalised at 4% having made a 10% management allowance.

It is assumed that at least 10% of the overall housing is intermediate housing so as to be in line with Paragraph 64 of the 2018 NPPF.

Filename	Description
App20 Compulsory Purchase Note v2.pdf	App20 Compulsory Purchase Note v2

Please provide a cashflow for both the infrastructure and the overall development or housing scheme (if available). Please provide details on any growth and inflation assumptions made

Filename	Description
App39 Cashflow pdf	App39 Cashflow

#### Recovery

Do you aim to recover any of the funding (to be retained locally)?

Yes

Please provide assumed profile of recovery

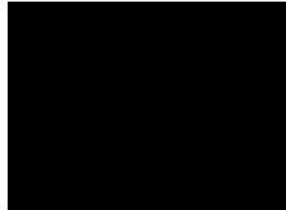
Up to 2020

2020-2025

2025-2030

2030-2035

Future years



How will the funding be recovered?

At this stage recovery has been assumed based on an average price per unit. This will be refined as part of the planning process as each separate housing site comes forward.

Wiltshire Council will seek legal agreements with private developers and the Local Development Company to recover the HIF funding on individual housing sites over a five-year period. Recovery will only be sought when cashflows turn positive to enable housing development to proceed at pace and to maximise the number of houses built in the shortest possible space of time. In this way the H F fund is still recycled, and development is not delayed.

How do you intend to use recycling to support future housing delivery in your area?

Wiltshire Council will establish a separate ring-fenced pot of funds which will be made up of monies recovered from the development of Chippenham's Urban Expansion and which will be independently identified as H F recovery funds. The Council will then assess new housing schemes coming forward through the Planning Process and will attribute HIF recycled funds according to criteria to be established. These criteria will include a BCR calculation like that applied to this HIF submission ensuring that best value for the recycled funds is being achieved. In addition, the Council will apply relevant strategic criteria to any proposed development and its attachment to the Council's core policy objectives. The award of H F recycled funds will be targeted at the housing areas of most need in addition to areas of greatest impact. These will include, but will not be limited to:

- o Housing provision that drives or supports economic growth and delivers new, or secures existing, jobs
- o Homes that answer a presenting social need, inter alia

? Extra care

? Elderly and supported living

? Key worker

? First time buyer

? Young families

? Key sector provision

? Homelessness recovery or prevention

? Etc

o Addresses causes of delivery failure in a specific area to unblock a scheme or schemes

o Pump primes the early phases of a development to build momentum and secure follow on investment

The Council will also expressly explore innovation in housing technology to deliver safer more efficient homes in whatever category of social need is presented.

Furthermore, the Council will actively pursue the construction of homes for rental in the private sector to both overcome the non-affordability of homes, particularly at the first-time buyer end of the market, and to provide an increasing stock of long-term revenue earning assets. The objective is to add yet further to the Council's ability to deliver more and better housing in the long term and also to protect the delivery of core services by the addition of an additional revenue stream.

In this way the Council envisages the recycling of the original HIF funds to bring housing benefits to the County for decades beyond the original scheme.

#### Additional Information

If you have any further information to support the Financial Case for your project, which has not already been captured in the above, please include this here

Filename	Description
App01 Position statement on highway resilience at Chippenham.pdf	App01 Position statement on highway resilience at Chippenham
App02 spp-swjsf-2017-11-chippenham-housing-market-area-profile.pdf	App02 spp-swjsf-2017-11-chippenham-housing-market-area-pro
App03 Chippenham Urban Expansion HIF - Transport Modelling & Economics TN Issue 2b.pdf	App03 Chippenham Urban Expansion H F - Transport Modelling
App04 SHELAA site references docx	App04 SHELAA site references
App04 shela-2017-appendix-5.4-chippenham.pdf	App04 shela-2017-appendix-5.4-chippenham
App05 Spatial PLanning H F Statement of Support March 2019.pdf	App05 Spatial PLanning HIF Statement of Support March 2019
App06 csap-adopt-adopted-may-2017..pdf	App06 csap-adopt-adopted-may-2017
App08 spp-shma-2017-final pdf	App08 spp-shma-2017-final
App10a Map 1.png	App10a Map 1
App10b Chippenham Urban Expansion scheme map.pdf	App10b Chippenham Urban Expansion scheme
App10c Map 2 transport labels.pdf	App10c Map 2 transport labels
App15 Chippenham H F - Urban Expansion Housing Phasing v1 0 pdf	App15 Chippenham HIF - Urban Expansion Housing Phasing
App16 Rawlings Green Railway Bridge Supporting Information.pdf	App16 Rawlings Green Railway Bridge Supporting Information.
App39 Cashflow pdf	Cashflow
App40 - 2.3.1 Housing Policy Objectives Supporting Information.pdf	App40 - 2 3.1 Housing Policy Objectives Supporting Information
App42 SHELAA01StrategicHousingandEconomicLandAvailabilityAssessmentSHELAAMethodology.pdf.pdf	App42 SHELAA01StrategicHousingandEconomicLandAvailabilityAsse
App43 - 5150821 - Revisit Chippenham Transport Strategy Refresh DRAFT v1 2 2016.pdf	App43 - 5150821 - Revisit Chippenham Transport Strategy Refre
APPENDIX INVENTORY pdf	APPENDIX INVENTORY

## Management Case

### Project Dependencies

Description	Critical	Outside of direct control
Planning – masterplanning The next stage of the Chippenham Urban Expansion project is dependent on the masterplanning element being completed. The masterplanning will build on the constraints and opportunities identified as part of the Concept Framework. This is a critical element of the project because it will include detailed surveys as only desktop surveys have been undertaken to date. The masterplanning process will also allow for further development of the design aspirations of the site. The process is also integral as it will involve stakeholder engagement to ensure that the proposals are community centric. The masterplanning process will include extensive public and stakeholder engagement to ensure the proposal is sound and can have local buy-in.	Yes	No
Planning - applications The Chippenham Urban Expansion scheme is dependent on the planning applications for the site being approved. Two of the sites have already received outline planning permission, as well as the railway bridge which has received full planning permission	Yes	Yes
Rail line To construct the rail crossing required at the Rawlings Green/Summix site, successful liaison with Network Rail will be required. This has currently been accounted for in the current programme. This is not critical as the road can be constructed up to this point.	No	Yes
Availability of Land The availability of land is critical to the to the delivery of the full scheme. Without the buy-in from landowners, then the project will not be able to be delivered. However, as a key landowner, Wiltshire Council already own two of the proposed sites to be developed which minimises the risk to the project, and has also gained letters of support from the other landowners.	Yes	Yes
Utilities New utility infrastructure and connections to utilities is critical to the delivery of homes. Although outside of the Council's control, utility companies have been contacted and engaged with. The utilities for individual plots will be identified by the developer, however comprehensive utility surveys will be undertaken as part of the masterplanning phase to identify further constraints in addition to the surveys undertaken to date as part of the Concept Framework.	Yes	Yes
External Sign Off Dependent on the successful liaison with the local communities ensuring they are included in regular updates throughout the development of the scheme and to ensure that they are involved in the planning of the developments. Comprehensive stakeholder and public engagement is proposed as part of the next phase of the masterplanning process.	Yes	Yes
Internal sign-off Political and internal stakeholder buy-in from Council officers and members is important to ensure the success and development of the project. Key stakeholders have been engaged with throughout the development of the H F bid to ensure that the project is fully supported. To date, the project has received support from these stakeholders and therefore this is not considered a critical project dependency.	No	No
Wiltshire Local Plan Review Wiltshire Council are in the process of undertaking a full review and refresh of the Wiltshire Local Plan. This is a dependency of the Chippenham Urban Expansion scheme because the scheme depends on the sites within it to also be allocated within the plan.	Yes	Yes

### Project governance, organisation structure and roles

#### Please outline the authority's approach to governance and oversight of the delivery of the proposal. This should include how you will work with any other key delivery partners (such as other landowners)

Wiltshire Council has established a full governance structure to ensure that responsibilities for decision making are clearly delineated. The purpose of this is to provide an over-arching framework that enables to council to plan, control and manage projects effectively. This is achieved through a clear governance structure outlined below identifying roles and responsibilities, making informed decisions through high-quality management information and reporting, and through ensuring that the governing process is in place from start to finish of the project.

Decisions can be made at five levels of the governance structure; Full Council; Sponsorship Board; Programme Board/Design Authority; Delivery Group/Task & Finish Group; and Technical workstreams as outlined below.

#### Full Council

The Full Council will oversee the entire programme and has the responsibility of making key decisions to shape the programme direction.

#### Sponsorship Board

The Sponsorship Board consists of several cabinet members and officers who have been delegated by the cabinet to oversee the programme and take decisions and escalate to the cabinet where appropriate. The key tasks of the wider Sponsorship Board include reviewing programme progress and making decisions or actions as required to enable further progress; escalating issues to full cabinet as required; overseeing internal programme communications; overseeing external programme communications (with the public, business, government & wider public sector, landowners etc.). Leader of the Council has been identified as Programme Sponsor and has overall responsibility for the programme, chairs the Sponsorship Board and leads the engagement with key stakeholders.

#### Programme Board/Design Authority

A Programme Board/Design Authority has also been established as a key officer group who will report to the Sponsorship Board. All

key decisions are run through the Design Authority, and the purpose of the group is to hold the programme to account. Meetings of the Board will take place at least monthly, but will also be linked to key milestones, where they will consider progress through Highlight and Exception Reports, changes to the risk register, and changes to the Scheme Implementation Programme. The members of the Board consist of key council officers and will be led by Corporate Director as Senior Responsible Officer (SRO) who will chair the Project Board and be responsible for providing guidance and direction to the Project Director and Project Manager. The other members represent key council departments with appointed officers at a strategic level; Economic Development, Growth Investment & Commercial, Housing & Estates, Transport/Highways, Legal, Finance, Government and Communications. The Project Director and Project Manager are responsible for delivering the scheme in line with the agreed controls and procedures set out in the Project Plan. They will report to, and be accountable to, the SRO and the Project Board. The primary focus of the Project Manager will be to ensure that the scheme is delivered on time, within budget and to specification, working under the guidance of the Project Director. The Project Manager will also be responsible for preparing Highlight and Exception Reports. The Board also is responsible for setting the design principles and overseeing delivery against these principles, advises on implementation approach and can call upon the Design Advisory for support and advice as and when required. The Board takes or escalates programme decisions as appropriate.

