

Cabinet Agenda

Date: Monday, 25th June, 2012
Time: 2.00 pm
Venue: Committee Suite 1,2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. **Apologies for Absence**

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any personal and/or prejudicial interests in any item on the agenda.

3. **Public Speaking Time/Open Session**

In accordance with Procedure Rules Nos.11 and 35 a total period of 10 minutes is allocated for members of the public to address the Committee on any matter relevant to the work of the Committee.

Individual members of the public may speak for up to 5 minutes but the Chairman will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers.

In order for an informed answer to be given, where a member of the public wishes to ask a question of a Cabinet Member three clear working days notice must be given and the question must be submitted in writing at the time of notification. It is not required to give notice of the intention to make use of public speaking provision but, as a matter of courtesy, a period of 24 hours notice is encouraged.

Please contact Cherry Foreman on 01270 686463
E-Mail: cherry.foreman@cheshireeast.gov.uk with any apologies or requests for further information or to give notice of a question to be asked by a member of the public

4. **Minutes of Previous Meeting** (Pages 1 - 4)

To approve the minutes of the meeting held on 28 May 2012 as a correct record.

5. **Key Dec 12/13-2 Shadow Health and Wellbeing Board Terms of Reference**
(Pages 5 - 26)

To recommend the Terms of Reference to the Council, and also that they be further reviewed in advance of the Board assuming its statutory functions.

6. **Key Decision Middlewich Eastern Bypass and Midpoint 18** (Pages 27 - 76)

To agree to act as the grant recipient for this project for the development of the bypass.

7. **Key Dec 12/13-6 SEMMMS A6 to Manchester Airport Relief Road** (Pages 77 - 100)

To consider the progress of this scheme and the Major Scheme Business Case.

8. **Management and Governance Arrangements for the Joint Waste Contracts**
(Pages 101 - 104)

To note the decision of the Joint Waste Management Board on 1 May 2012 and to put in place the necessary arrangements for its replacement.

9. **Discretionary Enhancement to the English National Concessionary Travel Scheme** (Pages 105 - 110)

To consider the options for the use of concessionary bus passes on flexible and community transport.

10. **Exclusion of the Press and Public**

The report relating to the remaining item on the agenda has been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matter may be determined with the press and public excluded.

The Committee may decide that the press and public be excluded from the meeting during consideration of the following item pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

PART 2 – MATTERS TO BE CONSIDERED WITHOUT THE PUBLIC AND PRESS PRESENT

11. **Managing Workforce Change** (Pages 111 - 120)

To consider the report of the Head of Human Resources and Organisational Development.

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Monday, 28th May, 2012 in the Council Chamber, Municipal
Buildings, Earle Street, Crewe CW1 2BJ

PRESENT

Councillor M Jones (Chairman)

Councillors Rachel Bailey, J Clowes, H Gaddum, L Gilbert, J Macrae, B Moran
and P Raynes.

Councillors in attendance:

Rhoda Bailey, G Baxendale, I Faseyi, J P Findlow, P Groves, B Livesley,
P Nurse, A Thwaite, G Wait and S Wilkinson.

Officers in attendance:

John Nicholson – Strategic Director, Places and Organisational Capacity;
Caroline Elwood – Borough Solicitor and Monitoring Officer; Lisa Quinn –
Director of Finance and Business Services; Lorraine Butcher – Strategic
Director, Children, Families and Adults and Paul Bradshaw – Head of HR and
Organisational Development

150 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors D Brown and R
Menlove.

151 DECLARATIONS OF INTEREST

There were no declarations of interest.

152 PUBLIC SPEAKING TIME/OPEN SESSION

Charlotte Peters Rock, Knutsford Area for Knutsford Action (KAFKA),
asked for a full review to be carried out of the proposals for adult social
care in the Knutsford area, particularly in respect of dementia services, the
financial burden that was placed on families, the difficulties caused by poor
transport links and the limited availability of public transport, and the lack
of joint working between Cheshire East and neighbouring authorities.

153 MINUTES OF PREVIOUS MEETING**RESOLVED**

That the minutes of the meeting held on 30 April 2012 be approved as a
correct record.

154 **KEY DEC CE12/13-5 SOUTH MACCLESFIELD DEVELOPMENT AREA**

Consideration was given to a report of the Strategic Director Places and Organisational Capacity on the regeneration of the South Macclesfield Development Area, a strategic site in the north of the Borough. The report set out the current intentions for the site, a proposed delivery strategy and the leadership role of the Council would provide to develop the site and to help existing businesses and community facilities to relocate over the coming years.

At the meeting an amendment was made to the wording of the second decision requested to add the words '*the masterplanning process for*' before the South Macclesfield Development Area.

The report detailed four delivery options, of which Option 3 was recommended, with the Council taking an initial lead in developing an outline masterplan for the site. Timing was considered to be a key issue so as to ensure that the opportunities for development could be included in the consultation process for the new Cheshire East Local Plan.

RESOLVED

1. That Cabinet endorses the overall decision and delivery strategy for the site.
2. That agreement be given to the commencement of work to define a set of intentions for the masterplanning process for the South Macclesfield Development Area, and to develop the procurement strategy to select a development partner through the Official Journal of the European Union (OJEU).

155 **APPOINTMENTS TO OUTSIDE ORGANISATIONS**

The Chairman announced that there was an additional item of urgent business concerning appointments to outside organisations.

In accordance with Section 100B (4) (b) of the Local Government Act 1972, it was considered to be urgent on the grounds that the changes needed to be made to ensure that the Council was correctly represented on the bodies concerned and that to delay the appointments would be detrimental to the interests of the Council.

In addition, and in accordance with Rule 13.1 of the Scrutiny Procedure Rules, the Chairman of the Corporate Scrutiny Committee agreed to waive the call-in provisions in relation to the decision on the grounds that the changes needed to be made to ensure the Council was correctly represented on the bodies concerned and that to delay the appointments would be detrimental to the interests of the Council. In addition any delay

caused by the call-in process would be likely to seriously prejudice the Council's or the public's interest in this matter.

Consideration was given to a report of the Borough Solicitor on changes in representative on a number of Category 1 organisations, these being top level strategic organisations at national, regional and local level, for which the Cabinet was responsible for making the appointments.

At the meeting an updated schedule was circulated of the appointments to be made.

RESOLVED

1. That approval be given to the changes of representative shown on the updated schedule circulated at the meeting, and that they run until such time as representation is reviewed following the elections of the new Council in 2015.
2. That approval be given for the appointments to take immediate effect.
3. That, notwithstanding (1) above, the Cabinet retains the right to review the representation on any outside organisation, at any time.

156 **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED

That the press and public be excluded from the meeting during consideration of the following item pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

157 **KEY DEC CE12/13-1 MANAGING WORKFORCE CHANGE**

Consideration was given to the report of the Head of Human Resources and Organisational Development.

A minor change in the wording of recommendations 3 and 4 and an additional recommendation was added with the agreement of the Cabinet.

RESOLVED

1. That with reference to options 1 to 5, outlined in paragraphs 12.1 to 12.18 of the report, Cabinet revises the Council's workforce change and severance/ termination arrangements so that a multiplier of 1.80 times will be applied up to a maximum of 50 weeks pay with

effect from 20 August 2012, and that these arrangements be reviewed after a period of twelve months.

2. That Cabinet extends the application of the discretionary powers relating to termination on the grounds of efficiency, as detailed within the report in paragraphs 12.22 to 12.24.
3. That, as a result of the changes to the current practice in relation (1) and (2) above, the Council's Pay Policy Statement be amended to take into account those changes and that it be referred to Council with a recommendation that it be adopted.
4. That in coming to a decision, Cabinet considers and notes the recommendations of the Corporate Scrutiny Committee as outlined in paragraphs 12.19 and 12.20 of the report.
5. That support be given to the decision of the Corporate Management Team to release the employees whose roles are listed as 1 to 3 in Appendix A of the report under the arrangements agreed in relation to the current voluntary severance provisions which are currently in place for employees in the Council.
6. That the re-employment of any former employees who have left the employment of the Council or legacy Councils on the grounds of voluntary redundancy/severance be subject to the agreement of the Head of Human Resources/Organisational Development in conjunction with the Leader and the relevant Portfolio Holder, and only on the grounds of truly exceptional circumstances.

The meeting commenced at 2.00 pm and concluded at 2.30 pm

Councillor M Jones (Chairman)

CHESHIRE EAST COUNCIL

REPORT TO: Cabinet

Date of Meeting:	25/6/2012
Report of:	Lorraine Butcher, Strategic Director – Children, Families and Adults Services
Subject/Title:	Report in relation to Shadow Health and Wellbeing Board's Terms of Reference
Portfolio Holder:	Cllr. Janet Clowes Portfolio Holder Health & Wellbeing

1.0 Report Summary

- 1.1 Cabinet received a full report on the Cheshire East Shadow Health and Wellbeing Board's Terms of Reference in November 2011 [Appendix 1]. This was then presented and debated at full Council on 15 December 2011.
- 1.2 Full Council raised a number of concerns in respect of the proposed Terms of Reference and these primarily related to member representation on the board [addressed in 3.2] and voting rights of board members [addressed in 3.3].
- 1.3 The draft Terms of Reference took account of the current information from the proposed Health & Social Care Bill and guidance provided centrally on the role and expectations of the Health and Wellbeing Board.
- 1.4 The current Cheshire East Shadow Health and Wellbeing Board is now in formal shadow year. The board will assume its statutory functions from April 2013 following the royal assent of the Health & Social Care bill on the 27th March 2012.
- 1.5 The Health and Wellbeing Board's focus is to develop a clear vision and sense of collective purpose that will ensure collaborative system transformation through strong, inspirational leadership. The board will:
 - Lead – through building relationships between health and local communities
 - Collaborate – through working together to better affect and increase life expectancy
 - Engage – through emphasising that one agency can not resolve the challenges we face in addressing and improving the health and wellbeing of our communities

- 1.6 The role of the Board is primarily one of influencing system change to achieve improvements in the health and wellbeing of the population of Cheshire East. The Board will not have power over the resources of the Council or the respective CCGs. Organisations respective powers and duties take precedence here, and this should assure the Council that decisions about its resources remain with the Council.
- 1.7 This report will explain the subsequent review and revised terms of reference for the board in its shadow year which will then be further reviewed in late autumn in preparation for the board assuming its statutory powers in April 2013.

