

# **CHESHIRE EAST COUNCIL**

## **REPORT TO: CABINET**

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<b>Date of Meeting:</b>	<b>17<sup>th</sup> September 2012</b>
<b>Report of:</b>	<b>Strategic Director of Places and Organisational Capacity</b>
<b>Subject/Title:</b>	<b>SEMMMS A6 to Manchester Airport Relief Road</b>
<b>Portfolio Holder:</b>	<b>Councillor Jamie Macrae</b>

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### **1.0 Report Summary**

- 1.1 The South East Manchester Multi Modal Strategy (SEMMMS) 2001 was developed following a study into the traffic issues in the South East Manchester area. The study considered a number of previously proposed trunk road schemes and recommended that a reduced size road be built as part of a multi modal strategy - the SEMMMS Relief Road.
- 1.2 In 2008 the Department for Transport (DfT) indicated its willingness to consider the overarching road project in phases, with the first phase being the section from the A6 to the Airport. Since 2009, work has progressed on developing the details of this first phase. This work has included; detailed design, development of a traffic model, environmental surveys, environmental assessments, a transport assessment and the production of a detailed business case for submission to the DfT. The various documents required by the DfT to support the submission of the business case are now complete and ready to submit.
- 1.3 This report provides information on the progress of the SEMMMS A6 to Manchester Airport Relief Road ("the Scheme") and its business case. The attached Appendix A and MAP describe the Scheme and Appendix B provides a full draft of the business case executive summary.

### **2.0 Decision Requested**

- 2.1 At the meeting Members will be given a verbal update from officers on the outcome of discussions with the Greater Manchester Combined Authority (GMCA) and Stockport MBC before being requested to consider the proposals outlined within the report supporting the formal submission of the Major Scheme Business Case.
- 2.2 Based on the verbal update, Members will be requested to:
- Endorse the Scheme's business case, and its submission to the DfT, and to confirm this to Stockport MBC as the Scheme promoters on behalf of the GMCA.

- Subject to the final approval of the GMCA to allocate funding from the Earn Back model to the Scheme, approve that the authority to sign off the business case be delegated to Stockport Council's Section 151 Officer on behalf of Cheshire East Council, as one of the three promoting authorities, with regards to the estimated costs and funding of the Scheme.
- Provide delegated authority to the Strategic Director of Places and Organisational Capacity to agree the consultation material regarding the scheme for distribution to Cheshire East households.
- Provide delegated authority to the Strategic Director of Places and Organisational Capacity to establish the arrangements for a Board and Joint Infrastructure Development Fund with the GMCA.

### **3.0 Reasons for Recommendations**

- 3.1 The Council's endorsement of the business case and its submission to the DfT which, subject to its approval, would result in the Scheme being granted programme entry status. This status is necessary for the Scheme to move forward to the next stages of its programme, including public consultation.
- 3.2 The Council is contributing no direct funding to the development and delivery of the Scheme and will therefore not be bearing any of the associated financial risks. This position will be made clear in any support of the business case submission.
- 3.3 The Council will put match funding, whether in cash or in kind, up to £1m towards a Joint Infrastructure Development Fund with the GMCA. How this fund is established will be the subject of further discussions with GMCA. This fund will enable the Council to bring forward the development of key infrastructure schemes on the A6, A523 and A34 corridors and, in so doing, extend the transport and economic benefits from the Scheme.
- 3.4 The Borough would benefit from both the Scheme and its associated investment package of around £6m for key junction improvements, complimentary and mitigation measures and in the joint fund, which includes:
- Facilitating the future delivery of a Poynton Relief Road – Included within the project will be the entry point from the SEMMMS Relief Road (roundabout, or a suitable alternative junction arrangement, constructed adjacent to Bramhall Oil Terminal) and connected into a new junction arrangement. Provision will also be made for the future Poynton Relief Road and will reinforce the Council's commitment to developing proposals in accordance with the Local Development Plan for the continuation of the Poynton Relief Road.
  - Improved connectivity and economic growth for residents, local businesses and development sites by the provision of a good standard east west link road. These benefits will extend along the A34, A6 and A523 Corridors by the identification and development of infrastructure improvements and enhanced mitigation measures.
  - Traffic relief for the many roads in this area, including from HCVs, and mitigation measures for those roads where traffic is forecast to increase

as a result of the Scheme, including in Poynton, Handforth and Disley and on the Dean Row and Styal Road corridors.

- Upgrading existing junctions on the A34 corridor near to its junction with the A555.
- The Scheme is supported by a high standard of environmental mitigation, which would be the subject of detailed scrutiny through the statutory planning process, including local public consultation.

3.5 This overall programme is intended to be managed through a joint Board between the Council and representatives of GMCA and will enable the Borough to maximise the wider transport and economic benefits that can be derived from the Scheme.

#### **4.0 Wards Affected**

4.1 Wilmslow West and Chorley, Wilmslow Lacey Green, Wilmslow East, Wilmslow Dean Row, Handforth, Prestbury, Poynton West and Adlington, Poynton East and Pott Shrigley, Disley.

#### **5.0 Local Ward Members**

5.1 Cllr Wesley Fitzgerald, Cllr Gary Barton, Cllr Don Stockton, Cllr Rod Menlove, Cllr Paul Whiteley, Cllr Barry Burkhill, Cllr Dennis Mahon, Cllr Paul Findlow, Cllr Roger West, Cllr Philip Hoyland, Cllr Jos Sanders, Cllr Howard Murray, Cllr Harold Davenport.

#### **6.0 Policy Implications including - Carbon reduction - Health**

6.1 By providing a new route for journeys across the north of the Borough, traffic relief will be afforded to many of the roads on our existing highway network. Overall, this would support economic growth, cut congestion and CO2 emissions and improve air quality.

6.2 A Health Impact Assessment is being produced as part of the Scheme development.

6.3 The Scheme would provide a junction with the A5149, Chester Road to the west of Poynton. This junction is designed to facilitate the future delivery of a Poynton Relief Road, which has a protected line in the Local Plan and is supported in the Borough's Local Transport Plan.

6.4 Traffic is forecast to increase on the A6 corridor as a result of the Scheme. This would affect the designated Air Quality Management Area in Disley. A study is being considered, which would aim to identify measures to reduce the scale of the impact.