#### Design Advisory

The Design Advisory is an external group that provides independent and expert advice to support the Programme Board/Design Authority. The Design Advisory will be appointed as required throughout the project lifecycle with skills and experience relevant to meet programme needs. The Purpose of the group is to provide independent advice on programme direction and key decisions, and to provide expert support as required.

#### Delivery Group/Task & Finish Group

The Delivery Group/Task & Finish Group contains the Programme Management Office. The Group is responsible for managing the delivery of the programme, overseeing technical implementation and reporting to the Programme Board/Design Authority.

#### Technical Support

The project will be supported by a variety of internal and external specialists according to the needs of the programme. This will be divided into a number of workstreams to draw upon technical skills to deliver the programme as directed by the PMO. The technical support will report to the PMO. Various internal and external experts to cover all technical areas required by the programme (e.g. Finance; Communications; Tax, Spatial planning, Urban Design, Economic Development etc.)

The Council will also appoint a Strategic Delivery and Financial partner, and a Technical partner to support the project delivery.

#### Strategic delivery and financial partner

The council will benefit from a Strategic Delivery and Financial Partner to ensure that the development meets the challenging programme of delivery. Alongside technical preparation, Wiltshire Council will establish a clear financial and strategic basis from which to deliver the Chippenham Urban Expansion. Key aspects of this preparation will include:

a) Financial analysis: Undertaking robust financial analysis to understand the project economics and, where necessary, explore ways to improve viability. This will require working closely with the technical partner on issues such as:

- Timing.
- Local market conditions.
- Funding/financing requirements.
- Optimising the value of the programme.

This financial analysis will be critical in enabling the Council to answer the following key questions about financial viability:

- What is the Project IRR and how does it compare to investment return requirements?
- What is the peak funding requirement and when does it occur?
- How deep and for how long is the funding requirement?
- What is the break-even period/when does the project begin to generate a return on investment?
- What are the tax implications of the different options for delivering the programme?

a) Governance and programme management: Supporting the development and running of an appropriate governance structure to implement and oversee implementation of the programme.

b) Selecting delivery vehicles: Establishing a firm basis for testing the most appropriate vehicle(s) for delivering the programme (see 'Delivery vehicles' section below)

#### Technical partner

In order to be ready to implement the Chippenham Urban Expansion, Wiltshire Council requires:

- A strong understanding of the road infrastructure that will be developed to enable the programme (route, cost, construction time etc.)
- A masterplan for the Chippenham urban expansion

Having a clear understanding of these two aspects will enable the Council to take key steps such as: attracting investment (HIF or otherwise), effectively consulting on the programme, and preparing the appropriate delivery to oversee the programme. Delivering a masterplan and detailed plan for road infrastructure will require specific external support. Whilst the Council will guide and input into this process, it is clear that external expertise will be required to deliver aspects of the programme.

External expertise will be required to provide Wiltshire Council with the required support within the timeframes set out in the Delivery Timeline.

In the longer term, delivering the Chippenham Urban Expansion will require Wiltshire Council to develop its capacity to implement complex large-scale development programmes. This can be achieved through blending a variety of approaches, including:

- Building the capability of existing personnel.
- Employing new personnel with the required skills.
- Procuring specific external expertise. External support can be divided into:

O Specific support: External support with a specific support or activity (e.g. advice on selecting the most appropriate delivery vehicle for a particular site to be developed)

O 'Flow' support: Ongoing support with the delivery of the programme (e.g. ongoing programme management support) – this is the strategic finance delivery partner.

Selecting the most appropriate approach will require the Council to consider in each case the particular requirements of the capacity/capability gaps that they are addressing. For example, the role of the Design Advisory partner will best be filled through identifying an external partner, whereas other areas can be more effectively delivered through the Council developing its internal



capacity. In other areas, such as programme management, the Council has strong capability, but may have to develop its capacity through support from external sources.

Overall, a core principle of the Council's approach to developing its capacity will be to place a focus upon developing institutional knowledge and expertise. Building capacity in this way will not only enable the Council to implement the Chippenham Urban Expansion, but will also put the Council in a position to implement other programmes on a similar scale in the future.

#### Landowners

External stakeholders and relevant landowners have already been identified and engagement is a continuous process. Wiltshire Council has obtained letters of support from the stakeholders and landowners who are key to the scheme, which are included in App34. Formal agreements will be agreed with the landowners as the next phase of the project. It is envisioned that the landowners will make their land available through Option Agreements, with the landowners granting the council an option for the purchase of freehold interest in the part of the land which is required for the construction of the highway infrastructure. The process for the land for the houses and other related infrastructure such as employment and community facilities will be determined depending on the delivery strategy selected by the Council.

The preferred options for delivery at present are outlined below.

Smaller developments on Council-owned land with minimal land contamination issues might be regarded as being relatively low risk (potentially business as usual). On these lower risk sites, the Council may be comfortable developing the site either within the Council or via a wholly owned company and retaining 100% of all capital receipts and/or long-term revenue streams.

Where sites are more complex (larger scale), different mix, significant infrastructure, multiple landowners etc.), it may be more appropriate for the Council to secure some form of partnership or commercial arrangement with other public and private sector organisations. Depending on the nature of the site, the Council may still choose to participate in the development as an investor and share in the long-term project returns. In these instances, it will be imperative that the Council establishes a robust process for procuring the 'right' type of partner at the 'right' deal.

#### **Please provide details of the authority's resourcing for the proposal**

The resources required to manage and deliver the scheme are in place. The officers and members who have been identified for key roles in the resourcing of the project are outlined below.

The Leader of Wiltshire Council has been identified as Programme Sponsor and has overall responsibility for the programme, chairs the Sponsorship Board and leads the engagement with key stakeholders. She will be supported by the Cabinet member for Finance and the Corporate Director for Growth Investment & Place.

As more programmes are created, a Portfolio Board will be created to provide oversight and leadership for the Council's place-based development activities. This board will be formed by selected cabinet members and council officers, who will be identified at the time. The board will run alongside and feed into the Sponsorship Board.

The Programme Board/Design Authority reports to the Sponsorship Board and Full Council and is responsible for all key decisions and holds the programme to account. The Senior Responsible Officer for the Board is the Corporate Director for Growth Investment & Place, supported by the Programme Director and the Programme Manager. The board is also made up of several key staff from the authority and is supported by an external Design Advisory partner. The officers on the board cover the specific expertise as outlined below:

- Economic Development – Tim Martienssen;
- Growth Investment & Commercial – Alan Richell;
- Housing & Estates – Simon Hendey;
- Transport/Highways – Parvis Khansari;
- Legal – Ian Gibbons;
- Finance – Becky Hellard;
- Governance – Robin Townsend; and
- Communications – Laurie Bell.

The board will be managed and led by the Senior Responsible Officer, the Corporate Director for Growth Investment & Place.

The Delivery Group/Task & Finish Group contains the Programme Management Office. The Group is responsible for managing delivery of the programme, overseeing the technical implementation and reporting to the Programme Board/Design Authority. The Delivery Group/Task & Finish Group is the responsibility of the Programme Director and the Programme Manager. The Group is made up of Council officers who are responsible for delivery. The resourcing for this group is as follows:

- Economic Development – Tim Martienssen;
- Housing – Simon Hendey;
- Estates – Nick Derbyshire;
- Transport – Alan Creedy;
- Legal – Frank Cain;
- Finance – Leanne Sykes;
- Governance – Paul Kelly; and
- Communications – Ceri Tocock.

The Delivery Group/Task & Finish Group will be supported by ad hoc technical support by a variety of internal and external specialists according to the needs of the programme. This will be divided into a number of workstreams according to the demands of the programme. The identification of individuals will draw upon technical skills to deliver the programme as identified by the Project Management Office. All technical support will report to the Project Management Office. Specialities may include Finance, Communications, Tax, Spatial Planning, Urban Design and Economic Development).

Wiltshire Council has the capability to provide support and advice across a number of these areas. However, the Council does not currently have the capacity required to fully deliver the Chippenham urban expansion in any of these areas. Addressing this capacity gap will be a long-term process – with progress required sooner in some areas than others. Overall, through this staged process, Wiltshire Council will develop experience and ability in delivering place-based development programmes – developing a stronger commercial understanding that will be crucial to in securing revenue for the council in the future.

The procurement of the scheme is described in the Commercial Case. Other than the traditional form of procurement, the main contractor would be responsible for the detailed design and construction. This will represent the largest part of the resource required

for delivery, although it will still be necessary to identify the resources necessary to provide an adequate level of commercial and technical support. This will be determined by the Programme Board/Design Authority at the appropriate time.

**Please attach an organogram depicting the governance structure and/or roles and responsibilities within the authority**

Filename	Description
Governance Structure - FINAL pdf	Governance Structure - F NAL

**Project management arrangements and project plan**

**Please provide details of the overall project management delivery arrangements for the project, including any challenges or constraints to delivery of the project**

The overall project management for the project will be undertaken by the Delivery Group/Task and Finish Group which has been established by Wiltshire Council.

The Delivery Group/Task & Finish Group contains the Programme Management Office. The Group is responsible for managing the delivery of the programme, overseeing technical implementation and reporting to the Programme Board/Design Authority.

The Group is led by the Programme Director and Programme Manager. The other group members are council officers responsible for delivery from the following council departments: Economic Development; Housing; Estates; Transport; Legal; Finance; Governance; and Communication.

The Group is also responsible for coordinating programme governance, managing programme implementation by overseeing technical support workstreams, monitoring risk management and issue resolution, and coordinating production of programme highlight reports and other key programme data to ensure that Design authority and Programme board are kept informed and able to make decisions. The Group is led by the Programme Director and reports to the Programme Board/Design Authority through the Programme Director and Programme Manager.

One key activity that the Council is progressing whilst awaiting the HIF allocation decision is to begin to develop the capacity and capability that will be required to deliver the programme. The Council can ensure that the required support (internal and external) is in place to begin implementation as soon as the key financial decisions are taken.