2.0 Decision Required

- 2.1 That Cabinet and Council support the shadow Health and Wellbeing Board's Terms of Reference.
- 2.2 That Cabinet and Council support the recommendation to further review the Board's Terms of Reference in advance of the Board assuming its statutory functions taking account of Board priorities expressed within the Joint Health and Wellbeing Strategy which will be finalised in the autumn following a period of consultation.

3.0 Reasons for Recommendations

- 3.1 The Board's initial draft Terms of Reference have been reviewed against a number of other terms of reference– Buckinghamshire, Leicestershire, Warwickshire, Lincolnshire, Croydon, Coventry Oldham, and Stockport. This analysis can be found in appendix 2.
- 3.2 The number of Council Members in most authorities is three, with Coventry having a member of the opposition party on the Board; this is in line with the current CEC shadow HWB arrangements and shows our awareness of the pattern of emerging good practice. The role and responsibility of members is outlined in **all** Terms of Reference and these are similar in all cases.
- 3.3 Voting arrangement - The Health and Social Care Bill [2012] does not specify voting arrangements and leaves it open to local determination. When the Board becomes statutory [April 2013] a local constitutional change will be required to account for the board being a formal subcommittee of the Council with both member and officer representation.

Lincolnshire is one of two authorities to have a section stating voting arrangements, they state that:

- Each Core member and substitute member shall have one vote

- Where possible decisions will be reached by consensus. In exceptional circumstances and where decisions cannot be reached by consensus of opinion, voting will take place and decisions agreed by a simple majority. The Chairman will have a casting vote.
- Decisions of the Shadow Board will be as recommendations to the partners organisations

These arrangements could be considered by our shadow Health and Wellbeing Board, **but any consideration should not detract from the emphasis on collaborative whole system benefit to its decision making**. Focusing on accountability to 'Place' and 'Local Population', and to what works, with reference to the highest evidence based interventions.

3.4 General observations:

- The majority of authorities included in this analysis have a section that looks at conflict of interest and conduct at meetings. Cheshire East's initial draft did not have either of these arrangements. We have also made no comments about reviewing these Terms of Reference which is important given that from April 2013 the Board will assume its statutory responsibilities. Board membership may need to be further shaped to support the work of the Board to address the priorities within the Joint Health and Wellbeing Strategy. The role of Core Membership and that of Associated Membership could be explored once the sub structure for the board has been fully determined.
- A useful addition to many of the Terms of Reference is a sub structure. This work has commenced but has not been concluded as yet but will be following the consultation on the Joint Health and Wellbeing Strategy. Currently the Board has agreed that the Joint Strategic Needs Assessment Steering Group and the Ageing Well Programme Board will be a part of this arrangement. However we would also anticipate that the Children's Trust, the Local Safeguarding Children and Adults Boards would also be part of this structure. Consideration will also be given to developing provider forums to support the board with its priorities.
- We have included outcomes expected as have a few others, however the majority of councils include these within their aims or objectives, therefore this is about getting our language right within the revised Terms of Reference.
- Communications is only featured in one authority's Terms of Reference. This could be included, and links to the Board's communication strategy, when completed could be added.

- Another noted good practice was the inclusion of links to other policies such as the Joint Strategic Needs Assessment in the introduction to the Terms of Reference.
- Oldham state that the Board will be independently scrutinised by the Health and Wellbeing Select Group of the Borough Council, our revised Terms of Reference will emphasis this role and note that it will be undertaken by the Health and Wellbeing Overview and Scrutiny Committee.

3.5 The revised terms of reference based on analysis of the emerging best practice includes the following: **[Note that these Terms of Reference can be viewed in full at appendix 3]**

Heading	Content summary
Context	Explaining the origins of the HWB.
Purpose	Explaining the main roles and expectations of the Board within the Health and Social Care Bill.
Objectives	Provide strategic leadership Monitor health and wellbeing targets Ensure production of the JSNA Ensure production of JHWS Ensure joint work on integration of services and systems
Roles and Responsibilities	Describes how the Board members will work collectively to achieve its purpose and objectives.
Accountability	<p>The Shadow Board carries no formal delegated authority from any of the statutory bodies.</p> <p>Core Members bring responsibility, accountability to their individual duties and to their role on the Shadow Board.</p> <p>The Shadow Board will discharge its responsibilities by means of recommendations to the relevant partner organisations, who will act in accordance with their respective powers and duties.</p> <p>The Council's Core Members will ensure that they keep the wider Council advised of the work of the Shadow Board.</p> <p>The Shadow Board will report to Full Council and to both NHS Clinical Commissioning Groups (CCG's) by ensuring access to meeting minutes and presenting papers as required.</p> <p>The Shadow Board will not exercise scrutiny duties around health or adult social care services directly. This will remain the role of the Cheshire East Health and Wellbeing Overview & Scrutiny Committee. Decisions taken and work progressed by the Board will be subject to scrutiny by this committee.</p>

Membership	<p>Portfolio Holder – Health & Adult Social Care [Chairman], Portfolio Holder – Children & Families, Opposition Party Member The Chief Executive of the Council [not a statutory board member, involvement for shadow year], The Director of Public Health, The Director of Children, Families and Adults (+1)¹ Accountable Officer of the NHS South Cheshire Clinical Commissioning Group Chair. GP Lead of the NHS South Cheshire Clinical Commissioning Group Accountable Officer of the NHS Eastern Cheshire Clinical Commissioning Group Chair. GP Lead of the NHS Eastern Cheshire Clinical Commissioning Group A designated representative from HealthWatch (LINKs will fulfil this role until HealthWatch is established). Associate Member of the National Health Commissioning Board (NHCB)</p> <p>¹ Due to the Statutory Director holding two statutory roles for both Children's and Adults Services, they will nominate an appropriate Head of Service to attend to support this dual function.</p> <p>The above would be Core Members of the Board with Associate Members being considered once the Board's sub structure has been fully determined.</p>
Frequency of meetings	<p>The Shadow Board will meet no less than six times per year including an AGM.</p> <p>Additional meetings of the Shadow Board may be convened with agreement of the Chairman.</p>
Agenda and Notice of Meetings	<p>Any agenda items or reports to be tabled at the meeting should be submitted to the Council's Democratic Services no later than seven working days in advance of the next meeting. No business will be conducted that is not on the agenda.</p> <p>Democratic services will circulate and publish the agenda and reports at least five working days prior to the next meeting. Exempt or Confidential Information shall only be circulated to Core Members.</p>
Annual General meeting	<p>The Shadow Board shall elect the Chairman and Vice Chairman at each AGM, the appointment will be by majority vote of all Core Members present at the meeting. The Shadow Board will approve the representative nominations by the partner organisations as Core Members.</p>

Quorum	<p>Any full meeting of the Shadow Health and Wellbeing Board shall be quorate if attended by a representative from NHS Eastern Clinical Commissioning Group, NHS South Clinical Commissioning Group, LINKs / Health Watch, Portfolio Holder, and an Officer of the Council [CFA Directorate] or their representative.</p> <p>Failure to achieve a quorum within thirty minutes of the scheduled start of the meeting, or should the meeting become inquorate after it has started, shall render the meeting adjourned until the next scheduled meeting of the Shadow Board.</p>
Procedure at meetings	<p>Meetings of the shadow Board are not open to the public but papers, agendas and minutes will be published on the Cheshire East Health and Wellbeing website [once the terms of reference have been accepted]. The Board will meet in public once it assumes its statutory responsibilities in April 2013.</p> <p>Only the Core Members are entitled to speak through the Chairman. Associate Members are entitled to speak only at the invitation of the Chairman.</p> <p>With the agreement of the Shadow Board, the Shadow Board can set up subgroups to consider distinct areas of work.</p> <p>The subgroup will be responsible for arranging the frequency and venue of their meetings.</p> <p>Any recommendations of the subgroup will be made to the Shadow Board who will consider them in accordance with these terms of reference.</p>
Expenses	<p>The partnership organisations are responsible for meeting the expenses of their own representatives.</p>
Conflict of Interest	<p>At the commencement of all meetings all Core Members shall declare any Conflicts of Interest.</p> <p>Following the declaration of a Conflict of Interest the Member can decide to:-</p> <ul style="list-style-type: none"> • Remain for all or part of the meeting, • Participate in the meeting, • Vote at the meeting, • Leave the meeting.
Conduct of Core Members at Meetings	<p>Board members will agree to adhere to the seven principles outlined in the Board Code of Conduct when carrying out their duties as a Board member – Nolan Principles [Selflessness, Integrity, Objectivity, accountability, Openness, honesty, leadership]</p>

Review	<p>The above terms of reference will be reviewed at the last meeting of the financial year or earlier if necessary.</p> <p>Any amendments shall only be included by unanimous vote.</p>
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4.0 Wards affected

All

5.0 Local Ward Members

All

6.0 Policy Implications

6.1 The health and wellbeing of the residents of Cheshire East is everyone's business, and as such implications for future policy development, service redesign and budget setting should account for the impact on the health and wellbeing of our population and indeed the future priorities of the Health and Wellbeing Board once this is formally constituted from April 2013.