#### **7.0 Financial Implications (Authorised by the Director of Finance and Business Services)**

7.1 No direct impact from the Scheme. The Scheme is being funded by the DfT, Greater Manchester and the Manchester Airport Group, the details of which are provided in Section 10 of this report. Officer time is being spent to ensure the

interests of Cheshire East are addressed within the Scheme design and delivery process.

- 7.2 The Council will need to consider how the £1m, whether in cash or in kind, towards the joint Infrastructure Development Fund with GMCA is established and operated. Negotiations need to take place with GMCA to fully understand the implications for the Council over the coming years. This discussion will be led by the Strategic Director of Places and Organisational Capacity.

## **8.0 Legal Implications (Authorised by the Borough Solicitor)**

- 8.1 The Scheme's statutory processes are programmed to commence later this year through highways and planning legislation. The Scheme will require planning approval and highways orders and may involve compulsory purchase and a public inquiry.

- 8.2 Stockport Council, the Scheme's promoter, is considering managing the delivery of the Scheme using a Section 8 Agreement under the provisions of the Highways Act. This provision is available in cases where a highway scheme affects more than one highway authority area and, under such an Agreement, enables one of the authorities to take a lead role. If this was taken forward, the development of any such Agreement would be managed by the Borough Solicitor and approved by Cabinet.

## **9.0 Risk Management**

- 9.1 All the risk around funding and delivery of this major road scheme is being borne by Greater Manchester. This would be made clear in any response endorsing the business case.
- 9.2 A package of measures has been devised to address those roads where it is forecast that traffic levels would be made worse as a result of the scheme. A contingency fund has also been set aside to address any unforeseen issues that appear on the opening of the Scheme.
- 9.3 The Scheme would be subject to a full public consultation exercise to support the statutory processes. This would enable local people to be involved in the design, raise concerns and make formal objections as the Scheme progresses.

## **10.0 Background and Options**

- 10.1 The South East Manchester Multi Modal Strategy (SEMMMS) 2001 was developed following a study into the traffic issues in the South East Manchester area. The study considered a number of previously proposed trunk road schemes and recommended that a reduced size road be built as part of a multi modal strategy - the SEMMMS Relief Road.
- 10.2 The Strategy was accepted by the local authorities involved in the study the former Cheshire County Council, Derbyshire, Manchester, Stockport, Tameside and the Greater Manchester Passenger Transport Authority (now Transport for Greater Manchester Committee). The Strategy was also supported by AGMA and approved by the Government.

- 10.3 Since 2001 the relevant authorities have worked together to implement the overarching Strategy including packages of small scale highway improvements, behavioural change initiatives, public realm improvements and public transport priority and improvement schemes.
- 10.4 Manchester City, Cheshire County and Stockport Councils, with Stockport Council taking the lead, developed an outline scheme for the proposed SEMMMS Relief Road. This scheme included the A6 (M) Stockport North South Bypass, the A555 Manchester Airport Link Road West (MALRW) and A555/A523 Poynton Bypass.
- 10.5 In 2003 this overarching scheme was formally launched and local councils approached the public for feedback on the plans. This feedback from two public consultations formed part of a bid to the Department for Transport (DfT) which was submitted in July 2004. In 2004 of the 11559 respondents to the consultation:
- 91.6% thought that the scheme was needed to bring traffic relief to the local communities and businesses;
  - 87.4% agreed with the principle of the road scheme as recommended by SEMMMS;
  - 87.6% in broad terms thought that the proposed route was in the right corridor
- 10.6 Discussions with DfT Officers continued between 2004 and 2008 when it was agreed that the overarching scheme should be developed and funded in phases with the first phase being the A6 to Manchester Airport Relief Road. This is shown on the Attached Plan.
- 10.7 Since 2009, work has progressed on developing the details of the Scheme. This work has included detailed design, development of a traffic model, environmental surveys, environmental assessments, a transport assessment and the production of a detailed business case for submission to the DfT. The various documents required by the DfT to support the submission of the business case are complete. A detailed summary of the business case is attached to this report.

### **Scheme Funding**

- 10.8 In November 2008 the Government offered £165m towards the Scheme if the remainder of the funding could be identified. In July 2009 Greater Manchester Integrated Transport Authority created its Transport Fund and identified the match funding required for the Scheme being a combination of Regional Funding Allocation, LTP funding and a contribution from the Airport. Work then continued towards the development of a Major Scheme Business Case for submission to DfT.
- 10.9 In 2010 following the Comprehensive Spending Review the previous Government offer of £165m and the Regional Funding Allocation were no longer available to fund the Scheme. However as the Scheme had been identified as a priority for Greater Manchester it was agreed that work would continue on the Scheme preparation and discussions continued to be held with the Government to identify ways that the Scheme could be financed.

- 10.10 In May 2011 the Greater Manchester Combined Authority agreed to release funding of £3.3m to Stockport Council for the Scheme preparatory costs to be incurred in 2010/11 and 2011/12. Further funding was approved for works to integrate the Metrolink Airport Extension with the Scheme and undertake some of the Scheme works in advance of the main Scheme. Manchester Airport Group as part of their delivery of Airport City infrastructure works would construct and fund improvements to the Terminal 1/3 junction and the new highway link from the Terminal 2 junction to the interface of the Metrolink element as their contribution to the overall Scheme.
- 10.11 In November 2011 the Coalition Government's National Infrastructure Plan identified the Scheme as a priority for delivery and reinstated the Government contribution of £165m.
- 10.12 In March 2012 a 'Deal for Manchester' was announced and the Government's Budget statement identified the 'Earn Back' model which will provide the Combined Authority for Greater Manchester with the mechanism needed to fully fund the Scheme and its wider infrastructure plan for Greater Manchester. Detailed discussions are continuing with Government officials in respect of the detailed arrangements for the Earn Back model which will be the subject of a further report to the Combined Authority for Greater Manchester over the next few months. The principles of the Earn Back model are based upon economic growth which will allow the Combined Authority to retain a proportion of the additional tax revenues generated from infrastructure investment. Prior to the Full Approval of the scheme (anticipated sometime during 2013) the full funding package will have to be established.
- 10.13 At this stage, the business case will state that the funding of the Scheme is subject to the final approval of the Combined Authority to allocate funding from the Earn Back model to the Scheme. In support of the business case submission (see section 5 below) the Section 151 officer sign off, on behalf of the three promoting authorities, based on the estimated costs of the Scheme will state how the balance of the funding will be met (i.e. the costs not covered by the DfT grant). This will make it clear that the funding package is subject to confirmation of the Earn Back model funding stream.
- 10.14 Therefore, in terms of the overall funding for the Scheme, the Council will be contributing nothing and will not be bearing any of the financial risks associated with its delivery. This position will be made clear in any support of the business case submission.