There are currently eight potential delivery options for the scheme which are detailed below. These delivery options range from a relatively straight-forward site disposal through to more complex partnering approaches and Joint Venture models and on to direct development via a wholly-owned subsidiary. Each delivery option offers the Council a varying degree of control. While the actual risk profile will depend on the characteristics of any particular transaction, in general a greater amount of control will often result in a related increase in risk profile financial or otherwise).

The scale of Chippenham Urban Expansion provides Wiltshire Council with the opportunity to develop different sites in different ways – according to the level of control, risk, and type of revenue that is required. Selecting the appropriate delivery options to achieve this will require both analysis and a clear understanding of the council's appetite for risk and involvement in delivery.

**Option 1: Land Disposal (no planning consent)**

The Council sell parcels of land to the developer in return for best consideration linked to residual value or a deferred payment, and typically underpinned by a Red Book or equivalent valuation. The Council may agree an overage mechanism with buyer, although establishing the base case in the absence of planning may be difficult.

The benefits of this approach are that the development, demand, economic, planning and cost risks are transferred to the developer, and the structure of this method is familiar to funders and developers. However, the council exits at the point of sale so therefore has limited ability to influence masterplanning or delivery. This can lead to a lack of long term spatial strategy.

**Option 2: Land Disposal (planning consent)**

The Council obtains planning consent and then provides parcels of land to developers through outright sale, in return for a sum linked to residual value or a deferred payment, and typically underpinned by a Red Book or equivalent valuation. The Council may agree an overage mechanism with buyer in the event that development outputs exceed base case assumptions.

As with the previous option, advantages of this approach are that the majority of risk will be transferred to the developers, however the council again exits at the point of sale so therefore has limited ability to influence masterplanning or strategy.

**Option 3: Development agreement with masterplan developer(s)**

Using this approach, the Council procures a masterplan developer (for one or more sites) who provides resources to fund site preparation and infrastructure works. Plots of land are serviced and packaged by the masterplan developer and typically some if not all are sold to others to deliver. The Council then receives a capital receipt (either upfront or through a deferred payment linked to key milestones) for the land with masterplan developer receiving a percentage of disposal receipts. This approach is beneficial for complex sites.

This approach maintains a degree of control over the sites for the Council, whilst much of the risks are transferred to the developer. However, in most cases, this approach relies on a single key delivery partner, and procurement, and particularly negotiation at preferred bidder stage, can be lengthy and can have implications to the programme for delivery.

**Option 4: Strategic Partnership**

In a Strategic Partnership, the council forms a partnership with a strategic partner to identify and source sites, de-risk them through, for example, funding site preparation, securing planning permissions, and delivering infrastructure works and developing them out post-planning. The Council may invest land in exchange for shares in the vehicle. Land should be transferred for best consideration and may be underpinned by Red Book valuation or equivalent. Returns are typically generated by developing the land and selling (or retaining) assets delivered on site.

Benefits of this approach are that the Council maintains some control over the site, but can simultaneously draw upon private sector expertise. The risks associated with the site are also shared with the partner. This approach can lead to a limited opportunity for the Council to capitalise in full on future uplifts in value or returns where land is sold.

**Option 5: Joint Venture SPV**

The Council forms a corporate partnership with a private sector partner ("PSP") and invests its land into the JV vehicle in exchange for shares. Land should be transferred for best consideration and may be underpinned by Red Book valuation or equivalent. Land may already be enhanced through the undertaking of site preparation or provision of infrastructure by the Council thus creating greater value for the Council. The JV vehicle funds and develops sites on a phased basis, whilst there is potential for serviced land/phases to be sold to third party developers.

This approach ensures that the council retains some control over development activities, whilst there is sharing of expertise, costs and funding between the Council and PSP, as well as shared risk. However, the Council remains exposed to some risk of losses and delivery failure, and as the profits are shared with JV partner, this creates some scope for leakage of any increase in land value.

#### Option 6: Sale and Leaseback

In this approach, the Council commits to the development by transferring the freehold (or granting a long leasehold) to the investor and agreeing to take, on practical completion being achieved, a lease (usually 30 to 45 years). Rents are fixed and subject to annual increases linked to CPI/RPI, often with a cap and collar arrangement. At the end of the lease term, the Council has the option to acquire the freehold. Institutional funder typically requires a strong covenant underpinning property related income.

This allows the council to retain some control over the build process through a system which is relatively simple. Typically, freehold reverts to the Council for nominal sum at end of lease term. The disadvantages are that this approach is a long-term commitment and is expensive to break. The demand risk sits with the Council, as does the inflation risk as lease payments inflate over time. This option is potentially expensive compared to the others.

#### Option 7: Wholly-owned company (WOC)

The Council has established an external vehicle in which it is the sole shareholder and can transfer land to WOC in exchange for equity. Land should be transferred for best consideration. The Council can use cash for further share subscriptions and to lend to the WOC to fund development costs. All Council investment must be state aid compliant and on commercial terms.

This option gives the Council the ability to retain ultimate control over development and delivery through a wholly owned vehicle. The provides flexibility around outcomes, timing and final delivery approaches on an estate or phased basis, and allows for an opportunity sharing in risks development returns, and expertise through subsidies. However, this approach may result in a complex governance structure with high initial set-up costs. Risks are transferred to the WOC, so essentially remain with the council.

#### Option 8: Council Direct Development

Council directly develops with the development directly registered to the Council rather than through an arms-length company. Benefits of this approach are that the Council maintains control over development which provides flexibility in the approach to development and allows the Council to retain all profits from the development and continue to own all of the assets. However, this approach means that the Council retains all risk associated with developments, owning and/or developing assets which could be seen to be secured with a competitive advantage through the Council's tax status could result in legal challenge. This approach can only be used when the Council is able to demonstrate that these is a service delivery or regeneration benefit from the development. The current preferred approach for the Chippenham Urban Expansion project is outlined below.

Smaller developments on Council-owned land with minimal land contamination issues might be regarded as being relatively low risk (potentially business as usual). On these lower risk sites, the Council may be comfortable developing the site either within the Council or via a wholly owned company and retaining 100% of all capital receipts and/or long-term revenue streams.

Where sites are more complex (larger scale), different mix, significant infrastructure, multiple landowners etc.), it may be more appropriate for the Council to secure some form of partnership or commercial arrangement with other public and private sector organisations. Depending on the nature of the site, the Council may still choose to participate in the development as an investor and share in the long-term project returns. In these instances, it will be imperative that the Council establishes a robust process for procuring the 'right' type of partner at the 'right' deal.

There are several key challenges and constraints to delivery which need to be addressed. These are outlined below:

#### Landownership agreements

A potential constraint to delivery is landownership agreements. The majority of development land is already owned by Wiltshire Council which limits the risks for a large proportion of development, however there are still key areas of land which need to be unlocked in order to deliver both the road and the wider housing infrastructure.

Discussions with landowners have been ongoing and have progressed so that letters of support are being obtained from all relevant landowners whose land is required for the delivery of the Chippenham Urban Expansion project. The programme for finalising formal Landowner Agreements has been formulated, and an independent surveyor will begin in the second quarter of 2019 to drive out detailed landowner agreements. The negotiation and formal signing of agreements will begin towards the end of 2019, and agreements will be completed and signed by mid-2020.

#### Summex railway bridge (a meeting is scheduled for 25 February)

One constraint to delivery that may impact on the landowner agreement programme is the need for a bridge to be built across the railway to connect the development land to Parsonage Way. Outline planning permission for the development has been sought, and full planning permission for the railway bridge has been granted, with the constraint that a maximum of 200 homes can be built on the site without the link over the railway to Parsonage Way.

#### Planning permission

The approach to planning submission is to submit a hybrid planning application for the distributor road and the wider housing development. It is expected that this would include a full planning application for the distributor road and outline planning application for the wider housing scheme. The timing of the planning application will be sensitive to the status of the emerging Local Plan.

Due to the current planning status of the sites within the urban expansion and current stage of the Local Plan review. There is a risk of prematurity should planning applications be submitted too early in the Local Plan review process in advance of adoption.

The hybrid planning application would therefore be submitted at the time of the Regulation 19 Pre-submission consultation on the draft Local Plan. It is considered this is an appropriate time to submit a planning application and mitigate the risk of prematurity.

#### Environment surveys

Desktop surveys have undertaken to identify environmental constraints (App31). However, a key constraint to the delivery of the project is the on-site survey period which are critical as the surveys can only be undertaken from March to October. The surveys are currently programmed to begin in March 2019.

### **Please summarise your project delivery plan to deliver the infrastructure, this should include your anticipated land ownership / control strategy**

#### Introduction

The preferred delivery approach for the highways works associated with the Chippenham Urban Expansion distributor road and mitigation is to be through either a Traditional or Develop & Construct approach. This will ensure that Wiltshire Council retains control over the design of the new infrastructure required, allowing for greater oversight of the design process and reasonable cost

certainty.

A Traditional approach is where the design is produced by client-engaged consultants before tender and separate placement of a contract for the construction works. Develop & Construct is a hybrid of 'traditional' and Design & Build (detailed design and construction are both undertaken by the same organisation). Develop & Construct is where part of the design is prepared before the contractor is appointed to finalise the design and construct the infrastructure.

Understanding the objectives and risks for the construction of the scheme leads to a preference of using either a Traditional contract approach – utilising the term consultants to take the scheme through detail design and then tendering for construction; or a Develop & Construct approach which the contractor will finalise design. The process of contractor procurement will include competitive tendering.

The delivery of the distributor roads is sectioned into three phases, enabling early access and development of adjacent land.

Each phase requires five key stages to delivery including, surveys, planning consultation, detail design, tender, and construction.

Surveys: March 2019 to November 2019.

Topographical data using manned aircraft to expedite data gathering shall be conducted from March 2019 to the end of May 2019 to inform master planning and preliminary design of the distributor road; further ground based topographical surveys including confirmation of service utility locations shall be undertaken from July to September 2019 for the distributor road prior to detail design.

Drainage surveys to confirm existing piped networks and outfall locations shall be undertaken from July 2019 to inform Drainage Strategy, Flood Risk Assessment and preliminary design for planning and consultation.

Ground investigation surveys shall be undertaken from July 2019 to inform highways and structures designs and Flood Risk Assessments prior to planning and consultation; further ground investigation may be required prior to detail design.

Ecology and tree surveys for all phases shall be undertaken from April 2019 to the end of October 2019, to establish further evidence for Ecology constraints prior to preliminary design for planning and consultation.