6.2 The NHS Operating Framework for 2012/13 describes the Health and Wellbeing Board's primary responsibility as to 'provide local systems leadership across health and social care and public health...'. Establishing a collaborative decision making approach of this Board is essential to achieving whole system accountability for the improvement of the health and wellbeing of Cheshire East citizens. This requires the delivery of integrated care services and effective integrated commissioning approaches to achieve the maximum benefits for people, families and communities within the collective resources of the health and social care organisations.

7.0 Financial Implications

7.1 None to note in respect of the terms of reference themselves.

7.2 Shadow Board carries no formal delegated authority from any of the statutory bodies in respect of resource decision making. Therefore the process for making decisions around resource allocation remains within Board members' respective individual organisation's powers and duties.

7.3 The Shadow Board will discharge its responsibilities by means of recommendations to the relevant partner organisations, who will act in accordance with their respective powers and duties.

8.0 Legal Implications

- 8.1 The Health and Social Care Act 2012 requires the Local Authority to establish a Health and Wellbeing Board for its area. Mandatory membership includes at least one local Councillor (nominated by the Council's Leader) the Directors of Adult Social Services, Children's Services and Public Health, a representative of the Local Healthwatch Organisation and a representative of each Clinical Commissioning Group. The Local Authority may also nominate such other individuals as they consider appropriate.
- 8.2 Once established in April 2013 the Board will be Committee of the Local Authority but regulations under the Act may modify some of the normal requirement of the Local Government Act 1972. The Board has a number of duties under the Act but specifically is tasked with a duty to encourage integrated working in the provision of health and social care services.

9.0 Risk Management

- 9.1 Corporate risks have been determined in respect of Health Partnerships, and this is reported to the Corporate Risk Management Group. Failure to establish a strong collaborative Board will impact on the health and wellbeing of Cheshire East citizens and indeed the councils own objectives within the Sustainable Communities Plan and Budget Book for 2012/13.
- 9.3 The NHS Clinical Commissioning Groups are required to seek formal authorisation during this year. Having an effective HWB with agreed terms of reference will be a requirement. Evidence of such will need to be supplied as part of this process including the terms of reference.
- 9.2 The Health and Wellbeing Board has established a Risk Register with responsible Board members owning specific risks. The Board has determined that they would wish to review these quarterly. This discipline will assist the Board in the management of issues of challenge.

10.0 Background and Options

- 10.1 The Health and Social Care Act 2012 has initiated a number of significant changes that will affect the local health and social care landscape. This includes the establishment of the Cheshire East Health and Wellbeing Board, the NHS Clinical Commissioning Groups and the transfer of Public Health responsibilities from the PCT to the Local Authority. When enacted, the Authority will have a greater role to play in setting policy, providing leadership and commissioning activity that will contribute to improved health outcomes for the population of Cheshire East with NHS Clinical Commissioning Groups.

The Joint Health and Wellbeing Strategy will be the mechanism by which the needs identified in the Joint Strategic Needs Assessment are met, setting out the agreed priorities for collective action by the key commissioners, the local

authority, the NHS Clinical Commissioning Groups and the NHS Commissioning Board.

The key legislative changes are summarised as:

- i. Clinically led commissioning – the Bill puts clinicians in charge of shaping services, enabling NHS funding to be spent more effectively. Supported by the newly established **NHS Commissioning Board**, new **NHS Clinical Commissioning Groups** which will directly commission services for their populations.
- ii. Ensure provider regulation to support innovative services – enshrining a fair playing field in legislation for the first time, this will enable patients to be able to choose services which best meet their needs – including from a charity or independent sector provider, as long as they meet NHS costs. Providers, including NHS Trusts, will be free to innovate to deliver quality services. **Monitor** will be established as a specialist regulator to protect patient's interests.
- iii. A greater voice for patients – the Bill establishes **Healthwatch**, a patient and public organisation, both locally and nationally, to drive involvement across the NHS and local government.
- iv. New focus for Public Health – The Bill establishes a new body **Public Health England**, to drive improvements in the public's Health.
- v. Greater accountability locally and nationally – the Bill sets out clear roles and responsibilities, whilst retaining the Minister's ultimate responsibility for the NHS. The Bill limits micro-management and gives local authorities a new role to join up local services through the **Health and Wellbeing Board** with key other stakeholders.
- vi. Streamlined arms-length bodies – the Bill removes unnecessary tiers of management, releasing resources to the frontline.

The background papers relating to this report can be inspected by contacting the report writer:

Appendix 1 add weblink to Cabinet / Council report 2011

[http://moderngov.cheshireeast.gov.uk/ecminutes/Published/C00000239/M00003670/\\$ADocPackPublic.pdf](http://moderngov.cheshireeast.gov.uk/ecminutes/Published/C00000239/M00003670/$ADocPackPublic.pdf) – pages 31-48.

Appendix 2 TOR Analysis document

Appendix 3 Cheshire East revised Shadow Health and Wellbeing Boards Terms of Reference

Appendix 4 Nolan Principles





Name: Lucia Scally

Designation: Head of Service – Integrated Strategic Commissioning & Safeguarding




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Email: lucia.scally@cheshireeast.gov.uk

Terms of Reference Analysis

Council	Intro	Aims Purpos e	Role	Membership	Meeting Frequency	Conduct	Accountabilit y/Governance	Revie w	Quorum/ Standing Orders	Voting	Expenses	Conflict	out co me s	Comms & Engageme nt
Cheshire East _ Conservative  Board draft ToR.doc	Yes	Yes	Yes	3 x portfolio holder, Labour Group Leader	Yes	Yes	Yes	No	Yes in A	Yes to be decided	No	No	Yes in	Yes in
Buckinghamshire - Conservative  HWB_ToR.PDF	No	Yes	Yes	2 by portfolio holder	Yes Meeting arrangement s	No	Yes	Yes	No	No	No	Yes	No	No
Leicestershire- Conservative – Lib Dem main opp  leics_health_wellbei ng_board_t...	Yes	Yes	Yes	3 x portfolio holders	No	No	No	No	Yes	Not establis hed	No	No	Yes	yes
Warwickshire - Conservative  03b Draft Terms of Reference S...	No	Yes		Leader and relevant portfolio holders x2	No	Code of conduct attached	yes	No	No	No	No	Yes	No	No
Lincolnshire – Conservative <a href="http://www.lincolns
hire.gov.uk/residen
ts/community-and-">http://www.lincolns hire.gov.uk/residen ts/community-and-	Yes	Yes	Yes	3 x portfolio holder	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		

Terms of Reference Analysis

living/health/healthier-														
Croydon - Conservative  Croydon shadow health and well...		Yes		1 x council member as chair										
Coventry - Labour  Coventry HW Board ToR (2).pdf	No	Yes	Yes	Yes Council Leader Portfolio member x 2 & Opposition Rep	Yes	Yes	Yes	Yes	No	No	No	No	No	No
Oldham – Labour  Oldham Health and Wellbeing Board TOR.	Yes	Yes	Yes	Yes LA elected members x 3	Yes	No	Yes	Yes	No	Yes (para)	No	No	No	No
Stockport – Lib Dem TOR not available membership details gained from website				Yes Portfolio members x 3										

Analysis of TOR for HWB May 2012

Eight Terms of Reference from local authorities have been analysed to determine effectiveness and good practice and comparison with Cheshire East's first draft Terms of reference.

Number of Council Members

As shown on the table above, most authorities have 3 Council Member representatives, with Coventry having a member of the opposition on the Board; this is in line with CEC shadow HWB arrangements currently showing awareness of the pattern of emerging good practice. The role and responsibility of members is outlined in **all** Terms of Reference and these are similar in all cases.

Voting arrangements

The Health and Social Care Bill does not specify voting arrangements and leaves it down to local determination.

When the Board becomes statutory [April 2013] a local constitutional change will be required to account for the board being a formal subcommittee of the Council with both members and officers representation.

Lincolnshire is the one of two authorities to have a section stating voting arrangements, they state that:

- Each Core member and substitute member shall have one vote
- Where possible decisions will be reached by consensus. In exceptional circumstances and where decisions cannot be reached by consensus of opinion, voting will take place and decisions agreed by a simple majority. The Chairman will have a casting vote.
- Decisions of the Shadow Board will be as recommendations to the partners organisations

These arrangements could be considered by our shadow HWB, **but any consideration should not detract from the emphasis on collaborative whole system benefit to its decision making**. Focusing on accountability to 'Place' and 'Local Population', and to what works, with reference to the highest evidence based interventions.

General observations

- The majority of authorities included in this analysis have a section that looks at conflict of interest and conduct at meetings. Cheshire East's initial draft doesn't have either of these arrangements. We have also made no comments about reviewing those Terms of Reference which is important given that from April 2013 the board will assume its statutory responsibilities. Board membership may need to be further shaped to support the work of the board to address the priorities within the Joint Health and Wellbeing Strategy. The role of Core Membership and that of Associated Membership could be explored once the sub structure for the board has been fully determined.

