

AUDIT AND GOVERNANCE COMMITTEE: TEWKESBURY GARDEN TOWN - ASHCHURCH BRIDGE PROJECT

APPENDIX 1 - SIGNIFICANT RISK ISSUES

CORPORATE RISK	PLANNED MITIGATION	POSITION AT 1 MARCH 2021
<p>Non-delivery of the Ashchurch bridge project leading to <i>delayed grant funding claims and/or the risk of repayment</i> <i>*additional text for clarity</i></p>	<p>Finalise and sign grant funding agreement with Homes England</p>	<p>The current grant funding agreement, signed in December 2019, specifies that the HIF award is time limited to March 2022. However, due to fundamental delays to the project programme as a result of Covid, most notably in terms of enabling access to the site for essential survey work, a business case has been made to Homes England to extend the HIF funding availability period. This request has been positively received and is largely procedural but will not be confirmed until the first drawdown condition, relating to the clean land title evidence, is satisfactorily met. Once confirmation from Homes England is received, there will be a requirement to enter a Deed of Variation to make the necessary contractual amendment to the HIF Grant Funding Agreement. At this point, the project delivery plan and key milestones will also be reviewed to ensure only one formal amendment exercise is undertaken as a result.</p>
	<p>Submit planning application March 2020</p>	<p>Delayed due to Covid, including the availability of sub-contractors and access constraints in terms of completing survey work on site. Application submitted September 2020 and determination scheduled for March 2021.</p>
	<p>Agree license/access with landowners</p>	<p>Work underway, hindered by delays in terms of clarifying the final project design confirming the accurate land requirements. Initial HoTs were issued to the affected landowners at the start of the project, in preparation, which should help accelerate their formalisation, shortly.</p>
	<p>Agree BAPA with Network Rail confirming design approval and ability to construct</p>	<p>Network Rail is an active part of the Project Board and is fully engaged with/supportive of the project. The BAPA process is quite complex however and different consents and approvals are required for the various stages of the project. A BASA and BAPA are in place to facilitate the preliminary design and survey stages of the project, however the detail required for the BAPA for the construction phase is in preparation/the process of legal review, including the terms for the linked Bridge Agreement and Air Rights Easement. These final set of agreements need to be place ahead of construction, so the programme remains in track, in this regard.</p>

Summary

Confirmation of clean land title will shortly enable early drawdown of the first tranche of grant funding for the project and following delivery of this key milestone, Homes England have committed to reviewing other key milestones, including the over-arching project delivery period, in recognition of the delivery constraints exacerbated by the impact of Covid. It is not considered likely that HE will reject the request for a project extension, particularly in the circumstances, but at present and ahead of the first drawdown, the Council is not at risk of needing to repay any grant funding should the project not go ahead and whilst Council expenditure has been incurred on the preliminary design, this work does have asset value and would not necessarily be viewed as abortive cost. Until this point, achievement of a successful planning determination remains the greatest short-term risk, alongside the impact to the project's critical path if this process becomes protracted and unnecessarily delayed.

Next Steps - other workstreams and expenditure elements needing to be instigated shortly, include procurement of a contractor to construct the temporary haul roads to enable the construction traffic to access and manoeuvre on site, plus detailed design of the link road (supported by further transport modelling) which will be utilising the new bridge, in due course, in order to open up the area for development ultimately. Whilst planned, these workstreams will not commence in earnest until the project has planning permission and confirmation from Homes England regarding the extended project delivery period.