

Cheshire East Council

Cabinet

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| Date of Meeting: | 8 th November 2016 |
| Report of: | Executive Director of Place |
| Subject/Title: | Middlewich Eastern Bypass |
| Portfolio Holder: | Cllr David Brown, Highways and Infrastructure |

1. Report Summary

- 1.1. Cheshire East Council has responded to the concerns of residents and businesses in Middlewich by seeking means to secure the delivery of the Middlewich Eastern Bypass. The Council's work has now resulted in the award of funding from the Department of Transport to take the scheme to its next stage, one of only seven schemes nationally to receive money in this funding round. This represents a significant step forward in the delivery of the project and continues the momentum that has been established since the Council took over control of its delivery in 2015.
- 1.2. Middlewich is a key service centre hosting four strategic sites for employment and housing. The bypass is a strategic highway scheme which will facilitate future sustainable growth in and around Middlewich.
- 1.3. In May 2016, Cabinet authorised feasibility work to develop plans for the Middlewich Eastern Bypass, including the following tasks:
 - Conducting a public consultation in Middlewich
 - Entering into negotiations with key stakeholders and developers to develop a funding strategy for the bypass
 - Undertaking an options appraisal for the route
 - Extending the validity period of the planning permission for the original bypass route.
- 1.4. This report details how the Strategic Case outlined in the May report and key requirements of the scheme have been used to identify option(s) to prepare the Outline Business Case. This will be necessary to secure any Government funding for the scheme and must reflect the Departments published guidance (WebTAG) on scheme appraisal.
- 1.4 All activities are progressing well and are running on time. During the recent public consultation in Middlewich, residents indicated that there is strong public support for the bypass and its early implementation to address

problems of congestion affecting the local road network. The existing planning permission for the previously consented route of the bypass has recently been extended by three years to 11th July 2019. This is without prejudice to the final design of the scheme but will avoid any subsequent abortive work should the existing consented route prove to be the preferred option.

- 1.5 The Council's success with the recent bid to the Fast Track stream of the Department for Transport's (DfT) Large Local Major Scheme fund has provided significant additional resources to progress scheme development. Liaison with the Department has now commenced and will continue to complete the Outline Business Case (OBC) for the bypass in March 2017. This report provides Cabinet with an update on discussions with DfT and recommends how the grant funding is used in this financial year to deliver this business case.

2. Recommendations

Cabinet is recommended to :

- 2.1. Authorise the Executive Director of Place, in consultation with the Highways and Infrastructure Portfolio Holder, to undertake all necessary work to finalise the options appraisal and business case, undertake appropriate consultation and prepare a funding plan for the preferred option to enable submission of the Outline Business Case in March 2017.
- 2.2. Agree that the initial feasibility work has identified appropriate options to meet the strategic objectives of the bypass, and that these options should be further investigated for preparation of the Outline Business Case.
- 2.3. Note that upon completion, the Outline Business Case will be brought back to Cabinet for approval before it is submitted to the Department for Transport.

3. Options Appraisal

- 3.1 During the feasibility stage, detailed appraisal of options has been completed giving consideration to the strategic objectives of the bypass, environmental constraints, costs and deliverability.
- 3.2 Eight possible alignments for the bypass, including the existing consented route, have been assessed as part of the options appraisal. These are shown in Appendix 1. Following assessment of each option, Option 5 is considered to achieve the best set of outcomes for the scheme. The next best option, at this stage, is considered to be Option 1.
- 3.3 It is proposed that these two route options (Option 5 and Option 1), as outlined in Appendix 1 to this report, are taken forward for further investigation during preparation of the Outline Business Case. A summary of the overall Option Assessment from the feasibility work is included in Appendix 2 of this report.

4. Reasons for Recommendations

- 4.1. Earlier this year an opportunity was identified to apply to the Department of Transport (DfT) for funding for further scheme development during the current financial year through the fast-track stream of their Large Local Major Transport Schemes programme.
- 4.2. An application was made through the Cheshire and Warrington Local Enterprise Partnership, accompanied by letters of support from the MP for Tatton and key stakeholders and developers. The application was required to demonstrate the strategic need for the bypass, alignment with local, sub-regional, and national policies; and presented the economic case for the bypass based upon estimated scheme costs and monetised benefits.
- 4.3. The bid was successful and funding of £1.257m was awarded by DfT, which in addition to the Council's previously approved funding commitment of £0.75m, now gives a total budget of approximately £2m for the development of the scheme to Outline Business Case (OBC) stage by 31st March 2017.
- 4.4. The Middlewich Eastern Bypass was one of only seven schemes nationally to have been awarded a share of the £10m funding available through the fast-track programme reflecting the strength of case that has been made to date.
- 4.5. Securing this development funding from DfT is an important step in the delivery of the scheme but does not guarantee subsequent capital funding from DfT. Future approval of the OBC will move the scheme onto the DfT's Large Local Major Transport Schemes programme which will make future funding more likely, though not guaranteed.
- 4.6. The award of the DfT fast track funding now defines the requirements for further works to develop the scheme to OBC stage in accordance with the Treasury's business case requirements.
- 4.7. Liaison with the DfT officials has commenced, through an inception meeting and site visit on 30th September 2016. This enabled DfT civil servants to appreciate the nature of the local area and the context for the bypass. The Council's delivery programme for the Outline Business Case has been updated to reflect all of the issues raised during the meeting. Arrangements for on-going technical liaison have been confirmed with the DfT. The Council has a detailed understanding of these procedures, which are consistent with other current schemes including Congleton and Poynton major schemes.
- 4.8. Two options will now be taken forward into the OBC stage based upon a preferred option and an option based upon an amended version of the original alignment of the scheme.

