

Corporate Policy Committee

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| Date of Meeting: | 04 November 2021 |
| Report Title: | HS2 Update |
| Report of: | Jayne Traverse, Executive Director of Place |
| Report Reference No: | CP/53/21-22 |
| Ward(s) Affected: | All Wards |

1. Executive Summary

- 1.1.** The Council is progressing the delivery of its vision for Crewe to support the regeneration and economic prosperity of the town. This includes building on the recent successes in the town centre and preparing for the opportunities that HS2 can offer.
- 1.2.** The Council is committed to realising Crewe's full potential and seeking at new opportunities to achieve this. This means the planning framework needs to remain agile and work programmes responsive to quickly react to, and capitalise on, new funding and investment opportunities.
- 1.3.** Recent successes for Crewe through Government's Future High Streets Fund (FHSF) and the Towns Board programme will see a range of exciting new projects build on key investments in the town over the past decade. These include Crewe Lifestyle Centre, Crewe Rail Exchange, Jack Mills Way, Crewe Green Link Road, Sydney Road Bridge, Crewe Green Roundabout and Crewe UTC.
- 1.4.** The Council has already started work on capturing the next set of funding opportunities, with the Government's new investment programmes linked to the levelling up agenda and announcements regarding the proposed Great British Railways HQ. This demonstrates a bright and successful future for Crewe.
- 1.5.** Furthermore, the granting of Royal Assent to the HS2 Phase 2a hybrid bill in February 2021 to become an Act of Parliament was a key milestone to

securing the economic potential for the town. As the start of HS2 services nears, this will see another wave of investment in new jobs and homes in the area.

- 1.6.** As such, it is essential that the Council's planning policies for central Crewe reflect the need to secure investment now aligning to the Government's new funding initiatives whilst safeguarding the further economic uplift from HS2 to come.
- 1.7.** The plans for central Crewe need to respond to the impacts of the coronavirus pandemic and how this is changing working patterns and travel behaviours right across the UK. A consequence of this can be seen in the commercial development market and means that for several years to come investment prospects are likely to be constrained and the economic growth associated with HS2 take longer to realise than anticipated before the pandemic.
- 1.8.** The timing of the arrival of HS2 services to Crewe awaits the Government's Integrated Rail Plan, which is thought to be published imminently. Again, any changes to the current programme could impact on the timing of the HS2 uplift and associated opportunities.
- 1.9.** Taking all these factors into consideration it is important that the HS2 programme and plans adapt and respond to the new priorities and opportunities and see continued additional investment. This means that the proposals outlined in the draft Crewe Hub Area Action Plan (CHAAP) developed prior to the pandemic are unlikely to be delivered over the plan period. Therefore, to strengthen sound decision making and continued success in securing and delivering investment in Crewe it is necessary to refresh the plan into a planning policy position that reflects the changed conditions.
- 1.10.** The Crewe Southern Link Road Bridge was a proposal linked to the full HS2 delivery package of Phase 2a and Phase 2b and was based on a pre-pandemic commercial development assumption as well as Government funding linked to large local major transport projects.
- 1.11.** The new focus in Government investment priorities, including the levelling up fund, has meant that there is currently no funding available that could support the Crewe Southern Link Road Bridge. As such, the project is forming part of a wider assessment to establish a transport plan and priority projects for central Crewe deliverable within the scope of existing funding. This assessment would also identify longer-term projects for central Crewe covering all modes of transport.
- 1.12.** Two current opportunities for Crewe exist in the Government's Levelling Up Fund, where the Council is assessing a Local Transport Authority bid for Crewe, and the proposed Great British Railways HQ announcement. If successful, these could see significant new investment in Crewe in advance of the arrival of HS2, unlocking benefits to the town and borough.

1.13. For the work to update the planning policy and transport strategy to be undertaken through the work programmes of the Environment and Communities Committee and the Highways and Transport Committee, it is important that the following two past and linked decisions are revoked:

1.13.1. Cabinet decision on the preferred route 'Crewe Southern Link Road Bridge' in November 2019 and

1.13.2. Cabinet decision to consult on the CHAAP in March 2020

1.14. If approved, these decisions will enable plans for Crewe to adapt to reflect the new situation in the commercial development market arising from the Covid-19 pandemic and the arrival of HS2 and provide the sound evidence base for attracting the additional Government investment opportunities that are now available.