Terms of Reference Analysis

- A useful addition to many of the Terms of Reference is a sub structure. This work has commenced but has not been concluded as yet but will be following the consultation on the Joint Health and Wellbeing Strategy. Currently the board has agreed that the Joint Strategic Needs Assessment Steering Group and the Ageing Well Programme Board will be a part of this arrangement. However we would also anticipate that the Childrens Trust, the Local Safeguarding Children and Adults Boards would also be part of this structure.
- We have included outcomes expected as have a few others, however the majority of councils include these within their aims or objectives, therefore this is about getting our language right within the revised terms of reference.
- Communications is only featured in one authorities Terms of Reference. This could be included, and links to the boards communication strategy, when completed added.
- Another noted good practice was the inclusion of links to other things such as the Joint Strategic Needs Assessment in the introduction to the Terms of Reference.
-
- Oldham state that the board will be independently scrutinised by the Health and Wellbeing Select Group of the Borough Council, our revised terms of reference will emphasis this role and note that it will be undertaken by the HWB Scrutiny committee.

Diane Taylor

Partnerships Manager – Children's Trust & Shadow Health and Wellbeing Board

May 2012

**Draft Terms of Reference:
Cheshire East Shadow Health and Wellbeing Board**

1. Context

- 1.1 The full name shall be the Cheshire East Shadow Health and Wellbeing Board.
- 1.2 The Shadow Board is established and will be reviewed prior to the board assuming its statutory responsibilities in April 2013. This review will include the revised terms of reference.
- 1.3 The development of the Shadow Board was a requirement of the Health White Paper 'Equity and Excellence - Liberating the NHS'. This progressed as the Health and Social Care Act and received Royal Assent on the 27/3/12.

2. Purpose

- 2.1 To act as the Shadow Cheshire East Health and Wellbeing Board between September 2011 and 31st March 2013.
- 2.2 The Shadow Board must provide advice assistance and support for the purpose of encouraging the making of arrangements under section 75 of the National Health Service Act 2006 in connection with the provision of such services.
- 2.3 The Shadow Board may encourage those involved in arranging the provision of Health-Related Services to work closely with the Shadow Board.
- 2.4 The Shadow Board may encourage those involved in arranging for the provision of any Health or Social Care services or Health Related services to work closely together.

3. Objectives

- 3.1 To provide strong local leadership for the improvement of the health and wellbeing of its population.
- 3.2 To monitor the implementation and performance of the health and wellbeing targets.
- 3.3 To lead on the production of a Joint Strategic Needs Assessment (JSNA).
- 3.4 To lead on the Joint Health and Wellbeing Strategy (JHWS) link to the JSNA.
- 3.5 To support the joint commissioning plans to meet the needs identified by the JSNA and the priorities outlined within the JHWS.

- 3.6 To maximise the opportunities for joint working and integration of services and make the best use of existing opportunities, and processes to prevent duplication or omission.

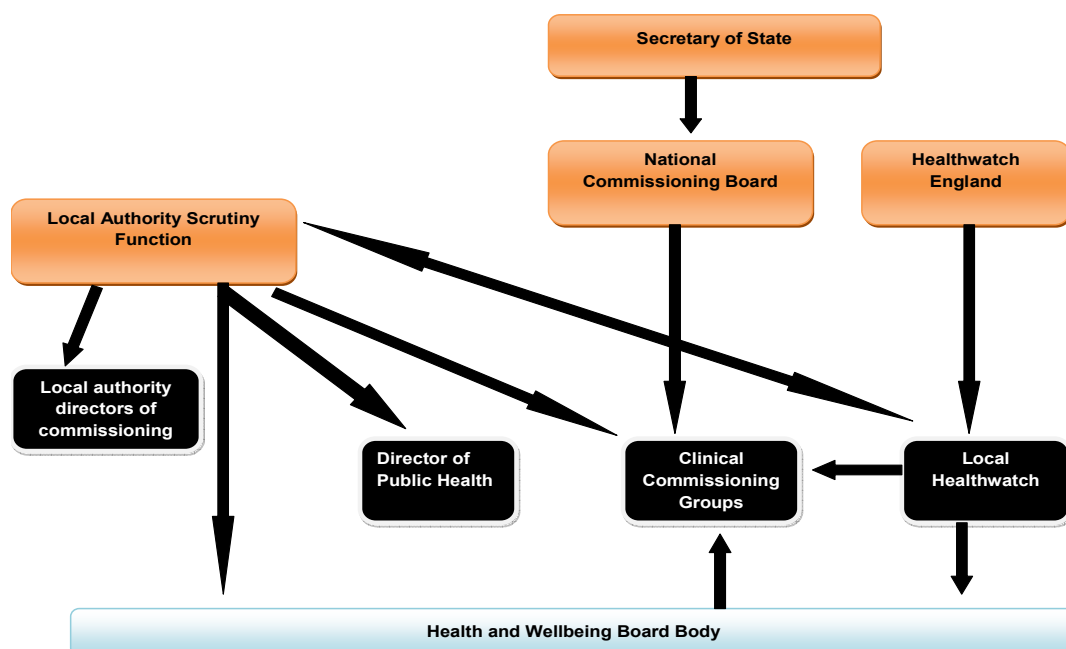
4. Roles and Responsibilities

- 4.1 To work together effectively to ensure the delivery of the JSNA and JHWS.
- 4.2 To work within the Shadow Board to build a collaborative partnership to key decision making that embeds health challenge, issue resolution and provides strategic leadership.
- 4.3 To participate in board discussions to reflect the views of their partner organisations, being sufficiently briefed to be able to make recommendations about future policy developments and service delivery.
- 4.4 To champion the work of the Shadow Board in their wider networks and in community engagement activities.
- 4.5 To ensure that there are communication mechanisms in place within the partner organisation to enable information about the priorities and recommendations of the Shadow Board to be effectively disseminated.
- 4.6 To promote any consequent changes to strategy, policy, budget and service delivery within their own partner organisations to align with the recommendations and priorities of the Shadow Board.

5. Accountability

- 5.1 The Shadow Board carries no formal delegated authority from any of the statutory bodies.**
- 5.2 Core Members bring responsibility and accountability to their individual duties and to their role on the Shadow Board.**
- 5.3 The Shadow Board will discharge its responsibilities by means of recommendations to the relevant partner organisations, who will act in accordance with their respective powers and duties.**
- 5.4 The Council's Core Members will ensure that they keep the wider Council advised of the work of the Shadow Board.
- 5.5 The Shadow Board will report to Full Council and to both NHS Clinical Commissioning Groups (CCG's) by ensuring access to meeting minutes and presenting papers as required.
- 5.6 The Shadow Board will not exercise scrutiny duties around health or adult social care services directly. This will remain the role of the Cheshire East Health and Wellbeing Overview & Scrutiny Committee. Decisions taken and work progressed by the Board will be subject to scrutiny by this committee.

The model below demonstrates Scrutinys function and is taken from Health Places Councils leading on public health NLGN May 2012.



- 5.7 The Shadow Board will provide information to the public through publications, local media, wider public activities and by publishing the minutes of its meetings on the Council's website once Terms of Reference have been approved.

6. Membership

- 6.1 The core membership of the Shadow Board will comprise the following:

- Portfolio Holder – Health & Adult Social Care [Chairman],
- Portfolio Holder – Children & Families,
- Opposition Party Member
- The Chief Executive of the Council [not statutory member – for shadow board only],
- The Director of Public Health,
- The Director of Children, Families and Adults (+1)¹
- Accountable Officer of the NHS South Cheshire Clinical Commissioning Group
- Chair. GP Lead of the NHS South Cheshire Clinical Commissioning Group
- Accountable Officer of the NHS Eastern Cheshire Clinical Commissioning Group
- Chair. GP Lead of the NHS Eastern Cheshire Clinical Commissioning Group
- A designated representative from HealthWatch (LINKs will fulfil this role until Health Watch is established).
- Associate Member of the National Health Commissioning Board (NHCB)

¹ Due to the Statutory Director holding two statutory roles for both Children's and Adults Services, they will nominate an appropriate Head of Service to attend to support this dual function.

- 6.2 The Core Members through a majority vote have the authority to approve individuals as Associate Members of the Shadow Board. The length of their membership will be for up to one year and will be subject to re-selection at the next Annual General Meeting “AGM”. Associate Members will assist the board in achieving the priorities agreed within the Joint Health and Wellbeing Strategy and may indeed be chairs of sub structure forums where they are not actual core members of the Board.
- 6.3 Each Core Member has the power to nominate a single named substitute. Should a Substitute Member be required, advance notice of not less than 2 working days should be given to the Council. The Substitute Members shall have the same powers and responsibilities as the Core Members.

7. Frequency of Meetings

- 7.1 The Shadow Board will meet no less than six times per year including an AGM.
- 7.2 Additional meetings of the Shadow Board may be convened with agreement of the Chairman.

8. Agenda and Notice of Meetings

- 8.1 Any agenda items or reports to be tabled at the meeting should be submitted to the council’s Democratic Services no later than seven working days in advance of the next meeting. No business will be conducted that is not on the agenda.
- 8.2 Democratic services will circulate and publish the agenda and reports at least five working days prior to the next meeting. Exempt or Confidential Information shall only be circulated to Core Members.

9. Annual General Meeting

- 9.1 The Shadow Board shall elect the Chairman and Vice Chairman at each AGM, the appointment will be by majority vote of all Core Members present at the meeting.
- 9.2 The Shadow Board will approve the representative nominations by the partner organisations as Core Members.