### **Business Case**

- 10.15 The business case complies with the most recent DfT guidance (interim) and is consistent with the Greater Manchester approach to developing major infrastructure schemes. It contains a detailed appraisal of the Scheme and considers its objectives and its economic and environmental impacts. The business case identifies the key benefits of the Scheme including;
- A BCR (benefit cost ratio) of 4.6 (with 44% Optimism Bias).
  - Wider economic benefits with a BCR of up to 18.85
  - Up to 5,450 new jobs stemming from the improved connectivity between labour and business markets.

- Increased economic activity (Gross Value Added) of £2.4Billion over the next 60 years.
- Improving access to Manchester Airport and the adjacent Enterprise Zone.
- Overall scheme cost of £290m (including Optimism Bias - risk allowance) net value for BCR calculations is £220m.

10.16 The business case acts as the bid and justification for funding of the Scheme and will be assessed by the DfT to ensure the Scheme is consistent with national policy drivers and provides value for money in order for the Scheme to be awarded DfT Programme Entry status. Appendix B is the Executive Summary of the Business case.

10.17 It will be a requirement that a further final version of the business case is submitted to the DfT after consultation and planning approval

10.18 In line with DfT guidance the final business case will confirm the final detail of the Scheme and the final costs, benefits and funding arrangements of the Scheme (see paragraph 3.6 above).

10.19 The approval of the final document for submission would be delegated to the Chief Executive and relevant Executive Councillor of Stockport Council.

### **Next Steps**

10.20 The Scheme project team are continuing to develop the design. Further reports on the process, land issues and the submission of a planning application for the scheme would be taken to Cabinet at the appropriate time.

10.21 It is currently the intention to undertake a further more detailed round of public consultation, commencing in October 2012, to inform the communities along its alignment of the latest proposals. CEC Officers will be working with Stockport and Manchester City Council Officers on developing the detail of the consultation materials that will be produced. Briefings are being arranged for local members in advance of this consultation exercise which will focus, as far as the Council is concerned, on the sections of the route that impact upon the northern boundary of Cheshire East and on the detailed requirements for any mitigation measures required.

10.22 Members will be requested to agree to delegate authority to agree the detail of the consultation material regarding the scheme for distribution to Cheshire East households.

10.23 In order that the Scheme is progressed and to mitigate programme risk with Stockport Council acting on behalf of the three authorities it is proposed that a Section 8 agreement is considered by the three authorities. This will provide a legal agreement for the delegation of powers as appropriate to Stockport Council from this Council, and Manchester City Council, and any draft developed between the three authorities would be included in a further Cabinet report.

## 11.0 Access to Information

Attached: Appendix A – Scheme Description and Background Documents. MAP of the Scheme.

Appendix B – Draft Business Case Executive Summary.

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## **Appendix A - Scheme Description and Background Documents**

### **Components of the proposed scheme.**

The A6 to Manchester Airport Relief Road comprises of the following:

**The Relief Road**, which is a broadly east-west route from the A6 near Hazel Grove (south east of Stockport) to Manchester Airport and the link road to the M56, incorporating seventeen new and improved junctions and four railway crossings;

**Provision of a segregated cycle/pedestrian route** adjacent to the new road and the existing length of the A555, providing a new orbital link for the Strategic/Pedestrian Network;

**A package of complimentary measures** in accordance with the SEMMMS Strategy that will maximise the scope of benefits by making the most efficient use of road space where there are forecast reductions in car traffic. These measures will prevent available road space from simply filling up with more cars; and

**A package of mitigation measures** will contribute to overall value for money by limiting any negative impacts resulting from the scheme, including environmental and construction engineering mitigation to minimise the effect of the road on local communities and surrounding habitats.