1.15. Work can progress on a revised transport strategy and bids into the Levelling Up Fund and Great British Railways HQ opportunity, in advance of the conclusion of this work, as these will be compliant with the Council's existing Corporate Plan, Local Plan and Local Transport Plan.

2. Recommendations

2.1. That Committee:

2.1.1. Note the recent structural changes to the local and national economic outlook arising from the pandemic and the impact this has had on existing plans and priorities for the HS2 programme.

2.1.2. Revoke the decision of Cabinet in March 2020 to consult on the draft CHAAP;

2.1.3. Approve the formal withdrawal of the CHAAP;

2.1.4. Note the Environment and Communities Committee, as part of its work programme, will consider revised planning policy options for Crewe;

2.1.5. Revoke the Crewe Southern Link Road Bridge Preferred Route Decision of Cabinet in November 2019 and all associated safeguarding of land; and

2.1.6. Note the Highways and Transport Committee, as part of its work programme, will develop a revised Transport Strategy for Crewe to support the transport priorities for the town and enable transport orientated funding bids linked to current Government investment priorities.

3. Reasons for Recommendations

3.1. A review of the proposed planning policy for the central Crewe area, as outlined in Appendix 1, is needed following the impacts of the coronavirus pandemic on the commercial development market, plus delayed economic uplift from HS2, which are not currently reflected in the CHAAP.

- 3.2. This review will enable the policy framework to accurately reflect the current environment; enabling Crewe to have up to date evidence to support the short-term funding and investment opportunities and see the continued regeneration of the town.
- 3.3. Should funding priorities and market conditions change in the future, a scheme, such as the Crewe Southern Link Road Bridge, could then be brought forward at a future date.
- 3.4. By removing the preferred route decision now, the Council retains the opportunity to bring such a scheme forward in the future. The Council recognises that this would require a new route options assessment and, depending on conditions at that time, may result in different route being the best solution.
- 3.5. An assessment of transport priorities for the area and a revised transport strategy for Crewe will enable the Council to better understand how the Crewe Southern Link Road Bridge could fit into the longer-term ambition for the town and also identify schemes that can be delivered in line with the current funding opportunities.

4. Other Options Considered

CHAAP

- 4.1. The Council could continue to progress the CHAAP and the Crewe hub area proposals as previously planned. This would not provide the optimal solution given recent developments and would require the Council to commence the consultation as presented to Cabinet in March 2020. This consultation would be the 'representations' stage, prior to submission to the Planning Inspectorate for examination.
- 4.2. However, the CHAAP, in its current form, would now have little chance of it passing an examination by the Planning Inspectorate. This could result in significant abortive costs to the Council without any improved planning policy for the area.
- 4.3. The above option was considered but not recommended because of the low chance of it now getting approved. This in turn could lead to speculative and unplanned development gaining approval in the area.
- 4.4. Unplanned development would constrain, inhibit, or slow down the realisation of the vision and ambitions for Crewe over the coming years as well as constraining the investment opportunities linked to the Levelling Up agenda.
- 4.5. The Council could seek to amend the CHAAP to account for the changes arising from the coronavirus pandemic and HS2 delays.
- 4.6. This option has been considered but would not be recommended as the scale of the work to amend the existing CHAAP would be extensive. In addition, the prevailing uncertainties about the long-term commercial

outlook would not necessarily provide more certainty that a revised CHAAP would pass a planning inspectorate.

- 4.7.** The preferred option is to withdraw the current CHAAP, whilst continuing to prioritise the other elements of Crewe regeneration. This will permit the ability for the Council to pursue new funding and investment opportunities now, whilst allowing for future long-term business demands to be integrated into the wider local plan.