10. Quorum

- 10.1 Any full meeting of the Shadow Health and Wellbeing Board shall be quorate if the following are represented – NHS Eastern CCG, NHS South CCG, LINKs / Health Watch, Portfolio Holder, Officer of Cheshire East.
- 10.2 Failure to achieve a quorum within thirty minutes of the scheduled start of the meeting, or should the meeting become inquorate after it has started, shall

render the meeting adjourned until the next scheduled meeting of the Shadow Board.

11. Procedure at Meetings

- 11.1 Meetings of the shadow Board are not open to the public but papers, agendas and minutes will be published on the Cheshire East Health and Wellbeing website **[once the terms of reference have been accepted]**. The Board will meet in public once it assumes its statutory responsibilities in April 2013.
- 11.2 Core Members are entitled to speak through the Chairman. Associate Members are entitled to speak at the invitation of the Chairman.
- 11.3 With the agreement of the Shadow Board, the Shadow Board can set up subgroups to consider distinct areas of work.
- 11.4 The subgroup will be responsible for arranging the frequency and venue of their meetings.
- 11.5 Any recommendations of the subgroup will be made to the Shadow Board who will consider them in accordance with these terms of reference.

12. Expenses

- 12.1 The partnership organisations are responsible for meeting the expenses of their own representatives.

13. Conflict of Interest

- 13.1 At the commencement of all meetings all Core Members shall declare any Conflicts of Interest.
- 13.2 Following the declaration of a Conflict of Interest the Member can decide to:-
 - Remain for all or part of the meeting,
 - Participate in the meeting,
 - Vote at the meeting,
 - Leave the meeting.

14. Conduct of Core Members at Meetings

- 14.1 Board members will agree to adhere to the seven principles outlined in the Board Code of Conduct when carrying out their duties as a Board member.

15. Review

- 15.1 The above terms of reference will be reviewed at the last meeting of the financial year or earlier if necessary.

15.2 Any amendments shall only be included by unanimous vote.

June 2012

Definition

Exempt Information

Which is information falling within any of the descriptions set out in Part I of Schedule 12A to the Local Government Act 1972 subject to the qualifications set out in Part II and the interpretation provisions set out in Part III of the said Schedule in each case read as if references therein to “the authority” were references to “Shadow Board” or any of the partner organisations.

Confidential Information

Information furnished to, partner organisations or the Shadow Board by a government department upon terms (however expressed) which forbid the disclosure of the information to the public; and information the disclosure of which to the public is prohibited by or under any enactment or by the order of a court are to be discussed.

Conflict of Interest

You have a Conflict of interest if the issue being discussed in the meeting affects you, your family or your close associates in the following ways;

- *The issue affects their well being more than most other people who live in the area.*
- *The issue affect their finances or any regulatory functions and*
- *A reasonable member of the public with knowledge of the facts would believe it likely to harm or impair your ability to judge the public interest.*

Associate Members

Associate Member status is appropriate for those who are requested to chair sub groups of the board.

Health Services

Means services that are provided as part of the health service.

Health-Related Services *means services that may have an effect on the health of individuals but are not health services or social care services.*

Social Care Services

means services that are provided in pursuance of the social services functions of local authorities (within the meaning of the Local Authority Social Services Act 1970

Cheshire East Shadow Health and Wellbeing Board Member Code of Conduct

1. Selflessness

Members of the Cheshire East Health and Wellbeing Board should act solely in terms of the interest of and benefit to the public/patients of Cheshire East. They should not do so in order to gain financial or other benefits for themselves, their family or their friends

2. Integrity

Members of the Cheshire East Health and Wellbeing Board should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their duties and responsibilities as a Board member

3. Objectivity

In carrying out their duties and responsibilities members of the Cheshire East Health and Wellbeing Board should make choices based on merit and informed by a sound evidence base

4. Accountability

Members of the Cheshire East Health and Wellbeing Board are accountable for their decisions and actions to the public/patients of Cheshire East and must submit themselves to whatever scrutiny is appropriate

5. Openness

Members of the Cheshire East Health and Wellbeing Board should be as transparent as possible about all the decisions and actions that they take as part of or on behalf of the Board. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands

6. Honesty

Members of the Cheshire East Health and Wellbeing Board have a duty to declare any private interests relating to their responsibilities and duties as Board members and to take steps to resolve any conflicts arising in a way that protects the public interest and integrity of the Cheshire East Health and Wellbeing Board

7. Leadership

Members of the Cheshire East Health and Wellbeing Board should promote and support these principles by leadership and example

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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	25 th June 2012
Report of:	Strategic Director – Places & Organisational Capacity
Subject/Title:	Middlewich Eastern Bypass & Midpoint 18
Portfolio Holder:	Councillor Menlove Portfolio Holder for Environment and Councillor Macrae Portfolio Holder for Prosperity and Economic Regeneration

1.0 Report Summary

- 1.1 Following the Government's proposed allocation of £4.1m from its Regional Growth Funding to Pochin Developments Ltd to support the development of the Middlewich Eastern Bypass, Cheshire East Council has been requested to act as the grant recipient and accountable body to receive and manage the grant.
- 1.2 This report sets out the context of this proposal and the benefits of supporting the delivery of this scheme.

2.0 Decision Requested

- 2.1 To agree that the Council shall act as the grant recipient for this project and to accept the terms of a conditional grant offer letter from the Secretary of State for Business, Innovation and Skills (BIS), subject to the satisfactory advice of the Borough Solicitor.
- 2.2 To delegate authority to the Strategic Director (Places & Organisational Capacity), in conjunction with the Portfolio Holder, to accept the final grant offer letter, subject to the satisfactory advice of the Borough Solicitor and independent Due Diligence advice.

3.0 Reasons for Recommendations

- 3.1 The proposed development is expected to deliver significant benefits to the borough, including:
 - a) Enabling the creation of 143,000 sq m of new business premises and around 2,800 jobs.
 - b) Environmental benefits arising from traffic being diverted away from Middlewich Town Centre, thereby improving conditions for residents, businesses and visitors.
 - c) Reduction in congestion on the A54 link to the M6, particularly the section between Leadsmithy Street and Pochin Way.

- 3.2 The project will be at no cost to the Council, other than a modest amount of officer time in administering the grant and legal conditions. All costs associated with external legal advice, etc will ultimately be met either by Pochin Developments Ltd, either directly or through the Regional Growth Fund grant, as appropriate.
- 3.3 There are no significant risks to the Council in administering the grant, since all the fundamental terms of the funding agreement the Council enters into with BIS will be mirrored in the funding agreement the Council will have in place with Pochin Developments Ltd.

4.0 Wards Affected

- 4.1 Middlewich, Brereton Rural

5.0 Local Ward Members

- 5.1 Cllrs Paul Edwards, Simon McGrory, Michael Parsons and John Wray

6.0 Policy Implications including - Carbon reduction - Health

- 6.1 The grant will enable to construction of the Middlewich Eastern Bypass which will have the benefit of:
- a) opening up a major new development site (Midpoint 18) which will be capable of delivering up to 2,800 new jobs.
 - b) improving the environment and thereby health conditions, through reduced air pollution in Middlewich town centre and reduced emissions through reduced journey times in and around Middlewich.

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

- 7.1 The grant of £4.1m has been identified by Pochin Developments Ltd (PDL) as the maximum amount of gap funding required to complete the Middlewich Eastern Bypass. All other costs associated with construction of the road will be borne by PDL.
- 7.2 The grant offer letter specifies the terms and conditions under which the grant will be paid, including the following:-
- Receipt of a Confirmatory Due Diligence Report, certified by an independent accountant;
 - Receipt of a satisfactory Project Delivery Plan;

- Confirmation from PDL of their legal commitment to contribute £17.9m to construct the Middlewich Eastern Bypass required to deliver the project;
- Confirmation that the private sector funding of £17.9m has been secured by PDL.

- 7.3 The conditions of the grant require quarterly monitoring reports to be submitted throughout the fifteen year monitoring period. The final monitoring report for the year should be submitted in January and must be followed by an annual report from an independent accountant, submitted no later than the 14th of February of that financial year. The costs of which will be borne by PDL.
- 7.4 Grant may be varied, withheld or subject to repayment if progress is not deemed to be satisfactory, job targets are not achieved or grant claimed is above the level permitted under State aid law. These conditions will be mirrored in the agreement with PDL to ensure that the Council is not subject to any risk of grant shortfall.
- 7.5 PDL must fully demonstrate that these conditions have been met, grant will only be paid over to PDL when it has been received by the Council from BIS. This will ensure cashflow is not adversely affected and the Council will not be subject to the risk of non-payment of grant.
- 7.6 The Council owns land which it will be required to transfer to PDL or dedicate as highway for nil consideration (as referred to in 8.2). The value of this land is currently being established and will be subject to review in line with Finance and Contract Procedure Rules.
- 7.7 The Council would be liable for Part 1 claims but will be seeking the Standard Indemnity from PDL and will recover all legal administrative costs.
- 7.8 The Council will become responsible for the ongoing maintenance costs once the 12 months defect period has expired following adoption as it would with any other road adopted within the Borough.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The Council, by paying the grant to PDL, will be giving financial aid to an undertaking carrying out an economic undertaking. If the aid were to be determined to be unlawful State aid then repayment of grant together with interest could be called for. As a precaution, the Council and PDL have obtained advice jointly, from a specialist State aid solicitor, that the risk of an adverse State aid complication arising in this case is very low.
- 8.2 As stated above the Council will enter into legal arrangements with PDL under which obligations imposed by BIS on the Council, other than administrative obligations, will be passed on to PDL. Similarly risks to the Council especially in terms of variation or withholding of or claims for repayment will be mirrored in the Council – PDL agreement(s). If the Council is to dispose of any land to facilitate the project, then it will have to obtain the best consideration

reasonably obtainable, unless it can rely on the General Disposal Consent (England) 2003. A separate approval will be required for any such disposal.