Desk top study Air Quality and Noise Assessments shall be carried out from July 2019 to inform planning and consultation.

Geophysical Archaeological surveys shall be undertaken from July 2019; these surveys may identify requirements for watching briefs and field surveys including trial pits and further excavation.

Relevant Traffic Count data is available, local network corridor and area models are available to inform the Transport Strategy for planning and consultation.

Planning and Consultation: November 2019 to July 2020.

Stakeholder engagement undertaken during the Housing and Infrastructure Fund bid process continues to progress.

Formal planning and consultation process to Wiltshire Council and National Planning Policy Framework shall commence for all three phases following receipt of survey information.

A complete set of survey data required for preliminary design to progress the planning application, shall be available from November 2019.

Planning documents shall include:

- Design and Access Statement.
- Drainage Strategy and Flood Risk Assessment for approval by the Lead Local Flood Authority and the Environment Agency.
- Ecological Assessment and Environmental Impact Assessment.
- Landscape and Visual Impact Assessment.
- Heritage Statement to inform requirements for mitigation to listed buildings and archaeology.
- Geotechnical Assessment to inform structures and highways civils design.
- Structures Approval in principle.
- Transport Assessment for approval of Wiltshire Council and Highways England.
- Statement of Community Involvement.

Planning documents shall be complete for all three phases in May 2020

Land Ownership agreements shall be in place prior to planning decision.

Private developer agreements and planning decisions shall be in place prior to or by the distributor and link road planning decision deadline.

Planning approvals of private developments critical to strategic transport and infrastructure shall include time limited conditions to mitigate risks to the project delivery plan.

Planning decision shall commence in May and shall be complete for all three phases by July 2020.

Detail Design: July 2020 to July 2021.

Detail design shall complete by the end of July 2021 for all three phases. Detail design durations are based on local representative scheme design durations and pro-rated by scheme length. Detailed design follows on from preliminary design undertaken for planning.

Highway detailed design includes the following items in process order:

- Highway Geometry July to October 2021.
- Highways and Structure Civils October 2020 to April 2021.
- Structures design for phase 3 is on the critical path.
- Structures Category 3 check/approval by external consultant April to July 2021.
- Traffic Regulation Orders and Temporary Traffic Regulation Orders November 2020 to February 2021.
- Bill of Quantities May 2021.
- NRSWA C4 utility diversion and new service quotations May to July 2021.
- Road Safety Audit June 2021.
- Technical Review June/July 2021.
- Pre-Construction Information May /to July 2021.

Construction Contract Tender: July 2021 to February 2022.

Contract documents shall commence in late July 2021. Pre-Qualification and Tender Pricing shall take place from late October to early December 2021. Tender Review and Cabinet Council Approval will take place from early December into January 2022.

The construction contract will be awarded in January 2022. Standstill period will run to February 2022.

Construction: February 2022 to January 2024.

Construction for all three phases will be in progress by February 2022.

#### Construction durations

Phase 1 construction duration is based on local representative scheme design durations and pro-rated by scheme length.

Phase 2 and 3 utilise multiple site access locations to double plant and labour and achieve construction completion by January 2024.

Programme float is 62 working week days from the start of January 2024 to the end of March 2024.

Phase 2 and 3 construction programmes run concurrently; Phase 1 programme is constrained by access requirements and is currently on the critical path.

#### Site access and programme critical path

Access for phase 1 construction works shall be via the new rail bridge constructed by developers, or, via agreement with local land owners.

The access shall be available by December 2022 to commence construction of the River Avon bridge (north).

Wiltshire Council shall seek agreement with developers, two local land owners, farm leaseholders to access land for construction of the River Avon Bridge (North) from Spring 2022 to utilise suitable weather and groundwater conditions and mitigate risks to programme.

Construction of the Rawlings Green railway bridge and River Avon bridge (north) during phase 1 are on the programme critical path.

River bridges included within phase 1 and phase 3 are estimated to take 12 months to construct and shall commence works during spring/summer of 2022 and complete in spring/summer of 2023.

Commencing phase 1 works in the spring of 2022 achieves earlier completion; due to long lengths of highway works, Phase 2 construction programme moves to the critical path. A relatively minor saving on overall programme duration of two weeks is estimated, however the early access is necessary as part of effective risk management.

Phase 2 and 3 can be accessed from multiple locations from the existing and proposed road networks.

#### Service diversions

All phases mobilisation lead in, includes an estimated 90 days for service diversions prior to construction.

#### General construction sequence

Phase 1, 2 and 3 to commence construction by February 2022 with concurrent working where access requirements are in place.

- a) Site Clearance including topsoil strip
- b) Earthworks to form cuttings, embankments, drainage attenuation swales ditches ponds, flood zone compensation and bank seats to structures.
- c) Drainage, service ducts, road and footway pavement foundations.
- d) Kerbing.
- e) Road and footway base and binder course
- f) Vehicle restraint systems.
- g) Traffic sign post and foundations.
- h) Street lighting.
- i) Road and footway surface course.
- j) White lining.
- k) Topsoiling and planting.
- l) Site removal of compound and security.

**Please provide details of your project delivery plan to deliver the homes unlocked by the infrastructure. Please detail any expected controls or levers you will put in place to ensure the delivery of housing comes forward on the sites**

#### Overview

The delivery of 7,500 homes at the Chippenham Urban Expansion will be unlocked by the HIF funded Chippenham Urban Expansion Distributor Road. The distributor road will provide access to seven development sites along its length: two within Wiltshire Council ownership and the remaining five within private ownership. The road will enable the delivery of 7,500 homes by providing the additional transport network capacity required to deliver future growth in the town as outlined the current adopted plan (CSAP).

Housing will be delivered at each of the seven development sites in a manner which is most appropriate to their setting and subject to landowner agreements. The overall phasing of housing delivery (App15) at the urban expansion represents a step change to housing delivery in Chippenham. Historic housing delivery rates at Chippenham have been lower due to constrained supply of suitable strategic sites to develop (as outlined in response 5.1.1). The HIF funded distributor road will unlock new strategic sites and enable the delivery of housing to meet the identified housing need in the town.

The outlined delivery plan for the delivery of housing is to:

- Remove barriers to the delivery of housing.
- Engage stakeholders throughout the scheme development and delivery process.
- Utilising the most appropriate delivery options to achieve the best outcomes.

#### Removing barriers to delivery of housing

Delivery of 7,500 new houses in the Chippenham Urban Expansion will be enabled by removing barriers to development which is a key element of the Chippenham Urban Expansion housing delivery plan. Key barriers at this stage, which Wiltshire Council are actively addressing are:

- Transport network capacity.
- Landowner agreements.

#### Transport network capacity

Transport network capacity in Chippenham is a constraint to future growth in the town. The CSAP allocates sites for planned growth from 2006-2026. Transport evidence to support the development of the CSAP concluded that no further growth could occur in Chippenham without significant investment in the transport network in the form of link roads to the south and east of the town (App01). The HIF grant will fund the delivery of the distributor road (which combines the eastern and southern link roads previously investigated by the CSAP) required to unlock the future growth of Chippenham. The distributor road will unlock development sites along its length enabling the delivery of 7,500 new homes.

Without the HIF funding the delivery of infrastructure and housing in Chippenham will continue to be market led, will proceed extremely slowly, and will lack any element of strategic direction. A sequential approach to delivery would instead be needed,

significantly delaying the pace and amount of delivery. The causes of market failure to date will remain in play with Chippenham and its wider housing market area failing to meet the identified housing need. Any delivery that does come forward will also be more expensive, compromising viability of sites for developers, and will fail to address fundamental constraints on the road network at Chippenham and M4 J17.

The H F grant will enable Wiltshire Council, as the delivery agent of the distributor road, to co-ordinate the five other landowners involved in the scheme, to secure and then manage agreements between landowners and thereby provide certainty that the land will be developed with the full total of 7,500 new homes.

#### Landowner agreements

The delivery of the housing will vary across the site, depending upon the landowner and the most appropriate delivery mechanism for each site. Wiltshire Council are exploring the most appropriate options for delivery and are in active discussions with all landowners regarding landowner agreements. All landowners have provided statements of support for the H F submission.

It is expected that, subject to final landowner agreements, the privately-owned sites will be taken through the planning application process and delivered by their respective promoters. At this stage Wiltshire Council does not expect to be involved in the delivery of these sites, other than in their capacity as the local planning authority.

It is expected that the Wiltshire Council owned sites unlocked by the distributor road will be managed according to the most appropriate delivery vehicle for them. For some plots it may be more appropriate for Wiltshire Council to manage the delivery of housing on sites and sell units for capital receipts or manage the delivery and ongoing operation of units. For other plots it may be more appropriate for the authority to received capital receipts for the sale of plots to private developers.

Wiltshire Council aim to play a key co-ordinating role, through the use of landowner agreements, to ensure that the urban expansion delivers housing to meet the identified need. These will include details relating to the ongoing management of the sites.

#### Stakeholder engagement

The following stakeholders will be engaged throughout the development and delivery of the Chippenham Urban Expansion:

- Landowners.
- Developers.
- Chippenham Town Council.
- Wiltshire Council.
- Parish councils.
- Interest groups.
- Member of the public.

Stakeholders will be engaged in the development of the site masterplan, consultation for the planning application and the throughout the delivery phases of the scheme. The approach to stakeholder management is outlined in response 7.5 2 (Stakeholder Management Approach).

#### Options available to support housing delivery

There are a number of options available to deliver housing at the Chippenham Urban Expansion as outlined in response to 5 3 2 (Housing Scheme Procurement Strategy).

One option for Wiltshire Council is a local housing company and local development company. Proposals to create these companies were approved by Wiltshire Council Cabinet on 15 January 2019 (App36). The approved proposals are summarised as:

"The proposal to establish a local housing company is aimed at providing residential accommodation in Wiltshire that can meet the wider strategic housing needs of the Council as well as generating a return for the Council. The proposal to develop a local development company is aimed at enabling Council land assets to be developed to meet the strategic economic and social needs of Wiltshire whilst maximising the return for the Council."

#### Masterplan

Wiltshire Council have commissioned a concept framework which will form the basis of the master planning of the scheme to commence in 2019. This concept framework:

- Details the vision and objectives for the scheme.
- Outlines the strategic land use framework and development quantum.
- Considers constraints and opportunities.