Crewe Southern Link Road Bridge

- 4.8.** The Council could continue to progress the scheme as planned, without the CHAAP, by undertaking the detailed scheme design, business case development and land assembly.
- 4.9.** Without a detailed planning policy and uncertainties around the future development and growth rates, securing the necessary funding from Government to deliver the scheme would be doubtful and any costs spent would need to be absorbed by the Council.
- 4.10.** This is not recommended because the work needed to develop plans would be costly without any certainty of Government funding opportunities. Instead, these funds could be utilised to support schemes that meet Government's current investment priorities.
- 4.11.** The Council could pause the development work on the scheme until appropriate funding opportunities become available but retain the preferred route status.
- 4.12.** This would not be recommended as the preferred route status, and associated safeguarding of land, triggers a statutory blight notice risk to the Council. Should an eligible blight notice be served on the Council, the Council could be forced to, either:
- 4.12.1.** Acquire the land that is subject of the blight notice; or
 - 4.12.2.** Withdraw the scheme in its entirety
- 4.13.** The financial risk associated with 4.12.1 is unfunded and if the Council was consequently forced into withdrawing the scheme under 4.12.2, it would not be able to bring the scheme forward, or a similar scheme, in the foreseeable future.
- 4.14.** The preferred option is to withdraw the preferred route as this will retain the flexibility for the scheme to be considered at a future date, should Government funding opportunities become available and remove the unfunded financial risk associated with statutory blight notices.

5. Background

Current position

- 5.1.** The arrival of HS2 and a Crewe hub station provides a significant opportunity to deliver social, economic and environmental wellbeing for the residents of Crewe and the Borough. The Council is passionate about enhancing what the town already has to offer and enabling more opportunities to people who live in, work in, or visit Crewe.
- 5.2.** It is anticipated that HS2 will have the largest, and most immediate, impact on the land immediately surrounding Crewe Railway Station as this area will benefit most from the step-change in connectivity that HS2 delivers.
- 5.3.** To enable the opportunities in this area to be realised, development began on a local Area Action Plan, the Crewe Hub Area Action Plan (CHAAP). The CHAAP would provide updated HS2 led planning policy for this area.
- 5.4.** The CHAAP was based on the following assumptions:
 - 5.4.1.** HS2 services would arrive at Crewe in 2027 with high-speed services between Crewe and London;
 - 5.4.2.** The arrival of Phase 2b in 2033, with Crewe serving 5 HS2 trains per hour south and 7 HS2 trains per hour north, including direct HS2 services to Manchester and Birmingham;
 - 5.4.3.** The redevelopment of Crewe railway station, including a new passenger transfer deck and new main entrance on Weston Road, in 2025 in advance of the arrival of HS2; and
 - 5.4.4.** The delivery of a new commercial hub to the east of the station which could deliver in the order of 2-3000 new homes and 150 hectares of employment (primarily office based) toward the end of the CHAAP period.
- 5.5.** In March 2020, a decision to consult on the Crewe Hub Area Action Plan (CHAAP) was approved by Cabinet. This consultation would have been the 'representations' stage, prior to submission to the Planning Inspectorate for examination.
- 5.6.** The CHAAP covered the area surrounding Crewe railway station, as shown in Appendix 2, to reflect the immediate area of opportunity above. This work acknowledged and complemented existing policies for Crewe, including the town centre.
- 5.7.** A principal aspect of the CHAAP was a new commercial hub to the east of the station, supporting 150 hectares of new high value office development. This new development could in turn make a funding contribution towards the key transport interventions needed across the area.

- 5.8. Initial traffic modelling was undertaken to assess the impacts of HS2 and the CHAAP proposals on the local highway network to identify the transport interventions needed to support them.
- 5.9. This work identified several key junction and highway improvements around Crewe station, with the most significant intervention being a new highway bridge over the rail lines close to Crewe Station. This proposed new highway crossing was referred to as the Crewe Southern Link Road Bridge.
- 5.10. A public consultation on route options for the bridge was undertaken in Summer 2019 to align to Network Rail's construction programme for the Crewe Hub. A preferred route was approved by Cabinet in November 2019.

What has changed?