### **Physical Description of the A6 to Manchester Airport Relief Road**

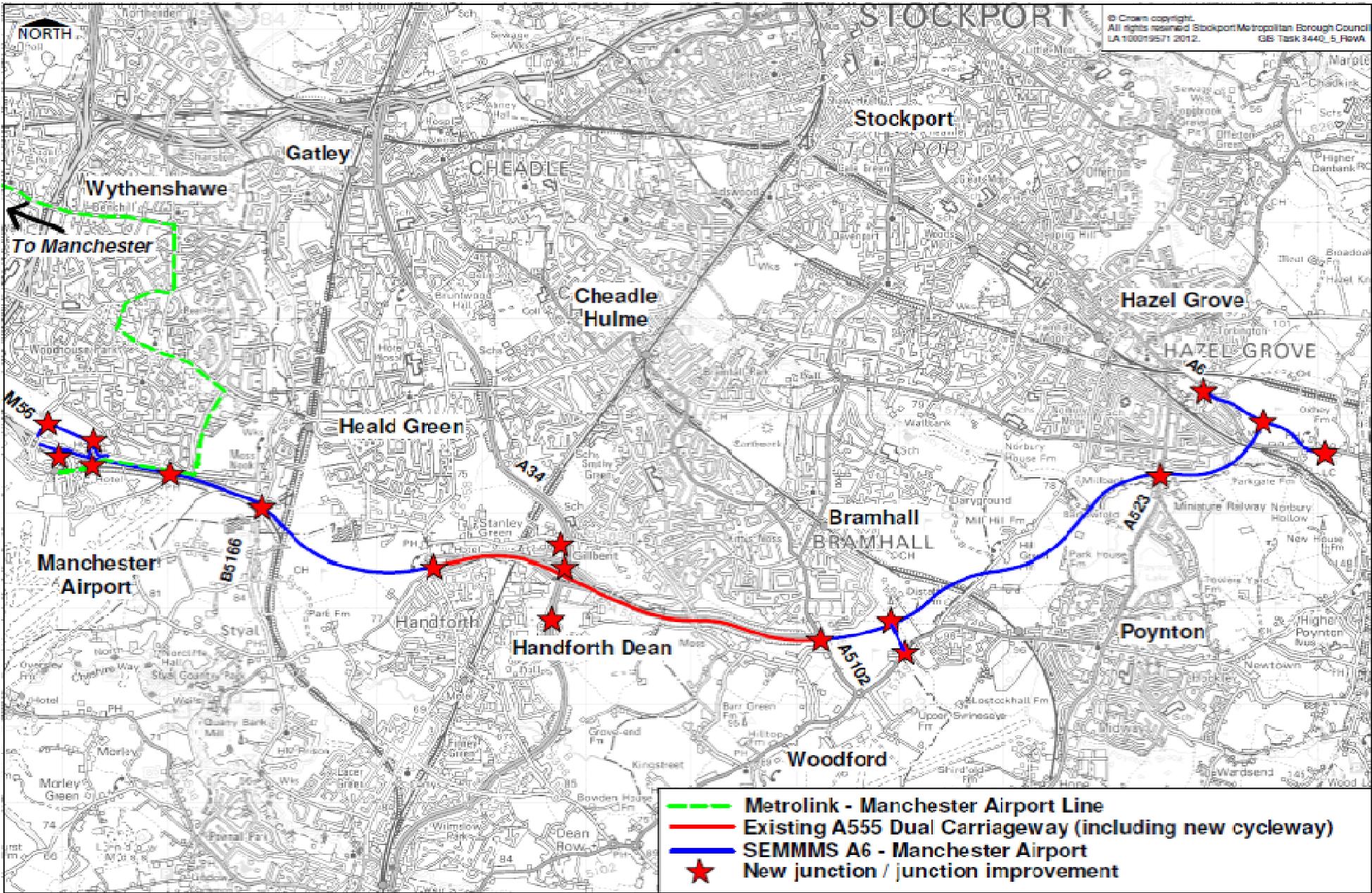
The proposed A6 to Manchester Airport Relief Road scheme includes a new 2-lane dual carriageway connecting the A6 to Manchester Airport. The scheme bypasses Bramhall, Cheadle Hulme, Hazel Grove, Handforth, Poynton and Wythenshawe District Centres and Gatley and Heald Green Local Centres (as shown in Figure 2.1 above)

The new road is approximately 10 kilometres long, of predominantly dual 2 lane carriageway standard and will include ten new and seven improved junctions. It also incorporates a further 4 crossings in the new sections, one of which is the West Coast Main Line. A pedestrian and cycle route is proposed for the whole length of the scheme, including retrofitting it to the existing 4 kilometre existing section of the A555.

### **SEMMMS Background Documents**

- South East Manchester Multi Model Study Final Report, 2001
- A6 to Manchester Airport Relief Road Business Case for Programme Entry
- Greater Manchester Transport Fund Update, Reports of the Greater Manchester Combined Authority
- Capital Programme 2012/13 – 2014/15, Reports of the Greater Manchester Combined Authority

The background papers can be obtained by contacting the report author.



- Metrolink - Manchester Airport Line
- Existing A555 Dual Carriageway (including new cycleway)
- SEMMMS A6 - Manchester Airport
- New junction / junction improvement

## Appendix B

### Draft Business Case Executive Summary

#### Overview

The South East Manchester Multi Modal Strategy (SEMMMS) A6 to Manchester Airport Relief Road will improve surface access to Manchester Airport and provide better connectivity along the south Manchester corridor, to assist Greater Manchester and Cheshire East in meeting their aspirations for economic growth. It directly supports the Government's objective to provide major transport infrastructure that will deliver economic growth, a fact acknowledged by the announcement on prioritisation for funding in the Chancellor's Autumn Statement in November 2011. The scheme will provide congestion relief to local communities and generate wider benefits to business through improved journey time reliability on the local and strategic highway network.

The scheme is an integral component of the wider SEMMMS strategy, which has delivered benefits to local communities across south-east Manchester through a range of public transport and sustainable transport measures over the past ten years. It is widely recognised that the A6 to Manchester Airport Relief Road is critical to delivering the long-term objectives of the SEMMMS strategy, and to meet national objectives for growth, employment and connectivity.

The key features of this current business case in support of the A6 to Manchester Airport Relief Road are as follow:

- The scheme will deliver substantial benefits to transport users through travel time, vehicle operating cost savings and accident savings amounting to £800 million, and deliver a benefit-cost ratio (BCR) of 4.60;
- The scheme will deliver substantial benefits to the wider economy:
  - At least 5,450 new jobs stemming from the improved connectivity between labour and business markets,
  - The potential for up to 11,000 new jobs if the full potential of the south Manchester corridor is realised – with development sites at Manchester Airport, Airport City Enterprise Zone, Handforth Dean and Hazel Grove Employment Area already identified as premier locations for investment by the private sector,
  - Additional economic output of up to £2,492 million generated directly by the scheme;
- Direct alignment with Government policies aimed at delivering jobs and economic growth, minimising the impact on the environment, and supporting increased social mobility and cohesion;
- An innovative funding package has been developed to deliver the scheme, based on contributions from the private sector, and substantial local investment, reflecting the

confidence in the ability of the scheme to deliver real benefits to the Greater Manchester and Cheshire East economies;

- Over £100m of savings on earlier scheme cost estimates, as a result of value engineering and a thorough review of earlier assumptions – producing a scheme cost estimate of £220.76 million.

### **Scheme description**

The A6 to Manchester Airport Relief Road Scheme will provide 10 kilometres of new 2-lane dual carriageway on an east-west route from the A6 near Hazel Grove (south east Stockport), via the 4 kilometres of existing A555 to Manchester Airport and the link road to the M56. The scheme bypasses heavily-congested district and local centres, including Bramhall, Cheadle Hulme, Hazel Grove, Handforth, Poynton, Wythenshawe, Gatley and Heald Green. It will provide much-needed connectivity for key strategic routes into the North West and to Manchester Airport, including traffic from the A6, A523 and A34 – all of which are key routes for business, leisure travel and freight from Cheshire, Derbyshire, Staffordshire, Yorkshire and beyond.