Wiltshire Council are actively engaging specialist support to develop a masterplan for the site and continue the development of the scheme in line with the programme (App26).

#### Site allocation and planning application

The Chippenham Urban Expansion will help deliver a significant proportion of the identified housing need of 22,500 homes for the Chippenham HMA from 2016-2036. This has been identified as part of the Local Plan review currently being conducted. By delivering 7,500 homes, which would be unlocked through H F funding, the urban expansion would be a key strategic site in meeting the housing need and support the delivery of the emerging Local Plan.

Wiltshire Council, as promoters of the urban expansion, will manage the risk through the following measures:

- The SHLAA – the sites within Wiltshire Council's ownership and those owned by private developers are included in the SHLAA and as such will be consideration for selection as part of the Local Plan review site selection process.
- Conducting the necessary technical work to demonstrate the suitability, availability and deliverability of the sites within their ownership and promote their inclusion in the next Local Plan.
- Working with other landowners within the urban expansion, through the use of landowner agreements as appropriate, to ensure the sites are promoted for consideration in the site selection process.

Demonstrating and ensuring deliverability of the urban expansion by securing HIF funding to deliver the necessary transport infrastructure to unlock future growth in Chippenham.

In addition to the active promotion of the suitability, availability and deliverability of the sites within the urban expansion Wiltshire Council will manage the planning application through the following measures:

- Prepare for planning applications to be submitted at the time of the Regulation 19 Pre-submission consultation on the draft Local Plan. It is considered this is an appropriate time to submit a planning application and mitigate the risk of prematurity.
- Develop a hybrid planning application which is for full planning permission for the distributor road and outline permission for the housing sites.
- Enter pre-application discussions with Wiltshire Council, as the planning authority, as soon as possible.
- Put in place landowner agreements, as appropriate, to align the programmes of all landowners of the urban expansion.

**Please summarise your maintenance strategy for ongoing costs for the scheme**

Distributor Road – Wiltshire Council

For traditional design, procurement and construction, D&B construction and Early Contractor Involvement (ECI construction) the scale of additional work involved in the maintenance and operation of the distributor road would be small compared to the existing road networks and offer little on its own in terms of scales of economy. It is therefore expected that following the completion of the construction contract, operation and maintenance would revert to the local authority.

Open spaces and green infrastructure – to be determined

The future maintenance of open spaces and green infrastructure will be subject to landowner agreements and final delivery of the urban expansion. Potential interested parties in the long-term maintenance of open spaces and green infrastructure could include Wiltshire & Berkshire Canal Trust, Chippenham Town Council and Wiltshire Council. The details of who would be responsible for long-term maintenance of these assets would be subject to landowner agreements and contractual arrangements which are to be agreed as the scheme develops.

An example of potential arrangement is the recent agreement between Chippenham Town Council and Wiltshire Council to transfer the running and delivery of assets and services to the town council. This will mean the town council would be responsible for maintaining play areas, street cleaning, grass cutting and running and maintaining Monkton Park.

Community facilities – to be determined

Similarly, the responsibility for the long-term maintenance of community facilities, such as community hubs, would be subject to landowner agreements and contractual arrangements which are to be agreed as the scheme develops.

Schools – to be determined

It would be expected that the long-term maintenance of these assets would be the responsibility of the education provider. The full details of the long-term maintenance arrangements would be subject to landowner agreements and contractual arrangements which are to be agreed as the scheme develops.

Housing stock – to be determined

Housing at the Chippenham Urban Expansion is expected to be delivered through a number of different mechanisms by different partners. Housing delivery could range from traditional housebuilder units, off-site construction of residential units and self-build units.

The details of who would be responsible for long-term maintenance of these assets would be subject to landowner agreements and contractual arrangements which are to be agreed as the scheme develops.

**Project milestones**

**Please provide actual or estimated dates for the following infrastructure delivery milestones**

<b>First infrastructure planning permission granted</b>	12/02/2021
<b>Last infrastructure planning permission granted</b>	04/06/2021
<b>All land assembly completed (if required)</b>	12/02/2021
<b>Project infrastructure works started</b>	09/12/2021
<b>Project infrastructure works completed</b>	03/01/2024

**Please provide actual or estimated dates for the following housing delivery milestones**

<b>First residential units commenced</b>	02/01/2021
<b>Last residential units commenced</b>	19/09/2043
<b>First residential completion</b>	02/04/2021
<b>First residential completion</b>	18/12/2043

**Please attach an outline delivery programme for your proposal and the key milestones required to achieve it**

Filename	Description
App26 Chippenham HIF programme - 18 03 19 v1.0.pdf	App26 Chippenham H F programme - 18 03 19

**Please list planning references for the infrastructure works**

Sites within the Chippenham Urban Expansion which have registered planning applications:

- Rawlings Green/Summix site. Allocated in the CSAP. Planning application:15/12351/OUT
- Railway bridge at Rawlings Green to enable access to the site. Planning application: 18/02037/FUL
- Riverside/Chippenham 2020 development. Planning application register, application: 15/12363/OUT

The planning applications for the Chippenham Urban Expansion will be submitted in a phased approach in line with the programme and subject to landowner agreements.

**Please list all statutory powers or consents required and already obtained to deliver the HIF works**

No statutory powers or consents have been obtained at this stage, however, key statutory consultees have been engaged with to date, as outlined in section 7.5.

The Town and Country Planning (Local Planning) (England) Regulations 2012 set out a list of 'specific' and 'general' consultation bodies, to be involved in the consultation process (see below). Under these regulations Wiltshire Council has to consult with specific consultation bodies which they consider may have an interest in the proposed Chippenham Urban Expansion development and the general consultation bodies which it considers appropriate to the specific scope of the development. As well as the "specific" and "general" consultation bodies, Wiltshire Council will also consult "such residents or other persons carrying on business in the local planning authority's area from which the local planning authority consider it appropriate to invite representations".

Statutory consultees are highlighted in the Development Management Procedure Order (DMPO) (England) Order 2015.

The statutory consultation will be undertaken with:

- British Waterways (DMPO Schedule 4).

- Landowners adjoining the site (DMPO Article 15).
- Canal and River Trust DMPO Schedule 4).
- The Coal Authority (DMPO Schedule 4).
- The Environment Agency (DMPO Schedule 4).
- Department of Energy and Climate Change (DMPO Article 26).
- Forestry Commission (Schedule 5 of Town and Country Planning Act 1990).
- Designated Neighbourhood Forum (DMPO Schedule 4).
- Local Highway Authority (DMPO Schedule 4).
- Local Planning Authority DMPO Schedule 4).
- Highway Authority (DMPO Schedule 4).
- Historic England (DMPO Schedule 4).
- Garden History Society (DMPO Schedule 4).
- Natural England (DMPO Schedule 4).
- Parish Councils (DMPO Schedule 4) of Biddestone, Castle Coombe, Chippenham, Chippenham Without, Christian Malford, Grittleton, Hullavington, Kington Langley, Kington St Michael, Langley Burrell, Nettleton, North Wraxall, Seagry, Stanton St Quintin, Sutton Bengier and Yatton Keynell.
- Rail infrastructure Managers – Network Rail (DMPO Article 16).
- Highways England (DMPO Schedule 4).
- Relevant water and sewerage undertakers – Wessex Water (DMPO Schedule 4).

This consultation will be provided as part of the Planning Application. Each statutory consultee will have a period of 21 days to respond (article 22 of the Development Management Procedure Order).

Consents will be identified as the scheme detail is developed. Consenting bodies will be engaged from the outset of scheme design and development.

Statutory consents and orders identified and to be confirmed as the scheme is developed with statutory bodies including:

- Environment Agency.
- Wiltshire Council.
- Drainage Board.
- Natural England.
- Historic England.

#### **Stakeholder management**

##### **Please summarise how the key delivery partners will work together effectively**

There are several key delivery partners involved in the Chippenham Urban Expansion, many of whom have an active involvement in the delivery process as outlined below. Wiltshire Council will have overall oversight of the programme and project via the Governance Structure of the Full Council, Sponsorship Board, Programme Board/Design Authority, Delivery Group/Task & Finish Group and Technical support. These will be supported by additional delivery partners as outlined below.

##### **Landowners**

The council has positively engaged with local landowners and taken a proactive approach to exploring new opportunities with them through plan making. Landowners involved in the project include [REDACTED] Gough/Gleeson and a significant proportion is already owned by Wiltshire Council.

Letters of support have been obtained from all of the landowners stating that they wish to enter into a legal agreement with the Council to make their land available for the construction of the distributor road. The current preferred approach is for this to take the form of an Option Agreement, with the landowner granting the council an option for them to purchase a freehold interest in the land required for the distributor road. Terms of purchase are to be agreed. The land required for the housing is likely to take a number of forms depending on the development plot. Some will be developed by private developers, whilst others will be developed by Wiltshire Council as a development company.

##### **Developers**

The council has a proven track record of working with developers and their partners in delivering high quality, well-planned schemes. The authority offers a supportive planning service to bring forward projects of a strategic nature in Wiltshire, bringing internal stakeholders together to address challenges and constraints at the earliest stage of development and de-risk masterplans. The delivery vehicle for each site will be identified on a site-by-site basis.

##### **Utility companies**

The council has successfully worked in partnership with utility companies on numerous developments to date to ensure timely completion of utility connections and new services so that developments can progress as planned. A continuation with this proactive approach to identify and mitigate issues before they arise will be beneficial

##### **Swindon and Wiltshire Local Enterprise Partnership (SWLEP)**

The Chippenham Urban Expansion scheme demonstrates effective joint working between Wiltshire Council and the SWLEP by maximising and building on opportunities presented by recent investment in Chippenham through successful partnership working between Wiltshire Council and SWLEP. Recent investments include Chippenham Station Hub masterplan which complements the ongoing Great Western Main Line electrification programme, improvements to the A350 Chippenham Bypass and M4 J17 and investment in Lackham College. These are complemented by private sector investment, including one of Chippenham's major employers, Good Energy, who plan to develop their new HQ in the centre of Chippenham.

The SWLEP is investing in the area, Wiltshire Council through this scheme and the Chippenham Site Allocations Plan and its highway and planning powers to support the economic growth in the SWLEP Swindon-M4 and A350 Growth Zone's.