- 5.11. Over the past 18 months, the following changes have impacted the validity of these assumptions:
 - 5.11.1. Delays in HS2's delivery programme, with services to Crewe not arriving until 2028 to 2031 and 5/7 HS2 trains per hour being later still;
 - 5.11.2. The economic impacts of the Covid-19 pandemic, as well as the move towards working from home and flexible working, has created uncertainty in the development and investment markets; and
 - 5.11.3. Changes in government investment priorities with a focus on economic recovery and levelling up agenda.
- 5.12. Earlier this year, the Council secured £14.1m of Government funding from the Future High Street Fund. This will support the delivery of a number of cultural, community, regeneration and transport projects within the town centre, including:
 - 5.12.1. Southern Gateway
 - 5.12.2. Flag Lane link
 - 5.12.3. Adaptive signals
 - 5.12.4. In town living projects
 - 5.12.5. Earle St link
 - 5.12.6. Christ Church Digital Innovation Centre
 - 5.12.7. Sustainable Energy Network
- 5.13. In addition, Crewe recently secured a 'Town Deal' and a separate allocation of funding from government of up to £22.9m. This funding, subject to business case approval, is allocated to deliver an additional set of projects to support the ongoing regeneration of the town, including:
 - 5.13.1. Mill Street Linear Park and Corridor Improvements

- 5.13.2. Green corridor and Green open space investments
 - 5.13.3. New community and sports hubs
 - 5.13.4. Inner Crewe Warm & Healthy Homes Programme
 - 5.13.5. Public realm improvements
- 5.14.** The schemes to be funded from the Future High Streets Fund and Towns Fund are partly within the defined boundaries of the CHAAP and represent an opportunity to better connect the station and town centre through investment in key corridors.
- 5.15.** In addition, the Council is working closely with Network Rail and Cheshire and Warrington LEP to refine proposals for the redevelopment of Crewe hub station and its immediate environs.
- 5.16.** This includes proposals for new pedestrian/cycle decks alongside Nantwich Road Bridge that will improve links between the station and town centre, support the regeneration of the Mill Street corridor, promote active travel and support the wider HS2 potential.
- 5.17.** It will also include phase 1 proposals for the redevelopment of the Weston Road car park that can capitalise on investment opportunities coming forward in advance of HS2's arrival.
- 5.18.** Breaking these down into deliverable, Local Plan compliant chunks will provide the necessary flexibility to accelerate the delivery of such interventions as funding opportunities become available.
- 5.19.** Government is expected to commence further bidding rounds for its Levelling Up Fund in the coming months which could support a package of up to £50m of transport schemes in Crewe through a Local Transport Authority bid by the Council, with schemes to be delivered by 2025. This could include elements of the HS2 programme.
- 5.20.** In addition, the Secretary of State for Transport recently announced plans to launch an Expression of Interest bidding round to find a location for an HQ and regional centres, outside of London, for the soon to be established Great British Railways. Given Crewe's strong rail heritage and unrivalled connectivity, this represents a huge opportunity for the town to secure one of these sites and the jobs and homes that can flow from it.
- 5.21.** These represent huge shorter-term opportunities for the town that can unlock significant benefits to the town, and the Borough, in advance of HS2. However, both are expected to attract interest from many towns and cities across the UK. Therefore, it is essential that the Council's policies and

strategies for Crewe place it in the strongest possible position to support such bids.

Next steps

5.22. The Council should revise the CHAAP to reflect the changes to underlying assumptions and forthcoming investment priorities.

5.23. In reviewing the CHAAP, three main options are to be considered:

5.23.1. Review and update the CHAAP to reflect current circumstances. This will necessitate a review of the evidence base and infrastructure plan and may impact the conclusions related to expected levels of growth in the plan period. It offers an opportunity to re-engage with the new Crewe Town Board and create new policy that reflects the ambitions for Crewe from the current perspective, with different voices informing the outcome.

5.23.2. Incorporate the review process within the wider Local Plan review from 2022 onwards. Local Plan review provides an opportunity to introduce new and detailed policy within an established process. However, this is a lengthy process and can take years to complete. As mentioned above, planning reform will mean local plans are likely to look very different in the future and the approach taken to Crewe may be prescribed and based on current Government proposals it is reasonable to assume that some form of design code would likely be the approach that would fit best within a new local plan.