- 4.9. The work done to date on the scheme has been critical to the identification of viable routes for the bypass and has enabled the selection of a preferred option which best meets the requirements of the previously approved Strategic Case for the bypass. A second option has also been clearly identified which is based upon the original bypass route. The two options now need to be fully assessed and compared to select the option to be taken forward with the OBC which will be submitted to DfT for approval.
- 4.10. Entry to the Large Local Major Programme requires rigorous assessment and compliance with well established DfT process and procedures in the assessment of the two options. The requirements are understood and are well known to the Council, with previous schemes having been subject to DfT requirements and progressing successfully.
- 4.11. The funding is for the current financial year 2016/17. It is therefore critical that the extensive works to be undertaken in the production of the OBC can progress without delay to meet the programme. Failure to meet programme and / or DfT requirements may compromise future further funding opportunities for the scheme.
- 4.12. The award of funding for the development of the OBC does not guarantee future DfT funding, either for scheme development costs beyond the OBC stage, or for implementation of the scheme. It is essential that all avenues for funding the continue to be investigated to identify the scale of funding which will be required from other funding sources, such as from nearby development.

5. Background

- 5.1. The bypass has been a consented scheme for a number of years following the development of a scheme by Cheshire County Council to provide a bypass to the town centre and enable access to the Midpoint 18 strategic site. Initial sections of the scheme from the A54 have been constructed since 2000.
- 5.2. Development and delivery of the bypass was originally in the hands of the Private Sector, with funding largely flowing from development opportunities, but after the award of a planning consent for the Midpoint 18 masterplan and completion of the bypass in 2006, economic uncertainties restricted opportunities for further substantial development and funding opportunities for construction of the remainder of the bypass became severely restricted.
- 5.3. Due to continued lack of progress on the scheme the Council took control of delivery of the bypass in 2015 and a programme of works has been underway since that time to achieve the objective of delivering the bypass, whilst also developing the scheme to suit a broader set of local and regional objectives that have evolved since the original route was conceived.
- 5.4. The May report to Cabinet detailed the Strategic Case for the bypass and outlined how the objectives in the Strategic Case would be used in the options appraisal to develop a preferred solution.

5.5. The Strategic Case stated the primary objective for the bypass as being 'To deliver a highway scheme which functions as a bypass to deliver the traffic solution for Middlewich'. In so doing, the bypass will contribute to the following strategic outcomes;

- To support the economic growth agenda for Middlewich and the sub-region, facilitating the delivery of 1,950 dwellings and 6500 jobs in the town
- To mitigate problems of traffic congestion in the town, and on the strategic network linking mid Cheshire to M6 Junction 18
- To improve environmental conditions within the town, through reductions in traffic-related noise, air quality and severance.
- To facilitate the delivery of a package of complementary measures to support town centre regeneration, accessibility and public realm.

5.6. Implicit within these objectives are considerations relating to :

- The quality of the bypass alignment and route standard
- Alleviation of traffic congestion on the local highway network
- Alleviation of road safety concerns on the local highway network
- Impacts on non-peak journeys in terms of distance travelled and time taken

5.7. The May report also identified key requirements to be delivered by the bypass and their relative importance. It also outlined how the Strategic Case would be used as a primary "filter" of route options, followed by an assessment against site constraints and the delivery of the key requirements, to evaluate each route to objectively assess the relative merits of each option.

5.8. The key requirements were :

- Fulfilling the delivery of the Local Plan
- Delivery of further development opportunities
- Facilitation of high growth city HS2 objectives (Northern Gateway)
- Facilitation of an east-west by-pass (strategic future proofing)
- Connectivity with Cledford Lane
- Supporting the delivery of a new railway station site
- Facilitating rail opportunities
- Timeliness of delivery and length of construction period.