Wiltshire Council have a prominent role on the SWLEP's Place Shaping sub-group which brings together the planning authorities, SME house builders, self-build industry and Homes England. The group provides oversight of SWLEP funded place-shaping projects, monitor delivery and identify emerging strengths and weaknesses. It is expected that this group will oversee this strategically important development to maximise its contribution to the SWLEP ambitions.

##### **Highways England**

The council has a strong relationship with both its appointed and potential professional advisors for architecture, estates, and highways. The Council has ensured continual engagement with Highways England to provide the appropriate mitigation works at M4



J17.

#### Strategic delivery and financial partner

The council will benefit from a Strategic Delivery and Financial Partner to ensure that the development meets the challenging programme of delivery. Alongside technical preparation, Wiltshire Council will establish a clear financial and strategic basis from which to deliver the Chippenham Urban Expansion. Key aspects of this preparation will include:

- a) Financial analysis: Undertaking robust financial analysis to understand the project economics and, where necessary, explore ways to improve viability.
- b) Governance and programme management: Supporting the development and running of an appropriate governance structure to implement and oversee implementation of the programme.
- c) Selecting delivery vehicles: Establishing a firm basis for testing the most appropriate vehicle(s) for delivering the programme (see 'Delivery vehicles' section below)

#### Technical partner

In order to be ready to implement the Chippenham Urban Expansion, Wiltshire Council requires:

- A strong understanding of the road infrastructure that will be developed to enable the programme (route, cost, construction time etc.)

- A masterplan for the Chippenham Urban Expansion.

Having a clear understanding of these two aspects will enable the Council to take key steps such as: effectively consulting on the programme and preparing the appropriate delivery to oversee the programme. Delivering a masterplan and detailed plan for road infrastructure will require specific external support. Whilst the Council will guide and input into this process, it is clear that external expertise will be required to deliver aspects of the programme.

External expertise will be required to provide Wiltshire Council with the required support within the timeframes set out in the Delivery Timeline.

In the longer term, delivering the Chippenham Urban Expansion will require Wiltshire Council to develop its capacity to implement complex large-scale development programmes. This can be achieved through blending a variety of approaches, including:

- Building the capability of existing personnel
- Employing new personnel with the required skills
- Procuring specific external expertise. External support can be divided into:
  - o Specific support: External support with a specific support or activity (e.g. advice on selecting the most appropriate delivery vehicle for a particular site to be developed)
  - o 'Flow' support: Ongoing support with the delivery of the programme (e.g. ongoing programme management support) – this is the strategic finance delivery partner.

#### **Please summarise how you will work with the other key stakeholders to ensure project success (i.e. local residents / businesses)**

##### Stakeholder communication objectives

Effective stakeholder communication will be key to the success of the delivery of Chippenham Urban Expansion, therefore the objective of the communication plan is to ensure that accurate and timely messages regarding the project are given to a range of identified stakeholder groups.

Public and stakeholder engagement is a key method for solving problems and making decisions that directly impact upon living, working, using services and doing business in the area. Engaging with the stakeholders may include informing, consulting, involving, collaborating and empowering them to understand issues, allowing them to make informed choices.

To ensure that concise and informative messages are sent and received it is necessary to follow a set of communication objectives and ensure that key messages are portrayed. The key messages may change over the course of the project as issues; however, the immediate messages are given below:

- To inform stakeholders of the scheme progress and to enable feedback on the detailed design, aiding scheme approval.
- To communicate the scheme benefits to all stakeholders at every opportunity, hence increasing awareness of the scheme.
- To manage stakeholder expectations.
- To address perceptions of the scheme which are inconsistent with the objectives and forecast outcomes.
- To provide consistent, clear information to those affected by the scheme, including the nature of scheme-related impacts and how and when it will affect people.

The key messages are:

- Wiltshire Council wishes to promote economic growth and has identified Chippenham as having a strategic employment role within the A350 Growth Zone. The planned housing and infrastructure will encourage regeneration of Chippenham town centre, employment growth in the town and surrounding areas and residential growth to complement economic growth.
- The associated transport infrastructure will seek to improve all journeys through the town.
- Chippenham has insufficient allocated land to meet demand for housing and employment growth. The existing transport network is constrained with all east-west movements forced close to the town centre.
- The overall delivery of the highway and housing infrastructure will be funded from various sources including MHCLG, private developers, Wiltshire Council and others.
- During the construction period, there will be inevitable delays to road users, but this will be minimised as much as possible and affected parties will be informed as per the Communications Plan.
- The environmental impact will be minimised during the scheme design and construction by ensuring that the natural balance of the scheme is understood.

##### Key stakeholders

Key stakeholders will be identified and involved in the delivery of the project in several ways. The engagement of the public and stakeholders is vital to the success and acceptance of a project. There are five main groups to consult with:

- Residents of Chippenham and the surrounding villages.
- Residents and landowners adjacent to the development and infrastructure.
- Non-residential stakeholders adjacent to the development and infrastructure.
- Those not living adjacent to the proposed development but will utilise associated infrastructure.
- Influencers e.g. business organisations, unions, media, local authorities
- Advocates and Detractors, e.g. media, political stakeholders.

#### Stakeholder tactics

- Inform – the use of letter drops, web and social media pages, newsletters and emails will be used to inform stakeholders of plans, progress and any upcoming events.
- Involve – Stakeholder workshops and drop in forums will keep stakeholders engaged in the proposals and allow them to help form the project identity and look for ways to achieve the scheme objectives.
- Consult – At various steps of the planning and delivery process, stakeholder consultation and public consultations will be key to ensuring the transfer of ideas and opinions and help to achieve buy in. Stakeholder consultation has already begun with discussions with landowners, County and Town councillors, internal County officers from Education, Health and Planning, local politicians and the Swindon and Wiltshire LEP. The first round of public consultation is expected following the confirmation of funding and will tie in with awareness of the Emerging Wiltshire Local Plan progress.

#### Minimising risks

Below are a selection of the communications and public acceptability risks which will require mitigation in order to ensure successful planning of the Chippenham Urban Expansion scheme.

Objections to some elements of the scheme by local residents, landowners and environmental groups – Mitigation will include early engagement with stakeholders and communications to highlight the benefits of the scheme.

Impact on existing traffic during construction - Provide advance warning of construction and publicise alternative diversionary routes. Delays to construction due to changes in design at a late stage - Communicate all scheme issues to manage expectations and ensure the process is open, so stakeholders understand how and when they can influence the scheme.

Lack of enthusiasm for the scheme - Highlight the scheme benefits and ensure accurate evaluation is undertaken.

#### Evaluation

On completion of the project, an evaluation report will be produced detailing the performance of the communications plan. This will include:

- Information on the media coverage of the Chippenham Urban Expansion and associated infrastructure, with evidence of how the key messages have been identified.
- The number of hits on appropriate Wiltshire Council web pages.
- Attendance and outcome from meetings/events.
- Evidence of support for the scheme including member, resident and business support.

#### Project assurance

##### What are your project assurance processes, such as gateways reviews, to ensure project delivery against the business case?

#### Project Assurance

Project assurance is, in the main, the responsibility of the Programme Board/Design Authority. As set out previously, the Board are responsible for reviewing and agreeing all project procedures and processes as set out within the PIDs.

Although it is the responsibility of each Delivery Group/Task & Finish Group project manager to ensure the quality of individual work packages, the Programme Board/Design Authority will review and approve the content of each project deliverable.

Project assurance has been built into the project to assure that the project is managed and controlled as directed by the SRO; that basic standards are being followed; and the project is well managed.

The project assurance controls within the project control framework that have been integrated into the project plan are

- Regular reporting.
- Exception reporting and re-authorisation.
- Sign-off of products as they are produced.
- Stage gate assessment reviews.
- Gateway reviews.

A key assurance role undertaken by the Programme Board/Design Authority is signing off the completion of each project stage and giving approval to start the following stage.

The Programme Board has significant depth of expertise and experience schemes, and will engage with external bodies where appropriate, qualifying the Board to perform its duties with regards Project Assurance.

In addition to the assurance provided by the Programme Board, the Stage Gateway Review process will be utilised to provide external assurance and assistance to the SRO.

The scheme will be managed in set stages similar to the below. The scheme is currently in Stage 2 Option Selection. A formal gateway review process will be established and agreed before the commencement of Stage 3 Preliminary Design.

- Stage 1: Option Identification;
- Stage 2 Options Selection;
- Stage 3 Preliminary Design;
- Stage 4 Statutory Procedures and Powers;
- Stage 5 Construction Preparation;
- Stage 6 Construction; and
- Stage 7 Handover and Closeout.

Although the Chippenham Urban Expansion is not a Swindon and Wiltshire Local Economic Partnership (SWLEP scheme), the project assurance processes will follow best practice as used for SWLEP schemes and as identified in the SWLEP Governance Framework Section F – Assurance Framework (February 2018).

#### Key principles

The purpose of the programme's Key Principles is to ensure that the vision for Chippenham (App29) flows down throughout the delivery of the Chippenham Urban Expansion. These principles will guide governance and implementation at all stages of the programme and are crucial to the implementation of the vision for Chippenham and to ensure that the project delivers against the business case.

The guiding principles outlined below are the overarching functional areas that are critical must-haves to the overall programme success. The guiding principles are based upon experience of the factors that have shaped the success of other programmes. They have been developed and prioritised by Wiltshire Council through a series of workshops.

#### Guiding Principles

##### 1. Customer & community involvement

The purpose of the vision for Chippenham is to improve the quality of life for Chippenham's current and future residents. In order to achieve this, it is essential that all aspects of the programme are informed and shaped by the views of these residents. Consequently, consultation must form a central part of the design and delivery of the programme. Conducting effective consultation requires

- Continuous engagement: Consultation will be a continuous process that gathers input and feedback as the programme

develops – enabling Wiltshire Council to take decisions in response to the needs of the people of Chippenham. Using digital solutions – such as the creation of a consultation platform – will support continuous consultation in way that is time effective for both residents and the Council.