5.23.3. Produce planning guidance in the form of a Supplementary Planning Document (SPD). SPDs can be produced relatively quickly (circa 12-18 months) but do not provide new planning policy and therefore do not offer the same legal status as policies in an AAP or Local Plan. However, they do provide guidance, which is material to planning decisions and, in this instance, would be used to expand on the existing policies in the Local Plan (LPS1 Central Crewe). This could be a shorter-term tool to re-engage the local community, re-develop the approach to incorporate current developments/investment and publicly set out CEC ambitions, with recognition that such a document could form the basis of an approach to be incorporated in Local Plan review in the future.

5.24. Given the changes in circumstances the AAP process would need to be started afresh. This would require recommissioning evidence, and importantly, ensuring the developments proposed are deliverable. This means securing assurance that the key infrastructure (station and highways interventions) is costed and financed. If the policy commitments in an AAP are not demonstrably deliverable there is a risk that the plan will fail at examination.

- 5.25.** Pursuing an SPD offers a cost and time effective means to set out the Council's new approach to Crewe (including elements beyond the station). The process to produce and SPD does not require submission to the planning inspectorate, is subject to shorter consultation periods and does not require the extent of supporting planning material that an AAP or Local Plan review would (Habitats Regulations Assessment, Strategic Environmental Assessment, Sustainability Appraisal etc).
- 5.26.** In the context of Crewe, it is considered that an SPD is likely to provide the most appropriate planning framework for Crewe going forward.
- 5.27.** The progression of a refreshed planning policy framework for Crewe falls under the terms of reference of the Environment and Communities Committee.
- 5.28.** An update of the Crewe Transport model that focuses on the central area encompassing the Town Centre, railway station and Grand Junction retail park, will provide an up-to-date baseline for the town that accommodates the recent town centre developments, planned and funded projects and can test investment plans against the Council's Corporate Plan and carbon strategy.
- 5.29.** This will provide the evidence to prepare a multi-modal transport strategy for Crewe that will identify and prioritise the key transport interventions needed to support a prosperous, vibrant, and sustainable town that can attract new and high value investment, jobs and homes to Crewe and surrounding areas.
- 5.30.** The proposition of a future Crewe Southern Link Road Bridge option will be tested through this model.
- 5.31.** The development of a revised transport strategy for Crewe falls within the terms of reference of the Highways and Transport Committee.
- 5.32.** Together, the refresh of the planning policy and the development of a revised transport strategy the Council will have a strong evidence base to bid for new funding and investment opportunities including the Levelling Up Fund and Great British Railways HQ.

6. Consultation and Engagement

- 6.1.** No stakeholder engagement or public consultation is required to approve the recommendations in this report.

7. Implications

7.1. Legal

- 7.1.1. Withdrawal of the CHAAP will mean it has no influence on future planning determinations in Crewe.

- 7.1.2. In revoking the preferred route decision for the Crewe Southern Link Road Bridge the safeguarding of any land required to deliver the scheme is also removed. Consequently, the bridge will have no status or influence in the determination of future planning applications in the area.
- 7.1.3. In revoking the preferred route decision for the Crewe Southern Link Road Bridge, any future claim of statutory blight will be extinguished.
- 7.1.4. Any statutory blight notice received in advance of this decision will stand and the Council will need to provide a counter notice within two calendar months of receipt. The recommendations in this report would be included as grounds for the counter notice.
- 7.1.5. Revocation of the preferred route decision does not preclude the Council from bringing the Crewe Southern Link Road project forward in the future. However, if this were the case, the route options assessment work and public consultation would need to be started again.

7.2. Finance

- 7.2.1. Much of the work undertaken for the CHAAP can be utilised or updated for any future planning policy for Crewe. Any additional financial implications will be subject to further decision.
- 7.2.2. Revoking the preferred route decision for the Crewe Southern Link Road Bridge will not itself have direct financial implications. The work to date will help inform the Transport Strategy for Crewe and future planning policies. Work was paused on the business case and scheme design to undertake the Covid-19 review which has minimised any budget implications to the Council.
- 7.2.3. In revoking the preferred route decision, the Council will extinguish all financial risk associated with potential statutory blight notices.
- 7.2.4. If the decision is revoked, should the Council seek to bring the scheme forward in the future, a new route options assessment and public consultation would need to be undertaken to determine the most appropriate route at that point in time.
- 7.2.5. Alternatively, retaining the preferred route status would result in the Council carrying a significant financial risk arising from the statutory blight notices, which is unfunded. If a blight notice was served the Council is likely to be forced into withdrawing the scheme. In such a scenario, the Council could not bring the scheme forward again in the future and the costs incurred to date would need to be expensed.
- 7.2.6. Any financial implications associated with an update to the Crewe Transport Model and development of a revised transport strategy will be funded from the existing HS2 Programme.