9.0 Risk Management

- 9.1 The merits of the proposal have been rigorously appraised by the Head of Development and Head of Highways & Transport and the legality of receiving and giving the grant has been considered by the Borough Solicitor. The only identified risks to the Council are of BIS calling for repayment of grant monies due to the job target not being achieved or satisfactory progress not being made towards reaching the job target, and PDL not being solvent or being otherwise unable to repay the grant clawed back from the Council, or the bypass not being completed and BIS claiming back the grant from the Council. There is a 15 year monitoring period in relation to the job creation and repayment is calculated according to the jobs shortfall. In order to mitigate against the risk, financial checks will be made in respect of PDL at this stage and consideration given to the possibility of obtaining a group company guarantee or other security.
- 9.2 Furthermore, BIS require the Council to appoint independent accountants to undertake Due Diligence assessment of the project and the delivery plan, including job creation. This is now in the process of being procured by the Council (with costs to be met by PDL) and will form the final determining factor in the BIS's decision to offer the grant
- 9.3 The key secondary risks relate to:
- a) the viability risks to PDL, who may incur debt and interest charges if they are unable to recoup income associated with the bypass and development in the timeframe they envisage. Financial checks on the company will be undertaken to mitigate this but, ultimately, it will not impact on the delivery of the bypass itself.
 - b) the fact that a significant employment site will become available at around the same time as a strategic employment site at Basford East, Crewe. This could have some consequences to the pace of its development. The Council will continue to work with all developer interests to mitigate the risks of this, through promotion of these sites and targeting different types of businesses at each, reflecting the respective strengths of each location.
- 9.4 The offer letter advises making regular claims to reduce the risk of not receiving the grant funding, our desire is to draw down and pay at the end of the construction period. Officers will endeavour to clarify whether the single drawdown is acceptable to BIS before finalising the grant letter and accepting the offer.

10.0 Background and Options

- 10.1 Midpoint 18 is a successful 450 acre sub-regional employment site located to the east of Middlewich town centre.

- 10.2 Pochin Developments Ltd were granted outline planning permission in June 2008 for a mixed use development including B1, B2 and B8, appropriate leisure and tourism (including hotel) uses, the completion of the southern section of the Middlewich Eastern Bypass, and associated landscaping works.
- 10.3 The bypass itself and an initial development plot have received detailed planning permission. Key to this permission was the condition that buildings could not be occupied until the whole of the bypass has been opened to traffic.
- 10.4 It is proposed that the development will be accessed via an extension to Pochin Way as a 2.2km section of road passing through the site extending to Booth Lane to the south. The scheme would provide economic and transport benefits to Middlewich and the wider area, although it has never been an identified strategic Local Transport Plan (LTP) priority.
- 10.5 The key outcomes of the scheme are expected to be:
- Creation of 143,000m² of business development and around 2800 jobs.
 - Environmental benefits as traffic routes away from Middlewich Town Centre improving conditions for residents and visitors and enhancing the retail experience.
 - Reduction in congestion on the A54 link to the M6, particularly the section between Leadsmithy Street and Pochin Way.
- 10.6 Midpoint 18 is not considered to be a strategic regional site but it has sub-regional importance and has been identified as one of thirteen sites with strong potential to facilitate the future economic growth of the Cheshire and Warrington sub-region. The site itself is attractive as a distribution location owing to its strategic road links, but needs the development of the full site to reach its full potential.

Delivery Issues

- 10.7 Midpoint 18 is in an enviable location close to Junction 18 of the M6 and, despite the recession, there continues to be strong interest from occupiers, which is evident through recent deals at Midpoint, as well as other locations in the borough (e.g. Expert Logistics in Crewe, Waters Corporation in Wilmslow). It has to be recognised however that the scheme may compete as a distribution location with Basford West in Crewe, which has been identified as a strategic priority for the Council in terms of its role in the All Change for Crewe regeneration programme.

Land Assembly & Interests

- 10.8 The delivery of the Middlewich Eastern Bypass and the development of land at Midpoint 18 remains dependent on the assembly of land ownerships across the site. Currently the land proposed for Phase 3 of Midpoint 18 is occupied by a number of different landowners including Pochin (the developers of Midpoint 18) and Bovale (who have acquired the Centura Foods land holding).

Financial Appraisal and Funding

- 10.9 Although this is private sector led, even at the height of the market the scheme was not financially viable without public sector subsidy. In 2007, an informal grouping of developers, former Cheshire County Council and North West Development Agency (NWDA) officers and the main developers (Pochin and Bovale) put together proposals for a public-private funding package.
- 10.10 The total cost of the Bypass, including the railway and canal crossings, is in the region of £22million which was to be funded primarily through a developer/landowner contribution of almost £13million. In support of the private sector funds, circa £3million was identified through former Cheshire County Council's LTP2 budget and a funding proposal was made to the North West Regional Development Agency (NWDA) for £6million. Subsequently the scheme was withdrawn from the grant application process as a tripartite agreement between the Council, developers and the NWDA was not reached.
- 10.11 As soon as the Government announced the phased closure of NWDA, funding has not been available from this source. The final year of LTP2 designated funding was in 2010/11 but, with no secure delivery commitment for the bypass at this time, funds were refocused elsewhere. There was no subsequent allocation for this scheme in LTP3 for Cheshire East.
- 10.12 In 2010, the Council appointed a consultancy team led by AECOM to undertake an independent appraisal of the proposal and the development of a delivery strategy for the bypass. This report has been critical in informing the Council's position and the wider business case for investment, and has been used in the justification for funding through PDL's Regional Growth Fund bid.

Alternative means of delivery

- 10.13 The Council has been in informal dialogue over the past 18 months with a separate developer with a view to developing a bypass and associated employment. This, however, was significantly less well developed, as it required a different route and was without ground investigations, construction costs and planning consent. Whilst this

could be an alternative means of delivering the similar benefits, it bears greater risks overall, particularly in terms of timescale for delivery.

10.14 In terms of public grant funding for such schemes, RGF remains the only mechanism of this kind. The project is not eligible for ERDF or Evergreen funding in the foreseeable future.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Jez Goodman
Designation: Economic Development & Regeneration Manager
Tel No: 01270 685906
Email: jez.goodman@cheshireeast.gov.uk

Appendix 1

Middlewich Action Plan - Regional Growth Fund Round 2 Programme Bid, submitted by Pochin Developments Ltd (1 July 2011).

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Middlewich Action Plan Regional Growth Fund



Round 2 Programme Bid



by



Pochin Developments Limited

with



Berkeley Hanover Consulting

and



David Tucker Associates





REGIONAL GROWTH FUND

**Round 2: Programme
Application Form – Part 1**

Department for Business, Innovation and Skills
Department for Communities and Local
Government
HM Treasury
Department for Transport
Department for Environment, Food and Rural
Affairs

Programme Application Form

Part 1

General Guidance Notes

The Regional Growth Fund (RGF) application form consists of two parts. Part 1 (this document) contains 39 questions related to the programme, its governance and its costs and benefits. Part 2 (the Financial Annex) is an Excel spreadsheet for the key financials of the programme and should be used as a tool to complete the indicated Part 1 questions.

Both Part 1 and Part 2 of the application form should be completed as fully as possible

Please read the accompanying guidance notes carefully when completing the form to ensure you include the full set of information required.

*Both parts 1 and 2 of the application form **should be submitted in Word (.doc) and Excel (.xls) format respectively** to:*

RGFround2applications@bis.gsi.gov.uk

Programmes

*Programme proposals will need to demonstrate a **clear over-arching investment strategy** for a **specific geographical area**.*

There is no prescription as to the scale or complexity of geographic area that can be covered by a programme bid – applicants will need to set out the case for the geographic

BIS | Department for Business
Innovation & Skills



HM TREASURY

Department for
Transport



extent of the programme, having regard to the purposes for which the Regional Growth Fund has been established and the local enterprise partnerships strategic priorities – where these exist.

Programmes provide for a collaborative approach to delivering a set of related activities, in the target area, which create sustainable private sector jobs and growth.

There is no prescription about the content of a programme – it's for applicants to clearly set out the rationale for their proposal. One of the potential benefits could be the ability to draw on the capability and capacity of a number of different organisations, of different types, so as to give greater certainty of deliverability of the outcomes, for example a programme bid could include new jobs and skills, support housing growth and transport improvements under one programme.

As with all bids to the RGF, applicants will have to demonstrate the additionality of the programme in terms of significant private sector growth; leveraging private sector investment and creating sustainable private sector jobs. Proposals will not have to provide a detailed description of every ultimate scheme beneficiary. However, bids should provide confidence in the ability to deliver and evidence of business needs, potential beneficiaries and delivery mechanisms could all be important.

Each programme will need a lead partner with whom we can contract. This will need to be a suitable legal entity (see programme application guidance Q8) but could be a public body, a civil society organisation such as a charity, a social enterprise or a private sector organisation.

The lead partner will be responsible for performing the confirmatory due diligence following any conditional offer, and if approved will manage claims and programme funding allocation, consolidate all financial management and reporting, as well as ensuring that State Aid issues are managed and that sub-contracting follows normal public procurement practice, together with any additional due diligence that might be required as the programme develops.