- **Broad involvement** To ensure that the wishes and needs of all residents are represented in the development of the programme, the consultation will seek out the views of as many residents as possible. Where possible, it is even desirable that the views of potential future residents are gathered. To achieve this, the consultation methods used should be considered. A digital platform is a powerful tool that will be helpful for reaching the more technically aware and those short of time. However, less technological opportunities must also be provided for other groups – e.g. the elderly etc.
- **Impactful consultation** The timing of the consultation will be designed to directly inform key decision points in the delivery of the programme. General questions that generate responses which cannot be clearly incorporated into the programme will be avoided. In addition to the views of residents, the success of the programme will also depend on the actions and decisions of other stakeholders. Examples include Existing local businesses; New businesses that Chippenham will attract; Landowners, Housing builders/developers/manufacturers etc. The input of these actors is key, and must be sought. In each case, consultation may require a different approach.

### 1. *Financial Viability*

Financial viability is critical to ensuring that the programme is delivered and vision for Chippenham achieved. The programme is structured in a viable way to avoid the risk that it will be only partially implemented, that piecemeal development will occur over a far longer timespan, and that the scheme will not generate the required revenue for the Council. This is embedded in the key aims of the Chippenham Urban Expansion project to avoid a reduction in Wiltshire Council's control over the programme, and place the of the wider Chippenham vision at risk. There are a number of key aspects to financial viability

- **Commercial viability:** It will be imperative that the masterplan for Chippenham reflects commercial reality and is attractive to the market. In order to achieve a commercially viable programme the following will need to be considered:
- **Long-term revenue generation** The unlocking of land value through road construction and development represents a substantial revenue opportunity for Wiltshire Council. In order for the programme to be a success, the programme must be managed in order to meet the Council's revenue needs – i.e. to deliver the required blend of capital and revenue income. Through phasing the development, and selecting the most appropriate mix of delivery vehicles, the Council has ensured that this blend of receipts can be flexed over time according to its changing needs.
- **Sustainable services** The scale of the Chippenham Urban Expansion provides Wiltshire Council with an opportunity to implement innovative approaches to service delivery.

The underlying approach to service delivery will be to make the Chippenham Urban Expansion self-sustaining – i.e. Council receipts from the newly developed area are proposed to cover the costs of service provision. Achieving this sustainability will ensure that the programme remains financially viable in the long-run – and will act as a case study for how to deliver services in other parts of Wiltshire.

### 1. *Risk management*

The Chippenham Urban Expansion is a large-scale programme that will involve significant investment and expenditure and have a multi-decade duration. Most significantly, the programme will have a lasting impact on the lives of Chippenham's current and future residents. Inevitably, delivering this scale entails substantial financial, operational, reputational, and other types of risk.

Consequently, a key aspect of programme's governance is risk management. Implementing a strong risk management system (see below) will therefore be crucial to successfully implementing the

- a. **Governance:** Wiltshire Council have established risk appetite and risk tolerance; Developed tools for measuring, recording, and tracking risks; Defined criteria and means for escalating risks.
- b. **Identification** Regularly assess the delivery plan to identify key events and dependencies – and risks to these. Also consider external factors that could have a detrimental impact on the programme. This will be achieved through the stage gate review process and project management duties.
- c. **Assessment & reporting** Risks are sorted by category and assessed by their probability, potential impact, and proximity. Risks are reported to the appropriate level of governance – according to the escalation criteria.
- d. **Mitigate** All known risks at this stage have mitigation measures developed and incorporated into delivery plans. Consider contingency options where mitigation options are unavailable or unattractive (costly, time-consuming
- e. etc.)
- f. **Monitor & manage** Regularly review new and existing risks – escalating, closing, or implementing contingency plans as appropriate.

In addition to these steps, establishing a culture whereby risks are proactively identified and openly discussed is key to effective risk management.

## 1. *Sustainability*

For the Chippenham urban expansion to succeed, it is crucial that it delivers lasting change for Chippenham. Sustainability is central to this. The vision for Chippenham requires that the town develops a sustainable economy and community and becomes a sustainable place. Consequently, sustainability will play an integral part in the programme's governance and decision making. The practical implication of this for the delivery of the programme is an emphasis on considering the long-term implications of decisions. This long-term approach has been mainstreamed across the entire programme. Examples of the positive impact of making sustainability a key criterion in decision making include

- **Housing design** In considering standards for housing design, placing an emphasis on factors such as quality, adaptability, and energy efficiency will deliver housing that not only delivers the revenue required of the programme, but also provides a high standard of living for Chippenham residents, as well as reducing their need to rely upon Council services in the future.

- **Neighbourhood layout** An emphasis has been put on achieving the right level of density and providing multiple mobility options to create places in which people can walk and cycle to local shops, schools, and facilities. This will minimise social isolation, as well as encouraging active lifestyles – meaning that residents have a higher quality of life and reducing their need for Council support.

## 1. *Capacity & capability*

The final guiding principle – capacity and capability, is overarching and must be addressed to enable the other principles to be function effectively. Delivering a programme of the length and complexity of the Chippenham Urban Expansion requires a vast array of skills and competencies. Consequently, a central part of the governance of the programme is to ensure that the Council is equipped with both the capacity and capability to deliver.

This exercise has been undertaken and will be continually reviewed throughout the process to allow the Council to draw upon a blend of internal and external support – as appropriate to each aspect of the programme. Gaps in knowledge and expertise have already been identified, and external expertise has been utilised to ensure the best possible results for the project. This process will continue throughout the lifespan of the project, ensuring that this is completed at an early point of each stage so there is adequate time to address any issues.

**Please provide details of your proposed internal monitoring approach for the scheme**

The project will be led by the Corporate Director for Growth, Investment and Place. The Council will establish an infrastructure delivery group to co-ordinate various landowners and manage risks. In implementing the scheme, the Council will monitor the delivery of the allocations to ensure that development comes forward in a timely and co-ordinated manner and will use its powers to support delivery.

The Council has a high quality, bespoke team to work collaboratively with strategic partners, and this service will provide the day to day programme management during delivery. This Major Projects service offers key skill requirements, including planning expertise and programme management experience. The Council will utilise a tested and established governance structure that has been proven in other Major Projects to oversee the delivery of the Chippenham Urban Expansion to ensure project assurance and internal monitoring.

A Monitoring and Evaluation Plan will be prepared, whose purpose will be to identify how actual scheme delivery, including wider scheme impacts, construction and budget management, are to be evaluated against the business case. As the scheme promoter, the Monitoring and Evaluation Plan will be owned by Wiltshire Council. Monitoring data will be reviewed at Task Group Oversight and Project Steering Group meetings.

The council will monitor the number of new homes built each year as part of its established Wiltshire Monitoring Framework (WMF), which was developed to support policies in the Wiltshire Core Strategy. The WMF is reported on in the Annual Monitoring Report. This will ensure that the council's Infrastructure Delivery Plan prioritises investment where it is needed for the scheme at the right time, over the plan period and coordinated with the operation of the Community Infrastructure Levy.

As outlined in the Project Governance section, Wiltshire Council have established a Project Board for delivering the Chippenham Urban Expansion scheme. The Project Board will take overall responsibility for its delivery and will be formed by Council representatives at sufficiently senior level to have authority to act on behalf of the Council. Project assurance is primarily the responsibility of the Project Board. The Project Board are therefore responsible for reviewing and agreeing all project procedures and processes as set out within the P Ds.

The Programme Board/Design Authority will therefore review and approve the content of each project deliverable, although the Project Manager and Delivery Group/Task & Finish Group will support this role through the responsibility of ensuring the quality of individual work packages.

**Risk Management**

Please outline key risks to delivery and mitigations including known delivery constraints and blockages

<b>Number</b>	1	<b>Likelihood</b>	Medium high	<b>Impact</b>	High
<b>Description</b>	Rawlings Green/Summix railway crossing Key to completing the full extent of the distributor road from the A350 Lackham roundabout in the south to the A350 Malmesbury roundabout in the north. This is to be delivered by the developers of the Rawlings Green/Summix site. Completion of the railway crossing is key to enabling construction of phase 1 (railway line to eastern edge of Rawlings Green site) of the distributor to commence and unlock subsequent construction of phase 2 (eastern edge of Rawlings Green site to A4 London Road). Full planning permission has been granted for the railway crossing, however funding and delivery of the scheme is within control of the developers. There is currently no guarantee that the developers will fund and deliver the bridge within the timescales for the delivery of the distributor road.				
<b>Mitigation</b>	[Redacted]				
<b>Number</b>	2	<b>Likelihood</b>	Medium high	<b>Impact</b>	Medium high
<b>Description</b>	Landowner agreements Delivery of the privately-owned plots of land is a risk to the development as until landowner agreements are signed, the council cannot guarantee that these plots will be delivered.				
<b>Mitigation</b>	[Redacted]				
<b>Number</b>	3	<b>Likelihood</b>	Medium high	<b>Impact</b>	High
<b>Description</b>	Local Plan review The Wiltshire Council Local Plan is currently being reviewed for the periods 2016-2036. Rawlings Green/Summix is the only site which is allocated in an adopted plan (the CSAP for the period 2006-2026). The remainder of the sites within the urban expansion are not allocated in an adopted plan. Whilst a housing need has been identified, due to the current stage of the Local Plan review no specific sites in Wiltshire have been allocated for development. This will be undertaken in the subsequent stages of the Local Plan review. There is a risk that the remainder of the sites within the urban expansion are not allocated in the 2016-2036 Local Plan when it is adopted.				
<b>Mitigation</b>	[Redacted]				

<b>Number</b>	4	<b>Likelihood</b>	Medium high	<b>Impact</b>	High
<b>Description</b>	Local Plan review – planning permission Due to the current planning status of the sites within the urban expansion and current stage of the Local Plan review. This presents a risk for planning applications for the distributor road and housing. There is a risk of prematurity should applications be submitted too early in the Local Plan review process in advance of adoption.				
<b>Mitigation</b>	[REDACTED]				
<b>Number</b>	5	<b>Likelihood</b>	Medium high	<b>Impact</b>	High
<b>Description</b>	Early stages The scheme is currently in the early stages of development, and the surveys undertaken to date and all identified constraints have purely been desktop based. There is therefore a risk that the Environmental Impact Assessment undertaken as the next stage will identify additional constraints.				
<b>Mitigation</b>	[REDACTED]				

**Please outline your approach to managing risk**

The objective of a risk management process is to minimise the impact of unplanned incidents on the project by identifying and addressing potential risks before significant, negative consequences occur. Our Risk Management Plan outlines how risk will be dealt with including how it will be assessed, who is responsible and how often risk planning will be undertaken.