- Environmental impacts
- Cost effectiveness of environmental mitigations.

These factors have informed the assessment of the various options for the bypass, informing the recommendation of options to develop further for the Outline Business Case (see Appendix 2).

- 5.9. Throughout the feasibility stage, the Council has engaged with all of the land-owners / developers with interests affected by any of the options. As we proceed towards the Outline Business Case, this engagement will continue, although it is appropriate to redesignate this forum as a Stakeholder Engagement Group. This reflects the need to ensure that the project governance for the Fast Track process must be consistent with the Councils corporate project governance and assurance procedures, with an appropriate Project Board being convened by the Executive Director of Place.

6. Wards Affected and Local Ward Members

Middlewich and Brereton Rural

- 6.1. Cllr Simon McGrory
- 6.2. Cllr Michael Parsons
- 6.3. Cllr Bernice Walmsley
- 6.4. Cllr John Wray

7. Implications of Recommendation

7.1. Policy Implications

The Scheme supports the emerging Local Plan Strategy Policy CO2 and is included in the associated Infrastructure Delivery Plan. The Eastern By-Pass also aligns strongly to Cheshire and Warrington Strategic Economic Plan and it is included in the Local Transport Plan 2015 Policy B2 – Enabling Development

7.2. Legal Implications

The outputs of this Outline Business Case Stage will be prepared to ensure that the relevant requirements of the statutory planning process are met.

Engagement of key stakeholders, residents and members of the public is an obligation of the local authority during the planning and delivery of major highway projects. The proposed approach to consultation and engagement will ensure that the Council takes appropriate measures to discharge its obligations to

stakeholders before confirming a preferred route option. That route will, of course, be subsequently subject to the normal, formal consultation process.

The route of the scheme, alternative schemes, funding of the scheme, land acquisition, costs of land acquisition, potential consideration of the need for use of Compulsory Purchase Powers, and consideration of procurement and State Aid issues have all yet to be considered. All of these points will need separate legal consideration at the material time, on the points they raise, in light of the powers under the Constitution. In addition, funding to be provided by a capital contribution from the Council will have to be identified and form part of a capital bid and be a Key Decision.

7.3. Financial Implications

The Middlewich Eastern By-Pass will be delivered through a blend of scheme funding including third-party developer contributions secured by the Council. The viability and affordability of any scheme will be a fundamental part of the Outline Business Case process. In addition an up-to-date cost estimate for the proposed solution will be prepared as part of the business case process.

The 2016/17 budget includes a specific capital allocation of £750,000 for the Middlewich Eastern By-Pass. Spending on the initial design stages of this Project will be managed within overall capital approvals in the Medium Term Financial Strategy and spending or changes to this allocation will be reported in accordance with the budgetary framework

7.4. Equality Implications

- Equality implications will be considered in the options appraisal and completion of the Outline Business Case

7.5. Rural Community Implications

- Any future planning application will require an Environmental Assessment which will take into account the effect on the rural community.

7.6. Human Resources Implications

- Successful completion of the Outline Business Case for this major road scheme relies on activities from a large team of qualified and experienced staff in a range of specialist disciplines, including highway design, environmental appraisal, traffic modelling, economic appraisal and cost consultancy. Therefore, arrangements have been put in place to engage appropriate resources under the Councils existing contractual arrangements for delivery of highway professional consultancy services.

Without this provision, the Council would be unable to meet the timescales for successful delivery of the fast-track bid programme.

7.7. Public Health Implications

- The recommendations have no immediate impact on public health. Issues associated with noise and air quality will be assessed as part of the ongoing programme of works associated with the bypass leading ultimately to an Environmental Assessment.

7.8. Other Implications (Please Specify)

- N/A

8. Risk Management

- 8.1. Risk management issues are unchanged from previous Cabinet reports. A risk register has been produced in the preceding stages of the project development and this will be reviewed and updated through the current stage of works. Capital cost risks are currently addressed through the inclusion of an appropriate level of Optimism Bias uplift to estimated costs. The evaluation of cost risks will move to a Quantitative Risk Assessment approach in the OBC development.
- 8.2. Key risks to the Council continue to relate to the affordability of the scheme and this will be addressed through the continued development of the high level funding strategy.
- 8.3. Programme risks relating to environmental surveys in support of planning objectives continue to be managed by undertaking surveys in support of all options within the current programme of works. Ecology site surveys will be complete in advance of the completion of the OBC.

9. Access to Information/Bibliography

- 9.1. The background papers relating to this report can be inspected by contacting the report writer.

10. Contact Information

Contact details for this report are as follows:

Name: Chris Hindle
Designation: Head of Strategic Infrastructure
Tel No: 01270 686688
Email: chris.hindle@cheshireeast.gov.uk