NB: This application form is for programmes. There is a separate application form for project and project packages.

Record Keeping and Freedom of Information

In order to meet the requirements of the Freedom of Information Act 2000 reasons for decisions about applications and claims must be recorded properly on file at all stages. This record keeping will also ensure that there is a clear audit trail for all applications. Administrative records will be maintained for all applications irrespective of whether they were successful.

Applicants should be aware that information provided in confidence is likely to be exempt information under the terms of Section 41 of the Freedom of Information Act 2000, and that the operating department will respect its confidentiality.

Applicant Information

Applicant name (including title):	Mr Brian T. Reay
Company / Organisation:	Pochin Developments Limited
Company registration number (if UK registered):	740515
Position in Company / Organisation:	Director
Address:	Brooks Lane, Middlewich, Cheshire
Postcode:	CW10 0JQ
Telephone:	01606 831 615
Mobile:	07836 633 823
Email:	brian.reay@pochins.plc.uk
Website:	www.pochins.plc.uk

Applicant Check List

Please review this list and check off each item before submitting your bid.

- | | |
|---|----------------------------|
| 1. The programme demonstrates a clear over-arching investment strategy for a specific geographical area | ✓ <input type="checkbox"/> |
| 2. I have completed both Part 1 and Part 2 of the form | ✓ <input type="checkbox"/> |
| 3. I have used the guidance available to complete the form fully and correctly | ✓ <input type="checkbox"/> |
| 4. This application is for at least £1m of RGF funding | ✓ <input type="checkbox"/> |
| 5. The proposed investment will impact areas in England | ✓ <input type="checkbox"/> |
| 6. The programme will directly leverage private sector funds | ✓ <input type="checkbox"/> |
| 7. The applicant is a private sector body or a public/private partnership or social enterprise. | ✓ <input type="checkbox"/> |
| 8. The support requested would be compliant with State aid regulations | ✓ <input type="checkbox"/> |
| 9. RGF funding is essential to enable this project to proceed | ✓ <input type="checkbox"/> |

Executive Summary

This section is designed to capture the key information from this bid, and provide an overall summary.

[\[guidance\]](#)

Programme title (Q1a):	Middlewich Action Plan and Bypass - An Integrated Programme for Local Economic Regeneration and Growth
Brief programme summary: (Q1b)	<p>The following outlines the way in which the completion of the Middlewich Eastern Bypass can be funded and thereby facilitate significant commercial and residential development to be built in Middlewich and the surrounding area that in turn will stimulate economic growth and large scale private sector employment creation. See key plan for location and general layout of the Action Area.</p> <p>The Bypass will also relieve significant traffic congestion which currently blights the town centre and the consequential inward investment will inject additional community funding to improve the public realm. Delivering economic growth at this scale requires the Middlewich Action Plan to achieve a series of economic and social objectives. Each objective needs to be either economically or commercially viable and has been endorsed by the local community.</p> <p>The first and most important objective is to build the Bypass. This final section of highway extends to 2.2km and will link the A54 east of Middlewich to the A533 to the south of the town. This route would remove traffic from town centre streets and reduce conflict along the congested east west A54 route from the M6 into the town. Junctions along the length of the Bypass will serve the new Midpoint 18 employment sites without adding heavy lorry traffic to the town centre roads. New cycle routes and footpath links will encourage movement into the town centre by means other than by private car. Cledford Lane will remain open on the west side of the Bypass but only pedestrians, cyclists and those on horseback will be able to travel across the Bypass from the west to the east.</p> <p>A significant investment in the masterplanning for the Phase 3 of Midpoint 18 and detailed planning consent for both the first part of the development and the Bypass have already been completed. The planning application was approved in 2008 in outline, approved in detail in 2009 and extended in 2011. Without the access created by the Bypass, Phase 3 of Midpoint 18</p>

	<p>and adjacent land cannot be developed. The Bypass would thus enable major development and release over £350m of funding by the private sector for large-scale commercial and residential schemes. Without the Bypass, Midpoint 18 Phase 3 simply cannot happen, the Bypass is also the driver for a number of other private sector employment generating initiatives in the town centre.</p> <p>The cost of the Bypass and the associated infrastructure works is estimated to be £22m. The principal of obtaining this funding has been established for some time. In 2008, the Highway Authority and the North West Development Agency committed a total of £9.1m (42%) to the scheme. Pochin – the developers of Midpoint 18 – had assembled private sector funding of the remaining balance of £12.9m (58%). There are now no longer any funds available from Cheshire East or NWDA. Pochin has now arranged to assemble further private sector funding that now totals 81% of the scheme cost - £17.9m. This leaves a shortfall of £4.1m.</p>								
<p>Geographic spread of programme:</p>	<p>The Middlewich Action Plan is clearly centred on the town of Middlewich. The Bypass is located to the east of the town but its travel benefits will accrue to users over a much wider area. The employment benefits comprise of a number of different elements and are described below. Virtually all the direct employment generation will arise either in Middlewich town centre and the adjacent Midpoint 18 Business Park. The indirect and induced employment impacts are likely to be slightly dispersed, with most remaining in Cheshire East and the sub region.</p> <table border="1" data-bbox="671 1272 1433 1512"> <thead> <tr> <th>Area</th><th>Approximate proportion of direct employment impacts</th></tr> </thead> <tbody> <tr> <td>Cheshire East</td><td>95%</td></tr> <tr> <td>NW England</td><td>5%</td></tr> <tr> <td>Total</td><td>100%</td></tr> </tbody> </table>	Area	Approximate proportion of direct employment impacts	Cheshire East	95%	NW England	5%	Total	100%
Area	Approximate proportion of direct employment impacts								
Cheshire East	95%								
NW England	5%								
Total	100%								
<p>What is the (peak) <u>gross</u> number of direct and indirect jobs created and safeguarded by the programme?</p>	<p><u>Direct:</u> created 2800 safeguarded 150 Total 2950</p> <p><u>Indirect:</u> created 840 safeguarded 45 Total 885</p> <p>Four areas of employment impact arising from the opening of the Bypass have been assessed by separate research for Cheshire East and Pochin. They are:</p> <ul style="list-style-type: none"> • Generation of employment in the currently vacant parts of Phases 1 and 2 of Midpoint 18 • Generation of employment in Phase 3 of Midpoint 18 (see below) • Safeguarding of existing jobs (British Salt) • Generation of Middlewich town centre jobs as a result of amelioration of traffic congestion in and around town centre. 								

Pochin believes that the take-up of land at Phase 3 will be spread over 15 years but with some front-loading as a result of their view regarding Plot 101. It has been assumed that this site will take at least 2 years to become fully operational. The rest of the growth has been applied at a steady growth rate over the 15 years with the exception of Plot 120. This has been assumed to be developed over year 5 and year 6. The annual employment growth based on these annual take-ups combined with the English Partnerships' employment density figures are shown in the table below. The accumulated employment growth is shown in the right-hand column.

**Annual and Accumulative Employment Growth
at Phase 3**

Year	Annual Increase	Accumulative Increase
1	620	620
2	370	990
3	120	1110
4	120	1230
5	220	1450
6	220	1670
7	120	1790
8	120	1910
9	120	2030
10	120	2150
11	120	2270
12	120	2390
13	120	2510
14	145	2655
15	145	2800

The totality of these impacts in terms of direct job creation is shown below.

	Direct Jobs
Phases 1 and 2 – Midpoint 18	300-400
Phase 3 – Midpoint 18	2,800
Safeguarding	100-150
Town Centre	300-500
TOTAL	3,500-3,850