The scheme incorporates 10 new and seven improved junctions, 4 railway crossings, a parallel shared cycle/pedestrian path and priority for public transport, and will provide a step-change in the allocation of existing road space in favour of sustainable modes of transport, thereby improving access for public transport, pedestrians and cyclists, and improving the quality of life in residential areas along the south Manchester corridor.

The majority of benefits will accrue to road users and local residents through improved access to centres of employment, commerce and leisure facilities. A package of complementary measures will maximise the scope of potential benefits by making the most efficient use of road space where there are forecast reductions in car traffic. Such measures could include widening pavements, provision of bus lanes and general environmental enhancements for non-road users. These measures will prevent available road space from simply filling up with more cars. Similarly, a package of mitigation measures will contribute to overall value for money by limiting any negative impacts resulting from the scheme. Together, the complementary and mitigation measures will help secure substantial environmental, safety and social benefits.

### **Problems and objectives**

The A6 to Manchester Airport Relief Road scheme will alleviate a number of problems to bring benefits to the local population and businesses and to the wider economy. The major problems in the area – and objectives defined to address them – are presented below.

Problems - Objectives

Poor connectivity along the south Manchester corridor, with a fragmented east-west highway network and lack of surface access to Manchester Airport, that acts as a barrier to economic growth and regeneration.

In its Ground Transport Plan the Airport identifies surface access capacity as the most significant constraint on its future growth and therefore the economic benefits that it can help deliver to the Northern economy. Enhanced surface access to the Airport is also important in improving access to employment opportunities at the Airport and the new Enterprise Zone, particularly from nearby deprived neighbourhoods.

Whilst the construction of the Metrolink Line to the Airport and other initiatives to promote greater public transport mode share, will reduce the proportion of total trips arriving at the Airport by private car, growth of passenger and employee numbers at and around the airport will translate to an increasing demand for vehicle trips. In the absence of the Relief Road, the highway capacity constraints will constrain the ability of the Airport and the Enterprise Zone to fulfil their potential for job creation and economic growth. Increase employment and generate economic growth by providing efficient surface access and improved connectivity to, from and between Manchester Airport, local, town and district centres, and key areas of development and regeneration (e.g. Manchester Airport Enterprise Zone)

The A6 to Manchester Airport Relief Road scheme will remove the current capacity constraints and substantially improve surface access to the airport. This will enable the Airport and the Enterprise Zone to deliver the envisaged growth in jobs and economic output.

Congestion on the local and strategic network, with average peak hour vehicle speeds of less than 10mph on most parts of the highway network and journey times that are longer than all other 'large' urban areas across the UK, including those in London

These problems will become significantly worse in the future if there is no highway improvement. Tests using the do-minimum model indicate that total vehicle delay across the network will increase by nearly 200% between 2009 and 2032. Boost business integration and productivity: improve the efficiency and reliability of the highway network, reduce the conflict between local and strategic traffic, and provide an improved route for freight and business travel.

There are particular congestion problems along the A6 and in the urban centres of Gatley, Bramhall, Heald Green, Hazel Grove, Poynton, Wilmslow, Handforth and Cheadle Hulme, leading to delays to public transport and affecting accessibility. Reduce the impact of traffic congestion on local businesses and communities.

Promote fairness through job creation and the regeneration of local communities: reduce severance and improve accessibility to, from and between key centres of economic and social activity

Poor environmental conditions in the District and Local Centres along the south Manchester corridor, caused by the high volume of traffic passing through these towns to reach other destinations, leading to a number of locations in the study area being designated Air Quality Management Areas Minimise and mitigate adverse environmental impacts during construction and operation of the scheme.

Support lower carbon travel: reallocate road space and seek other opportunities to provide improved facilities for pedestrians, cyclists and public transport.

Unsafe conditions for pedestrians and cyclists through busy urban areas along the extent of the south Manchester corridor, with all non-motorised transport users facing severance and problems of safely accessing education, employment and leisure facilities Improve the safety of road users, pedestrians and cyclists: reduce the volume of through-traffic from residential areas and retail centres.

The main features of the A6 to Manchester Airport Relief Road major scheme business case are summarised in the remainder of this Executive Summary, focusing on the strategic fit, value for money, scheme delivery proposals, and commercial and financial considerations.

## **Strategic fit**

The Government has prioritised transport as one of the main areas of capital investment to help 'boost economic growth, unlock private investment and help businesses grow and compete effectively in the global economy'. In particular, there is a commitment to funding high value capital transport projects that promote economic growth, minimise the environmental impact of travel, improve public health and address social exclusion. At the same time, there is an onus on scheme promoters to identify alternative sources of funding where possible – encouraging the development of imaginative and workable solutions. The A6 to Manchester Airport Relief Road meets these criteria through its underlying objectives, the benefits it will generate, and via the innovative funding package for delivering the scheme.

The scheme has been developed in accordance with local, sub-regional and national transport policies and demonstrates alignment with the Government's guiding principles, set out in the Spending Review Framework and which continue to sit at the heart of the Government policy:

- 'Meet a tough new set of criteria that deliver value for money' – the A6 to Manchester Airport Relief Road Scheme generates a BCR of 4.6, demonstrating high value for money;
- 'Engagement between the Government and all parts of society' - there is clear support for the scheme at a local and sub-national level, public and stakeholder consultation having been undertaken at previous stages of scheme development and planned again for later stages in scheme development;

- ‘Deliver more for less’ – the scheme (and overall SEMMMS strategy) is based on guiding principles that seek to maximise benefits at all levels, from scheme preparation to delivery and operation – as demonstrated by the £100 million of savings to scheme costs since previous submissions;
- ‘Independent challengers...to think innovatively (and reduce) public expenditure while balancing priorities’ – the A6 to Manchester Airport Relief Road Project Board and key stakeholders (including Transport for Greater Manchester) have challenged outputs throughout the development of the scheme, which has used a multi-consultant and officer approach to maximise the opportunities for innovation and peer review, including those around scheme funding;
- ‘Challenging spending in all areas, including on contracts and programmes’ – the historic and current approach to programme management, risk analysis and scheme costing means the A6 to Manchester Airport Relief Road Scheme has a robust, fully-developed set of scheme costs – efficiencies have been maximised throughout scheme development to produce savings of £100 million compared to original scheme designs.