7.3. Policy

7.3.1. Whilst an Area Action Plan can provide new planning policy for a defined area that would have the same policy status as a Local Plan.

7.3.2. If withdrawn, the CHAAP will have no policy status or influence in planning determinations.

7.3.3. If the preferred route decision is revoked, the Crewe Southern Link Bridge will have no policy status or influence in planning determinations.

7.4. Equality

7.4.1. There are no direct equality implications. The progression of a future planning policy and transport strategy will be subject to future decisions which will consider any equality implications.

7.5. Human Resources

7.5.1. There are no direct HR implications, existing staff in the Strategic Planning and Highways and Infrastructure Teams may be used to undertake the identified next steps.

7.6. Risk Management

7.6.1. There is a risk of speculative and unplanned development around the Crewe hub station if the CHAAP is not progressed. However, with current market conditions and the exiting Local Plan, with the development of an SPD that can be undertaken relatively quickly, will provide further clarity on the interpretation of planning policy in the area to mitigate against this risk.

7.6.2. There is a risk that the Council could be served a blight notice on the current preferred route of the Crewe Southern Link Road Bridge in advance of getting an approved business case and funding for the scheme.

7.6.3. Since the financial risk of blight is unfunded, the Council could be forced to withdraw the scheme entirely and would consequently not be able to bring it forward again in the foreseeable future.

7.6.4. By revoking the preferred route decision now, the Council can retain the option to bring the scheme forward at a future date if appropriate funding sources become available, whilst removing the basis for statutory blight and the associated financial risk to the Council.

7.6.5. There is a risk that a blight notice is served on the Council in advance of the decisions within this report. In this case, the Council would be required to respond within two calendar months with a counter notice or be forced to either withdraw the scheme or acquire the land subject to the blight notice. A decision to revoke the preferred route now would provide the basis of a counter notice against the blight claim.

7.7. Rural Communities

7.7.1. There are no direct implications to the Borough's rural communities.

7.8. Children and Young People/Cared for Children

7.8.1. The future growth and prosperity of Crewe on the back of HS2 can provide significant future employment opportunities for young people.

7.9. Public Health

7.9.1. There are no direct public health implications.

7.10. Climate Change

7.10.1. Any future planning policy for Crewe will need to be developed to support the Council's Carbon Agenda.

7.10.2. Any update to the Crewe Transport Model should consider all modes of transport. Any resulting Transport Strategy should have a high focus on walking, cycling and public transport in line with the Council's Carbon Agenda.

7.10.3. Together these proposals would help to encourage more sustainable travel to, from and around Crewe which will also help to promote healthy lifestyles.

| Access to Information | |
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| Contact Officer: | Hayley Kirkham, HS2 Programme Director Hayley.kirkham@cheshireeast.gov.uk 07811677352 |
| Appendices: | Appendix 1: Central Crewe area of focus Appendix 2: CHAAP Boundary |
| Background Papers: | Cabinet Decisions: Crewe Hub Area Action Plan Report – Publication Draft Plan, 10 March 2020 (page 89 (Public Pack) Agenda Document for Cabinet, 10/03/2020 13:00 (cheshireeast.gov.uk)) Crewe Hub Station Update, 10 March 2020 (page 27 (Public Pack) Agenda Document for Cabinet, 10/03/2020 13:00 (cheshireeast.gov.uk)) Crewe Southern Link Road Bridge – Preferred Route, 05 November 2019 (page 91 (Public Pack) Agenda Document for Cabinet, 05/11/2019 13:00 (cheshireeast.gov.uk)) |

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Appendix 1: Central Crewe area of focus



