

Clarendon Road Improvements

(A411 Beechen Grove – High St)



Title: Clarendon Road Improvements (A411 Beechen Grove – High St)

1.0 SUMMARY

1.1 The purpose of this report is to request Council's agreement to front-fund improvement works on Clarendon Road from the A411 Beechen Grove junction to the junction with the High Street (the part of the road outside the Palace Theatre)

1.2 The report sets out:

- the key facts around the project
- the target completion dates
- the capital costs and funding implications
- the risks to the Council

which are subject to Council approval.

2.0 RISKS

2.1 The potential risks in this report are shown below; (based on a calculation of severity of impact (1 – 4) and likelihood of risk materialising (1 - 4); 1= very low risk, 16 = a very high risk)

Nature of Risk	Consequence	Suggested Measures	Control	Response (Treat, tolerate, terminate , transfer)	Risk Rating (combination of severity and likelihood)
That the LEP do not agree the grant funding for the project once the Council has committed to the expenditure.	The Council will be liable for the full project cost	Early lobbying of the LEP This part of the scheme is to be delivered in 2 phases. Although beneficial to have the whole scheme completed together it could be stopped after the first phase if the entire funding is not secured.		Treat	3 x 2 = 6
That the scheme does not complete in the agreed time frame	The Council will be liable to refund any grant.	Effective project management and control		Treat	3 x 2 = 6

3.0 RECOMMENDATIONS

3.1 That Council approves the capital spend of £1,600,000 as front-funding for the improvement works to Clarendon Road as part of the Town centre improvement works. Council is also asked to note and accept the risks in the project highlighted above.

3.2 Council notes that a LEP bid has been made for £2,000,000 and this sum will be placed back into capital financing to repay the sums set aside by the Council up front to cover the cost of the works should the Council be successful in the bidding process.

4.0 BACKGROUND

4.1 As part of the improvements to Watford Town Centre and linking in with the works currently being carried out in the High Street prior to the opening in September 2018 of the new Intu (former Charter Place) shopping centre the Council is looking to front-fund the works on the Clarendon Road scheme (Beechen Grove to the High Street fronting the Palace Theatre).

4.2 **Costs of the project.** The estimated scheme costs for both phase 1 and phase 2 is £1.6m. In order to fund this, the Council has put in a combined bid of £2,000,000 to the Hertfordshire Local Enterprise Partnership (Herts LEP) comprising of £1,600,000 for the Clarendon Road improvements and £400,000 to support the High Street project.

- to undertake phase 1 works the estimated construction cost is £750,000, and
- the balance of £850,000 is required to complete phase 2 of the project.

4.3 It should be noted that any Herts LEP Grant is conditional on the delivery of both projects within 2018-19.

4.4 Senior officers have been lobbying the Herts LEP. Although the formal bid to LEP was submitted in November 2017 the outcome of the bid will not be known until 22 March 2018 when the LEP board meets to allocate funds. If agreed, the funds will be available for the next financial year 2018/19 i.e. immediately.

4.5 At a meeting with Hertfordshire County Council officers on 24 January 2018, they have agreed in principle to the scheme being divided in to two phases as shown on the attached plan. Each phase will allow a gateway for project review.

4.6 In order to allow sufficient time for

- promoting Traffic Orders to cover prohibition of vehicles using Clarendon Road
- procurement, ordering and delivery of materials
- the project works for phase 1 and phase 2

in order for the scheme to be completed by 30 June 2018 when the High Street is to re-opened to buses, the Council will need to commence phase 1 of the Clarendon Road scheme by Monday 5 February 2018. There is a lead in period to order materials and undertaking the work alongside the current works in the high street will minimise disruption.

4.7 Delivery of phase 2 must take place with financial year 2018-19 (as per Herts LEP's conditions) and is subject to road space/permitting agreement with HCC. Officers are currently in discussion with HCC to facilitate this.

5.0 IMPLICATIONS

5.1 Financial Implications

5.1.1 If the Council is not able to recover the costs through a grant from Herts LEP, then the Council will have to absorb the costs as part of its capital budget in 2018/19. This will increase the

borrowing requirement of the Council for that year by the amount not funded.

5.2 Legal Implications

- 5.2.1 The Head of Democracy and Governance comments that in the event that the bid to the LEP is unsuccessful and the Council is required to borrow in order to fund the capital programme it will need to be satisfied that it has sufficient revenue to pay the interest on the amount borrowed and it will have sufficient future funds to repay the loan at the end of the loan period. The budget treasury report on this agenda has set an authorised borrowing limit of £30 million and borrowing to cover this project (if required) will not take the council above this figure.

6.0 Equalities

- 6.1 There are no direct equalities issues from the recommendations within this report.

Contact Officers:

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Report approved by Nick Fenwick, Deputy Managing Director.

Attachments: 1. Clarendon Road Plan