The strategic need for the scheme is based around three core areas:

- The Greater Manchester and Cheshire East economy:
  - Greater Manchester is the largest economy outside of London, contributing over £46 billion to national economic output and supporting 1.17 million workplace jobs – it is therefore a key driver of economic activity and growth in the UK.
  - Cheshire East contributes to over £16 billion of national economic output and has above-average levels of per capita economic output when compared to the national economy – it is therefore home to high-value economic activity.
  - The linkages between cities, towns and district centres across Greater Manchester and Cheshire East means a substantial amount of commuting and business travel occurs in this area. It is an area with a large proportion of high-skilled labour, commuting to high-productivity jobs in Manchester and along the south Manchester corridor between Stockport and Manchester Airport. These commuting patterns extend west into Cheshire and east to parts of Yorkshire and Derbyshire, and are characterised by a reliance on the car, with strategic connectivity provided via the A6, A34 and A523.
  - The North West as a whole is not contributing its full potential to the UK economy; there remains an economic gap of an estimated £20 billion when compared to the average performance of other parts of the UK. The Greater Manchester and Cheshire East economies represent over 50% of the NW GVA and thus economic output from these areas is thought to be around £10 billion per annum lower than its potential. Whilst traffic congestion is not the sole cause of the productivity gap, it is a significant contributor to the problem. Traffic congestion and its impact on journey

reliability place a substantial constraint on the ability of the Greater Manchester and Cheshire East economy to achieve its potential. The scheme will reduce the conflict between local and strategic trips to deliver journey time reliability for commuters, business and leisure travellers, helping to narrow the 'gap' in economic output with the rest of the UK.

- The growth potential of the South Manchester corridor
- A hub for creative and knowledge-based industries (KBIs), containing above-average levels of KBIs when compared to the North West and UK economies.
- Three identified sites in the immediate vicinity of the scheme – Airport City, Handforth Dean and Hazel Grove – that are capable of accommodating and delivering large scale, viable commercial real estate projects that will provide Greater Manchester and Cheshire East with a competitive advantage in capturing inward investment and driving economic growth.
- The development at the Airport City Enterprise Zone, facilitated by the A6 to Manchester Airport Relief Road, will form part of the Wythenshawe Regeneration Framework – ensuring that employment opportunities are available to those in currently deprived communities.
- High skilled jobs in an economic hub of health, logistics, cargo, advanced manufacturing and corporate services. These industries will derive significant benefits in productivity from being located within close proximity to the airport and through the benefits to be derived from co-locating with companies within the industry supply chain.
- The potential to generate up to 11,000 new jobs in high-value sectors, driving the growth of the local, Greater Manchester and national economies. The development of employment land along the south Manchester corridor will be a major driver in increasing productivity levels.
- At present, congestion and the lack of strategic connectivity is a direct barrier to business and employment opportunity along the south Manchester corridor. The scheme will assist in realising the growth potential of the south Manchester corridor through the development of Airport City, Hazel Grove and Handforth Dean – each of which will yield high levels of economic output for Greater Manchester with the attraction of high value industries and a skilled labour force, providing large economic payoffs for the investment placed in the A6 to Manchester Airport Relief Road.
- Strategic connectivity to Manchester Airport
- The airport has been confirmed as the location within Greater Manchester of one of the Government's 21 UK 'Enterprise Zones', as announced by the Chancellor of the Exchequer in March 2011.

- The airport and its surrounding infrastructure is one of Greater Manchester's key differentiators from other comparator cities outside London and this hub of connectivity and industry is seen as the region's most important asset in attracting investment from abroad.
- It is a key international gateway, home to over 100 airlines, serving 220 destinations worldwide and carrying almost 20 million passengers per annum – 86% of which are international trips.
- A major hub for international freight traffic, its World Freight Terminal accommodates 170,000 tonnes of cargo throughout the year – this is expected to increase to 250,000 tonnes (47%) by 2015.
- It sustains 19,000 jobs on-site and a further 16,000 indirectly, generating an income effect of around £800 million per annum.
- The Manchester Independent Economic Review (MIER) stated that Manchester Airport is an existing strategic urban asset, arguing that its development should be nurtured to maximise its substantial benefits to the wider economy through national and international connectivity for business and tourism – and that improved surface access to the airport is essential to this policy.
- A lack of surface access capacity is the most significant constraint on the future growth of Manchester Airport and therefore the economic benefits that it can help to deliver to the northern and national economies. Enhanced surface access is also important in improving access to employment opportunities, particularly from nearby deprived neighbourhoods. The A6 to Manchester Airport Relief Road will promote sustainable economic development through the provision of efficient surface access and improved connectivity to, from and between Manchester Airport and the local, town and district centres and employment sites and wider strategic network.

The highway network within the study area contains designated freight routes of importance to the wider economy. The A6 provides a direct link to/from Manchester that is utilised by a high volume of freight traffic. The delays experienced by freight traffic on the A6, as a result of the interaction with local traffic, generates productivity losses to businesses at a pan-regional level.

The Greater Manchester Strategy recognises the need to improve surface access to Manchester Airport and emphasises the key role that the A6, A523 and A34 in Stockport and Cheshire play both locally and strategically. These links provide access routes into the North West and links to the M60 and Manchester Airport for traffic from the West Midlands and Wales.

### **Value for money – what the scheme will deliver**

#### **Delivering benefits to transport users**

A comprehensive transport modelling and appraisal framework has been developed that is fully compliant with DfT guidance (WebTAG). Outputs from the future year forecasting demonstrate that, without the scheme, traffic conditions will deteriorate substantially by 2017, with road users experiencing increased levels of congestion and longer journey times. By 2032, the majority of road users will experience significant delays, particularly on the major routes for business and commuting, with journey times increasing by up to 19%. The provision of the A6 to Manchester Airport Relief Road will significantly improve the situation, providing improved (quicker) surface access to Manchester Airport than is currently available, at both 2017 and 2032. Congestion on the local road network will be significantly reduced, as through-traffic transfers to the new route.

