

APPENDIX A:

OUTCOME OF THE BUSINESS CASE WORK (IN SUMMARY)

BOX 1: A45 NORTHAMPTON TO DAVENTRY DEVELOPMENT LINK

Impact / leverage of scheme	The scheme will help to release the bulk of additional housing which has been identified for Daventry in the West Northamptonshire Core Spatial Strategy. This includes a major allocation of 2,000 homes and associated development, but with the potential for a further extension. The Link will also enable the further long-term growth of Daventry, as well as benefiting other development which already has planning permission, and giving a boost to plans for the regeneration of the town by improving connectivity to Northampton and the strategic road network. Gross Development Value c. £700m
Key partners	Daventry District Council – local planning authority and part funder through provision of CIL and NHB. Croudace Homes – developer Northamptonshire Local Transport Body (NLTB)
NCC role	‘Banker’ role enabling front-funding Responsibility for ongoing maintenance of the scheme, lead on infrastructure to enable economic growth, procurement & management of road build, grant applicant for front-funding
Planned start date	March 2015
SWOT Analysis	<p>Strengths:</p> <ul style="list-style-type: none"> • Strategic alignment with key plans such as the Northamptonshire Arc, Core Spatial Strategy and 10 Point Plan • Principle of scheme and route agreed • Strong support • Unlocking further housing and job growth planned for Daventry • Bypass to villages – safety, CO2 emissions, • Economic efficiency through more reliable journey times and reduced delays to travel • The provision of a strategic link • Providing a future-proofed link capable of being duelled if required • The repayment mechanism secures ongoing partner support through the provision of NHB and CIL <p>Weaknesses:</p> <ul style="list-style-type: none"> • Planning permission is not yet in place • Upfront funding yet to be confirmed • Support is needed to move the scheme forward quickly to make the most of this window of opportunity • Delays at this stage could have a negative effect on securing additional grant funding. <p>Opportunities:</p> <ul style="list-style-type: none"> • Unlocking housing development is a key government priority to stimulate economic growth • Support jobs/local companies • Ability to align and secure funding from various sources in partnership with Daventry District Council and others • To showcase the Innovative Funding approach and replicate it on other projects across the county

- Funding pots becoming local, being devolved

Threats:

- Large amount of funding required
- Affordability reliant on house building and timings
- Delays in planning and procurement process due to nature of the scheme

Financial summary of base case scenario including payback period

Scheme cost: £36m
 Interest: £18.3m
 Total cost: £54.3m
 Section 106: £1.5m
 Front-funding assumption: £12m
 Development Related Income streams CIL/NHB/Business Rates (DDC/NCC), including borrowing cost: £40.8m
 Payback by: 2036
 Residual impact for NCC over scheme life: Nil

Assumption on NLTB funding in base-case scenario

Up to £12m, but amount required could be less and is dependent on current Local Infrastructure Fund (LIF) and Regional Growth Fund (RGF) bids

Implications for NCC MTCP of base-case scenario

£25m cashflow/borrowing requirement 2016-2026 to be paid back by 2036 through development related income (see Appendix B, Table 1 and Graph 1)

Alternative approaches of reduced funding scenario i.e. if only 50% front funding received

- Extend payback period beyond 2036
- NCC to borrow £6m. Total cost including borrowing £12m. Annual cost to NCC £0.3m over 40 year asset life.