**Identification**

A register has been created with risks identified through the following methods:

- Brainstorming – A small workshop event involving leads for the various client and consultant disciplines involved in the project.
- Working groups – The Project Manager will request that the discipline leads hold working groups amongst their individual teams to produce a long-list of risks. Each discipline will then be responsible for feeding responses back to the Risk Coordinator.
- Regular risk call – The Risk Coordinator will lead a monthly teleconference with the discipline leads to summarise change in the risk register from the previous month, and to request any information on new risks.
- Risk workshop – A full risk workshop is required to identify new risks (including those from stakeholders) and to review known risks. For each risk a clear understanding of cause, event and effect is required before an assessment can be made regarding the rating levels of probability and impact can be assigned. It is the responsibility of the Project Manager to identify these aspects for each risk through consultation with the source of risk identification and the relevant risk owner.

**Categorisation**

Similar types of risk may also have interactions which will be investigated further during the risk assessment. This will be particularly true of programme risks where the effects on time cannot simply be added together. An understanding of the overall schedule of activities and the critical path through these activities will be ascertained to determine the real aggregate effect of time risks.

The following principles have been adopted when considering when to group/categorise risks:

- Similar causes/type of risk.
- Potential domino effect.
- Same/similar response strategy.
- Same owner.
- Activities run in parallel.

**Assessment**

Each identified risk is to be assigned a prescribed level of probability and impact within a 5x5 matrix, and an overall risk rating (from minor to critical) is calculated (see App18). The specific levels of probability and impact for each identified risk will be proposed, discussed and agreed through many of the same channels as identified for risk identification - notably the working groups and risk workshop. The project team are empowered to deal with various degrees of risk in the following ways:

- Minor - Tolerate but keep the risk under review. Ensure adequate allowance included in cost estimates/risk allowances and programme plans
- Moderate - Manage/mitigate the risk as part of day-to-day project team activities and re-assess as risk register is updated. Ensure adequate allowance included in cost estimates/risk allowances and programme plans
- High - Focused senior project management attention is required to address the risk and seek to mitigate. Ensure adequate allowance included in cost estimates/risk allowances and programme plans
- Critical - Risk with high likelihood and having significant detrimental impact on achievement of project objectives which cannot effectively be controlled by project team. May require elevation to the Project Board

A likelihood categorisation has been applied to each risk:

- 6. Remote (0% to 5%).
- 7. Unlikely (6% to 24%).
- 8. Possible (25% to 49%).
- 9. Probably (50% to 80%).



10. Almost certain (81% - 100%).

Cost impacts are categorised within value thresholds (as % of scheme cost) as:

6. Very low (less than £100,000).

7. Low (£100,000 to £200,000).

8. Medium (£200,000 to £500,000).

9. High (£500,000 to £1 million).

10. Very high (above £1 million).

Programme impacts have been categorised using the following levels:

6. Very low (<2 weeks).

7. Low (2 weeks to 1.5 months).

8. Medium (1 5 months to 3 months).

9. High (3 months to 7 months).

10. Very high (>7 months).

Response

Once risks have been identified and assessed, decisions will need to be made on how best to respond to them. The concept of applying the five basic options for responding to risk (known as the 5 "T"s) will be adopted on this project and are as follows:

- Treat - mitigation action to reduce the likelihood of a risk or the effect of the risk

- Transfer - where the ownership of the risk is transferred to another party

- Tolerate - if the likelihood of a risk occurring is very low and/or the consequences are small, it may be appropriate to ignore the risk

- Terminate - the project or activity - if the risks associated with a project or activity are beyond the risk appetite of Wiltshire Council or where the project is no longer viable due to the potential risk costs

- Take the opportunity - it may be possible to exploit new opportunities.

Proposed mitigation of identified risks will be undertaken by the risk owner. Quantitative analysis of risk will be carried out as part of the estimating process using the risk ratings for cost identified within the risk register.

Roles and responsibilities

The risk management organisation for this scheme consists of four key parties: Project Board; Project Manager; Risk Manager; Risk Owner.

The Project Board has overall responsibility for ensuring sufficient resources are available to manage risks across the scheme. Risks shall be allocated and managed in a cost-effective manner by the most appropriate party and at an appropriate level. The Project Board shall be primarily concerned with managing strategic level risks relating to interfaces between the scheme and the wider project environment.

The Project Manager has overall responsibility for ensuring that the risk management process is implemented and managed in accordance with strategies contained within this document.

The Risk Manager shall ensure that risks are actively managed in a consistent and appropriate manner across all work streams in accordance with this Plan. Risks shall be reported by the Risk Manager to the Project Board through the Project Manager. All risks which relate to the overall direction, organisation and control of the scheme, e.g. loss of key project staff, shall be reported to the Project Board. In the preparatory stages of the scheme the duties of the Risk Manager will be undertaken by the Assistant Project Manager. The Risk Manager shall:

- Ensure that an appropriate procedural framework is adopted.

- Report to the Project Manager in review and management of project performance.

- Agree the required level of risk management support to be provided for risk identification, analysis, review and reporting.

- Facilitate risk workshops/meetings as appropriate and be supported by a risk coordinator if required.

- The custodian of the risk register and the contained data.

The Risk Owner shall be responsible for the day to day management of their risks. The selection and appointment of a risk owner will be on a "best person for the task" approach and the risk owner will monitor and update the risk register informing the risk manager of changes.

Report, escalation & review

Reporting and escalation of risks is an essential element of the management process. A Risk Coordinator will issue a monthly update to the Project Manager including a list of the top ten risks. Wherever a new red or black rated risk is identified, the Project Manager will be informed immediately, and discussions held as to appointing a risk owner and a mitigation plan.

The Risk Co-ordinator will lead a monthly telecom with the discipline leads to summarise change in the risk register from the previous month, and to request any information on new risks. Regular one to one meetings will be held between the risk co-ordinator and the discipline leads, who will be responsible for co-coordinating all risks which they own.

**Please attach a copy of your current risk register for the scheme**

Filename	Description
Chippenham HIF Risk Register 18 03 19.xlsx	Chippenham HIF Risk Register

**Additional information**

**If you have any further information to support the Management Case for your project, which has not already been captured in the above, please include this here**

Filename	Description
App01 Position statement on highway resilience at Chippenham.pdf	App01 Position statement on highway resilience at Chippenham
App02 spp-swjsf-2017-11-chippenham-housing-market-area-profile.pdf	App02 spp-swjsf-2017-11-chippenham-housing-market-area-pro
App03 Chippenham Urban Expansion HIF - Transport Modelling & Economics TN Issue 2b.pdf	App03 Chippenham Urban Expansion H F - Transport Modelling
App04 SHELAA site references docx	App04 SHELAA site references.
App04 shela-2017-appendix-5.4-chippenham.pdf	App04 shela-2017-appendix-5.4-chippenham
App05 Spatial PLanning H F Statement of Support March 2019.pdf	App05 Spatial PLanning HIF Statement of Support March 2019
App06 csap-adopt-adopted-may-2017..pdf	App06 csap-adopt-adopted-may-2017
App08 spp-shma-2017-final pdf	App08 spp-shma-2017-final
App10a Map 1.png	Map 1
App10b Chippenham Urban Expansion scheme map.pdf	App10b Chippenham Urban Expansion scheme map
App10c Map 2 transport labels.pdf	App10c Map 2 transport labels
App15 Chippenham H F - Urban Expansion Housing Phasing v1 0.pdf	App15 Chippenham HIF - Urban Expansion Housing Phasing
App16 Rawlings Green Railway Bridge Supporting Information.pdf	App16 Rawlings Green Railway Bridge Supporting Information
App20 Compulsory Purchase Note v2.pdf	App20 Compulsory Purchase Note v2
App26 Chippenham HIF programme - 18 03 19 v1.0.pdf	App26 Chippenham HIF programme
App28 Construction Phasing Plan v4.0.pdf	App28 Construction Phasing Plan
App36 Establishing a local housing company and local development company WC cabinet paper.pdf	App36 Establishing a local housing company and local developi
App42 SHELAA01StrategicHousingandEconomicLandAvailabilityAssessmentSHELAAMethodology.pdf.pdf	HELAA01StrategicHousingandEconomicLandAvailabilityAsses:
App43 - 5150821 - Revisit Chippenham Transport Strategy Refresh DRAFT v1 2 2016.pdf	App43 - 5150821 - Revisit Chippenham Transport Strategy Refre
APPENDIX INVENTORY pdf	APPENDIX INVENTORY

## Project Sign Off

### Please set out how you have considered your duties under the Equalities Act 2010 (Public Sector Equality Duty) and State Aid risks

Equalities Duties: Wiltshire Council (WC) is committed to equality & inclusion in employment & service provision. Our Public Sector Equality Duty obligations are accounted for by the weight we give to equality and inclusion issues in our decision making, in developing new policies and carrying out large programmes such as this.

Equally when working with partners & contractors we ensure that robust consideration is given to equality and inclusion issues. The Core Strategy (Feb 15) and CSAP DPD (May 17) underwent robust Equality Impact Assessments (EIA) and findings from these will feed into the EIA for this programme. The Council's lead for Equality & Inclusion is engaged and supporting the development of the EIA, considering consultation, best practice, demographic studies and housing needs analysis to ensure the housing mix is appropriate for all, including those with any of the 9 protected characteristics.

State Aid Risks: H F funding will be used to implement infrastructure for non-commercial purposes, i.e. the provision of roads available free of charge to all users benefiting the whole population. To guard against potential risks the Council have appointed lawyers to advise throughout. The Council's current opinion is that the scheme to be delivered by public funding is necessary for the provision of a service of general economic infrastructure and the Altmark criteria are fulfilled. No compensation will be paid beyond net costs for the provision of public infrastructure and a reasonable profit. The SGEI shall be assigned through a public procurement procedure that ensures the provision of the service at least cost to the community. As local infrastructure, the council also considers that the funded infrastructure does not constitute aid as there is no effect on trade between Member States. Thus the council's initial approach to State Aid will rely on GBER Article 67 and TFEU Article 107(3)(c) for compatibility with the internal market.

### Please attach your Section 151 officer sign off for your proposal

Filename	Description
s151 Officer letter signed.pdf	s151 Officer Letter Signoff