An economic appraisal has been undertaken to establish the value for money of the scheme proposals and confirms the substantial benefits to transport users as a result of the scheme - monetised journey time savings of approximately £768 million and total transport economic efficiency benefits of £800 million. When taken in conjunction with the scheme costs, the overall value for money is high, generating a BCR of 4.6. The majority of these benefits accrue to transport users in areas around Bramhall, Hazel Grove, Stockport and Wilmslow, but with users across the wider study area experiencing an improvement to some degree.

### **Delivering benefits to the wider economy**

The proximity of the proposed scheme to Manchester Airport and the proposed Airport City development, to the future major development sites at Hazel Grove and Handforth Dean, and to Manchester and Stockport, provides substantial potential for wider economic benefits. By reducing the interaction of local and strategic traffic, the scheme will also deliver benefits to business through the more efficient movement of freight.

Completion of the Relief Road is predicted to deliver an increase in economic output across Greater Manchester and Cheshire East of up to £2,492 million across the 60-year appraisal period, with the most significant benefit being to the local economies of Stockport, Cheshire East and Greater Manchester. The scheme is expected to deliver employment benefits in the local area by improving connectivity between labour markets, businesses and key transport networks. This is predicted to deliver a net increase of 5,450 jobs across Greater Manchester and Cheshire East by 2021 – rising to 11,000 new jobs if the development potential of the south Manchester corridor is fully realised. When included as part of the overall value for money assessment, the wider economic impacts contribute to a BCR of up to 18.85.

The A6 to Manchester Airport Relief Road scheme will provide the connectivity required to fully realise the growth opportunities in the corridor.

### **Limiting the impact of transport on the environment**

The proposed relief road will contribute to a strategy that is focused on securing environmental benefits as an integral part of economic and social objectives. Implementation of the proposed scheme will involve specific environmental impacts within the proposed highway corridor between the A6 and the Airport – some of which will require mitigation to offset any adverse effect. A comprehensive assessment of the environmental impacts has been undertaken to show where the scheme will bring benefits, and also to identify those areas where mitigation may be required. The main findings from the assessment are as follow:

- An overall positive impact in relation to air quality and noise – reductions in noise levels and concentrations of traffic-related pollutants where traffic is removed from other parts of the network will offset the slight negative impacts in the rural hinterland south of the Greater Manchester conurbation;
- Improved rights of way and access to the countryside through the provision of safe crossing points and a segregated pedestrian and cycleway on the new route, and enhanced footpaths, cycleways and bridleways on existing network.
- A slight adverse impact on landscape and visual amenity - integrating planting and landform to established woodland and field patterns, and ensuring the road is integrated into the existing landscape pattern, will offset any negative impact of introducing a new road into a rural environment;
- Appropriate mitigation to ensure that ecological corridors are maintained and lost habitat is compensated and enhanced to offset the slight adverse impact on ecology and biodiversity;
- Proposals for the management and treatment of surface water discharge aimed at achieving a 'high level polishing treatment' system with associated ecological and landscape benefits – this will help offset the moderate adverse impact on cultural heritage resources
- The inclusion of proposed design features relative to watercourses and floodplains, and mitigation measures relative to construction in the vicinity of sensitive water resources will lead to an overall neutral impact on hydrology and water quality.

The scheme will deliver clear environmental benefits in those areas where a heavy volume of traffic is removed. In areas that experience an increase in traffic along the new route, appropriate mitigation measures have been identified to limit the impact – the overall impact on the environment is deemed neutral to slight adverse.

The scheme is expected to have a neutral impact on carbon emissions. The reduction in through traffic in congested urban centres will offset the small increase in carbon emissions generated by new trips on the highway network. The greatest challenge facing the south-east Manchester conurbation is how to improve surface access to Manchester Airport and facilitate the movement of people and goods across the study area whilst limiting the adverse impact on the environment. The A6

to Manchester Airport Relief Road is complementary to achieving the objectives of the wider SEMMMS strategy, which includes public transport and cycling initiatives that are key to overcoming this challenge.

### **Addressing social exclusion and improving public health**

There are a number of deprived areas within the study area, principally around Stockport, Adswold and Wythenshawe, which are characterised by high incidences of worklessness, low incomes, low educational attainment and poor health – in short, a generally poor quality of life based on national indicators of deprivation.

Whilst some of these issues are due to long-standing, inter-generational factors, a key problem identified through engagement with stakeholders and the public is the barrier to opportunity that exists as a result of poor transport accessibility. Congestion on the highway network has had a negative impact on bus reliability, with the result that some services have become unviable and therefore withdrawn. The impact of reduced bus service provision in some locations affects those low income households without cars, for whom public transport is often the only available alternative for accessing employment, services and facilities. The impacts of congestion therefore affect the ability of the poorer and least mobile residents within the study area to engage in society, ultimately widening the inequality gap at a local and strategic level. The scheme therefore aims to regenerate local communities and encourage community, cultural and social inclusion through reduced severance and improved accessibility to, from and between key centres of economic and social activity. The scheme will support the regeneration of local, district and town centres (e.g. Poynton, Bramhall and Hazel Grove) and improve accessibility to employment, facilities and services for those in deprived communities (e.g. Wythenshawe and parts of Stockport). Safety, accessibility and environmental improvements lie at the heart of the SEMMMS strategy, and the scheme will deliver benefits in all areas by removing long-distance traffic from the local road network, and via the step-change in provision for public transport, cycle and pedestrian networks.

The WebTAG assessment produced an overall positive impact in relation to access to services, due to improved connectivity between District and Local Centres along the south Manchester corridor and the contribution to delivering the Wythenshawe Regeneration Initiative - enabling the local population to access jobs in future development areas.