BOX 2: A43 NORTHAMPTON TO KETTERING IMPROVEMENTS – PHASE 1 MOULTON BYPASS, INCLUDING ASSOCIATED JUNCTION IMPROVEMENTS

Impact / leverage of scheme	The scheme is necessary to release the North Northampton Sustainable Urban Extension which has been identified in the West Northamptonshire Core Spatial Strategy. This involves an allocation of 2,000 homes and associated development. Gross Development Value c. £378m
Key partners	Balfour Beatty – potential infrastructure provider Daventry District Council – local planning authority, part-funder through CIL and NHB Northampton Borough Council – local planning authority for related area, part-funder through CIL and NHB Barratt Homes – housing developer and potential scheme promoter Northamptonshire Local Transport Body
NCC role	‘Banker’ role enabling front-funding Responsibility for ongoing maintenance of the scheme, responsible for infrastructure to enable economic growth. Partner in ensuring road meets wider infrastructure needs and funding responsibility
Planned start date	April 2015
SWOT analysis	<p>Strengths:</p> <ul style="list-style-type: none"> • Strategic alignment with key plans such as the Northamptonshire Arc, Core Spatial Strategy and 10 Point Plan • All land required is assembled • Support from developer and NCC is already working with the developer to ensure the scheme meets current and future needs • The outline planning application for the road will be submitted by the developer as part of the overall scheme saving the county money • The scheme will have wider strategic benefits • Reduced congestion for more reliable journey times • The scheme represents a low burden on future CIL and NHB <p>Weaknesses:</p> <ul style="list-style-type: none"> • Planning permission is not yet in place • Upfront funding yet to be confirmed <p>Opportunities:</p> <ul style="list-style-type: none"> • Opportunity to improve road network and traffic flow for further economic growth as first part of a strategic link between Northampton and the A14 • Opportunity to align and combine various funding sources • Unlocking housing development is a key government priority to stimulate economic growth. • Support jobs/local companies <p>Threats:</p> <ul style="list-style-type: none"> • The road is dependent on the Northampton North development progressing. If progress stalls there is a chance the road could also be delayed
Financial summary of base case scenario including,	Scheme cost:: £22.1m Interest: £1.2m Total cost: £23.3m Section 106: £5..38m Front-funding assumption: £7.5m (£2.5m LMTS, plus £5m Local Pinch-point

payback period	Fund bid) Development Related Income streams CIL/NHB/Business Rates (NBC/DDC/NCC), including borrowing cost: £9.9m Payback by: 2023 Residual impact for NCC over scheme life: Nil
Assumption on NLTB funding in base-case scenario	£2.5m
Implications for NCC MTCP of base-case scenario	£7m cashflow/borrowing requirement 2016/17 to be paid back by 2023 through development related income (see Appendix B, Table 1 and Graph 2)
Alternative approaches of reduced funding scenario i.e. if only 50% front funding received	<ul style="list-style-type: none"> • Extend payback period beyond 2023 (preferred due to early payback on base-case scenario) • NCC to borrow £3.75m. Total cost including borrowing £7.5m. Annual cost to NCC £0.2m over 40 year asset life.

BOX 3: STANTON CROSS, WELLINGBOROUGH – ACCESS ROUTES 4 AND 9 INCLUDING NEW RAILWAY BRIDGE

Impact / leverage	The scheme is necessary to release the Stanton Cross development which has planning permission and which is identified in the adopted North Northamptonshire Core Spatial Strategy. This involves an allocation of 3,200 homes and associated development. Gross Development Value c. £500m
Delivery model inc. key partners	Borough of Wellingborough – local planning authority and part-funder through provision of CIL and NHB. Bovis Homes – developer Network Rail Northamptonshire Local Transport Body
NCC role	Responsibility for ongoing maintenance, lead on infrastructure to enable economic growth, upfront funder for part of the capital requirement prior to DRI being realised.
Planned start date	Mid 2014
Analysis i.e. SWOT	<p>Strengths :</p> <ul style="list-style-type: none"> • Strategic alignment with key plans such as the Northamptonshire Arc, Core Spatial Strategy and 10 Point Plan • All land required is assembled • Support from developer and NCC is already working with the developer to ensure the scheme meets current and future needs • Developer procurement • The improvements will also release additional train station improvements supporting modal shift. <p>Weaknesses:</p> <ul style="list-style-type: none"> • Upfront funding yet to be confirmed <p>Opportunities:</p> <ul style="list-style-type: none"> • Potential for LIF support • Unlocking housing development is a key government priority to stimulate economic growth. • Support jobs/local companies • Enable release of County Council land <p>Threats:</p> <ul style="list-style-type: none"> • The cost and timing of agreeing timing and rail space with network rail. • Linked housing not coming forward.
Financial summary of base case scenario including, payback period	Scheme cost: £17.9m Interest: tbc Total cost: tbc Section 106: tbc Front-funding assumption: tbc Development Related Income streams CIL/NHB/Business Rates (BWC): tbc Payback by: tbc Residual impact for NCC over scheme life: tbc

**Assumption on
NLTB funding
in base-case
scenario**

tbc

**Implications
for NCC MTCP
of base-case
scenario**

tbc

**Alternative
approaches of
reduced
funding
scenario i.e. if
only 50% front
funding
received**

tbc