The high volumes of traffic within the study area, combined with its continued growth over the last three years create a significant level of conflict between road users. There is evidence of accident clusters on the wider local network and at key areas of congestion, with particular problems on and around the congested A6. The scheme will reduce traffic through local centres, leading to a reduction in the number of accidents in urban areas. The increased vehicle speeds on the new route means that whilst there is a significant decrease in the total number of accidents, the severity of

injuries incurred will increase. Overall, the analysis indicates that there are 885 fewer personal injury accidents over the 60 year assessment period. This is due to a large reduction in the number of 'slight' injury accidents but there are predicted to be small increases in 'serious' and 'fatal' injury accidents. Overall, the scheme generates a £9m saving in accident costs.

### **Delivering the scheme**

The A6 to Manchester Airport Relief Road is supported by all three major political parties in each of the Local Authorities through which the road passes. It is also supported by the Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM). This high level of consensus between the councils means that the scheme faces few political hurdles in progressing to construction.

Extensive work has already taken place to ensure that the mechanisms for delivering the scheme are in place, from initial conception right through to construction and maintenance. The project is overseen by a steering group known as the Chief Executive Steering Group, comprising the Chief Executives of Cheshire East Council, Manchester City Council, Stockport Metropolitan Borough Council and Transport for Greater Manchester. The Senior Responsible Owner (SRO) responsible for the delivery of the project is Eamonn Boylan (Chief Executive of Stockport Metropolitan Borough Council).

The Project Delivery Team (PDT) is responsible for resolving all project issues that require cross sponsor agreement but do not have a strategic impact on the scheme. The PDT is led by the Project Director. The Project Development and Design Team consists of a significant number of specialist skilled staff, which includes full-time staff employed by the partners and specialist consultants providing advice on transport, environmental, design and engineering issues relating to the scheme proposals.

A suite of Project Initiation Documents, setting out the detailed management and delivery processes, has already been prepared and submitted to the DfT. These have been updated for the current submission, to incorporate changes in scheme design and management since the previous submission.

A detailed project plan shows the programme for scheme delivery. The key dates are as follow:

- Submission of the Major Scheme Business Case – summer 2012;
- Submission of the planning application and the publication of the draft Orders – spring 2012;
- Conditional Approval (if required) - summer 2013;
- Full Approval and contractor appointment - autumn 2014; and
- Scheme opening to the public – winter 2016/17

Other key elements of the delivery of the scheme include the following:

- A full Quantified Risk Assessment has been undertaken to identifying the key risks to the scheme delivery;
- Extensive public consultation over the ten years of the SEMMMS strategy, with pre-planning consultation programmed to take place once the MSBC has been submitted to DfT;
- A comprehensive communications and consultation strategy is in place to ensure all stakeholders and interested parties are fully consulted and informed through all stages of scheme development; and
- Proposals for before and after monitoring and evaluation, to demonstrate the extent to which scheme objectives were met, to monitor performance of the road and ensure that any potential issues post-implementation are identified and addressed.

### **Financial and commercial considerations**

The total scheme cost on which this major scheme business case for funding is based is £220.76 million, including inflation and risk but excluding optimism bias. This is based on:

- £3.69 million of preparation costs;
- £44.68 million for land acquisition;
- £172.39 million for scheme construction, supervision and other associated works costs, including £11 million in complementary measures and £28 million to cover risks.

The detailed cost estimate for preparation, design, supervision and construction of the scheme was prepared by Corderoy, based on their in-house data base of approximately seventy ECI and DBFO contracts. Allowances for the cost of land, environmental mitigation, complementary measures and Statutory Undertakers' costs have been determined separately by the project team. Balfour Beatty was commissioned to undertake a review of the buildability aspects of the scheme, and to independently review the assumptions relating to quantities, rates and prices. These were compared to similar schemes recently constructed by Balfour Beatty. The use of actual costs of current schemes – particularly those in the local area – ensures a robust approach to the development and review of scheme costs. A full independent review of costs has also been undertaken by Faithful & Gould.

An innovative funding package is being developed to provide the greatest opportunity for the scheme to be delivered. Based on a scheme cost of £290 million, the funding package comprises:

- £165m funding to be made available from the Coalition Government (National Infrastructure Plan)
- £7m contribution from Manchester Airport Group
- £118m of local contributions:
  - o £29m of funding identified from the Greater Manchester Transport Fund
  - o £89m through the Greater Manchester Earn Back model (GMTF)

The scheme is dependent on funding sources as listed above, including that to be available from that which will be generated from the Greater Manchester model as part of the overall Greater Manchester Transport Fund. The Greater Manchester model was announced by the Deputy Prime Minister and confirmed by the Chancellor in the recent March 2012 budget.

The strategic objectives of the A6 to Manchester Airport Relief Road and those factors that influence the chosen procurement route are identified as:

- Certainty that the scheme can be delivered within the available funding; and
- The ability to tie up contractual commitment with the point at which all promoting authorities are prepared to and are able to commit to the project, in full.

The preferred procurement route for the delivery of the A6 to Manchester Airport Relief Road is a Professional Services Contract (PSC) arrangement for immediate needs, followed by a 2 Stage ECI arrangement for taking the scheme forward.

## **Summary**

This business case sets out the work undertaken to date to support the case for the A6 to Manchester Airport Relief Road scheme. The scheme will deliver benefits to transport users, the economy, and to local communities in the south Manchester corridor.

The SEMMMS Strategy was developed on behalf of, and subsequently endorsed by, the previous Government. The contents of the strategy were endorsed across the North West at all political levels with strong public support for the multi-modal package of measures. Elements of the strategy have already been financed by Central Government and the A6 to Manchester Airport Relief Road has been prioritised by the Association of Greater Manchester Authorities (AGMA) for inclusion in the Greater Manchester Transport Fund, with a contribution from this fund to the overall cost of the scheme.

Across the North West the need for the A6 to Manchester Airport Relief Road has been recognised and supported. It is supported by local MPs, the GMCA and TfGM, the three promoting authorities and councillors from all three main political parties.

This support was also demonstrated by the high level of public response and support during the consultation on the original scheme.

The Government is committed to improving connectivity to international gateways and investing in infrastructure that will generate economic growth and employment, enhance the environment and support social cohesion. This business case presents the strong case for investment in the A6 to Manchester Airport Relief Road to meet these objectives and deliver substantial benefits to UK plc, as well as to the local communities of Greater Manchester and Cheshire East.