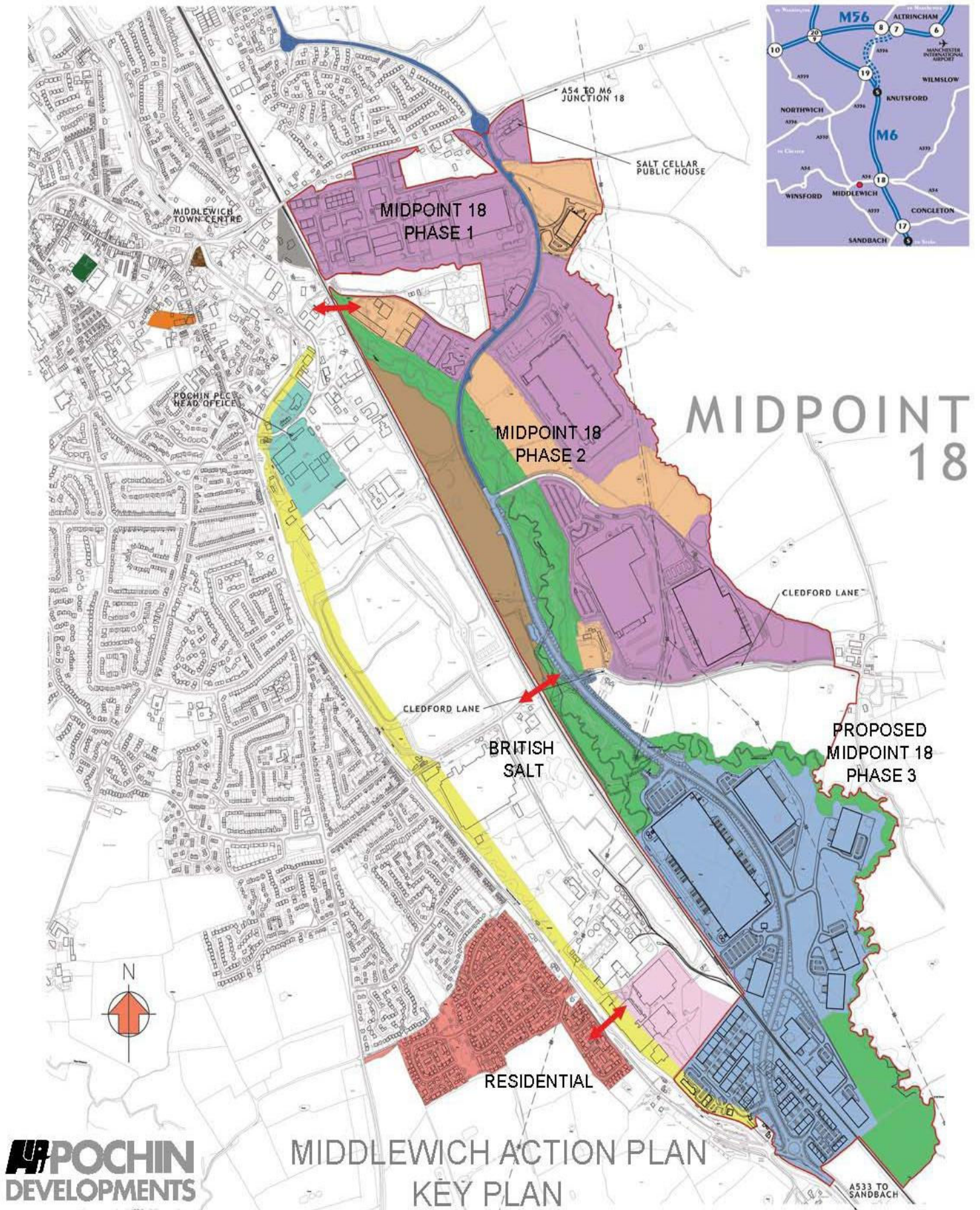
	<p>These above figures relate to the generation or safeguarding of direct jobs. In addition indirect and induced jobs will be generated by the creation and safeguarding of these direct jobs. We have applied the generally accepted 1.3 multiplier to assess these additional impacts.</p> <p>Hence, it is our conclusion that the Bypass will have a total employment impact of 4,500 to 5,000 new jobs over a 15-year period with at least 1,500 jobs being created within 3 years of the Bypass opening.</p>
Total cost of programme:	£22.0m.
Total RGF funding sought:	£4.1m.
Other sources of public funding sought/ obtained? e.g. ERDF, TSB, RDPE	None.
Name of principal recipient of RGF funds:	Pochin Developments Limited.
Are any recipient(s) SMEs	Not directly – however the benefits to the town centre will largely be to SMEs as well as some SMEs are likely to become tenants at Midpoint 18.
Are any recipients or partners LEPs? Is yes, which LEP	Cheshire and Warrington LEP supports the bid as shown in Part 3 of this bid document.
Is this bid a private/public partnership or solely private	<p>The funding is private – though support to the project is shown in the correspondence from Cheshire East Council, Middlewich Town Council and the Weaver Valley Partnership in Part 3 of this bid document.</p> <p>The funding for this project was originally a typical private/public partnership. Both Cheshire County Council and the NWDA were entirely committed to the project to provide £9.1m - 42% of the project cost. The offer of these funds was withdrawn in 2010 due to the local and regional Government cutbacks. Pochin has been able to reduce the shortfall from £9.1m to £4.1m. The bid is, in effect, now totally a private bid for construction, but the Highway Authority - Cheshire East - is committed to long-term maintenance of the Bypass when it becomes adopted.</p>
Have you submitted any other bids? If yes, what is the bid's title?	No.
Have you bid for RGF funding before? If yes, please provide your bid reference no.	No.

<p>Why is this bid being putting forward as a programme?</p>	<p>With a population of around 13,200 the town has some 9,500 residents of working age. The economic activity rate is 74%. While this is broadly comparable to the rate for the UK as a whole, it masks a number of problems that will lead to significant economic disadvantage if they are not addressed in the coming years. Key factors in this include:</p> <ul style="list-style-type: none"> • A long-term trend of declining local private sector job numbers. This has been happening since 2003 but the rate of decline has accelerated in recent years with the closure of several major local employers. • A mismatch of jobs and opportunities. The town provides nearly 6,000 jobs but over 3,500 of these are taken by people commuting into the town. Conversely, some 5,000 of the town's 7,150 economically active population commute out to work. • Underperformance of retail. Middlewich retains just 38% of its convenience goods expenditure and 6% from comparison goods spending. A critical factor in this underperformance is the traffic and congestion problems faced by shoppers and visitors, itself in part caused by traffic flows relating to the employment imbalances. <p>Resolving these structural faults in the local economy requires investment to:</p> <ul style="list-style-type: none"> • Create substantial new local employment opportunities. • Ease traffic access and congestion problems. • Provide sustainable homes. <p>There have been many reports published on the economic status of the Cheshire towns in recent years. By way of example, we quote from the report by Roger Tym & Partners published in March 2009, entitled Cheshire & Warrington Market Towns Investment Prospectus. The report says <i>'Middlewich already accommodates a mid size and two smaller supermarkets (but) it retains just 38% of convenience goods expenditure and just 6% for comparison goods from its catchment'</i>.</p> <p>The report reviewed seven such towns and identified Middlewich as one of three which required a <i>'step change'</i> to address underperformance. It concluded that <i>'severely underperforming retail provision (should) be addressed through a new supermarket and complementary smaller units and by making the retail environment more attractive, amenable and vital'. In this</i></p>
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	<p><i>way the 'demand would be captured and retail expenditure leakage captured'.</i></p> <p>Since the publication of the Roger Tym report a number of significant business closures have adversely impacted employment levels in Middlesbrough. These include Centura Foods, Tesco Distribution and Albion Chemicals.</p>
<p>Who is primarily supported?</p>	<p>Please tick all those that apply</p> <p><input type="checkbox"/> An individual enterprise</p> <p><input type="checkbox"/> A small group of enterprises</p> <p><input checked="" type="checkbox"/> Investment and support for SMEs</p> <p><input checked="" type="checkbox"/> Sector support and development</p> <p>If so, which sector: Commercial, Housing and Industrial</p> <p><input checked="" type="checkbox"/> A specific geographical area</p> <p><input type="checkbox"/> Public sector organisation</p> <p>The intended initial beneficiary will be the Applicant. The RGF funding will cover the shortfall of available monies from the private sector and enable Pochin to build the Bypass. The commercial, industrial and housing developments simply cannot be served without the Bypass. Furthermore, without a Bypass the town centre will suffer from increasing traffic congestion on the surrounding network and any opportunity to improve the vitality and viability of the town centre will be extremely limited.</p> <p>The secondary beneficiaries are clearly the local population, existing businesses and visitors.</p>
<p>Which types of activity are included?</p>	<p>Please tick all those that apply</p> <p><input checked="" type="checkbox"/> Research, Development and Innovation</p> <p><input checked="" type="checkbox"/> People, skills and training</p> <p><input type="checkbox"/> Rail Infrastructure</p> <p><input checked="" type="checkbox"/> Other Transport Infrastructure</p> <p><input checked="" type="checkbox"/> Public Infrastructure eg public realm</p> <p><input checked="" type="checkbox"/> Site preparation and infrastructure (e.g. clearing / preparing land, flood mitigation, but not transport)</p> <p><input checked="" type="checkbox"/> Industrial or commercial property development</p> <p><input checked="" type="checkbox"/> Housing</p> <p><input type="checkbox"/> Other please specify</p>

	<p>The Bypass would be the element of the Action Plan it and would be accompanied by complimentary measures that would enhance the economic base of the town centre. B1, B2, B8 and leisure related activities would arise both in the town centre and at Midpoint 18. Local housing investments and the public realm would improve.</p>
<p>Will the bid have:</p>	<p>Please tick all those that apply</p> <p>✓ <input type="checkbox"/> Significant Environmental Benefits</p> <p><input type="checkbox"/> Significant Impact in Rural Areas</p> <p><input type="checkbox"/> Equalities Impact</p> <p>Without the Bypass, the redevelopment of the town centre and the opening up of Phase 3 at Midpoint 18 cannot happen. The Bypass would not only address a number of severe obstacles to town centre regeneration, it would also lead to a number of direct and wider economic benefits. The Bypass would enable the local planning authorities to tackle the entrenched economic problems that have blighted Middlewich for several decades. In summary, the Bypass would facilitate the further elements of the Action Plan and result in:</p> <ul style="list-style-type: none"> • Private sector investment amounting to 81% of the £22m cost of the road project. This amounts to a public to private sector gearing of 1: 4.36 (£4.1m public sector, £17.9m private sector). • 100 construction jobs over a sustained period. • Relief of the traffic congestion affecting Middlewich (improved amenity). • Establishment of the conditions to enable the upgrading of Middlewich town centre. • Primary servicing of the Midpoint Phase 3 employment project extending to 143,000sqm (1,539,000sqft) generating an estimated 2,800 jobs. • A total of some 4,500/5,000 additional direct/indirect/induced jobs that would not be generated and supported in its absence. • Significant further job creation through the longer term development/construction programmes. • Provision of a hotel for Middlewich as part of the Midpoint Phase 3 project. • Potential for circa 500 new homes on adjacent sites (currently poor quality agricultural land) subject to planning approvals and current Local Development Framework • Ecological enhancement of the green spaces within the Midpoint 18 Business Park will be implemented as each phase is developed.

	<ul style="list-style-type: none"> • The generation of an estimated £3,000,000pa in new business rates following development of Midpoint Phase 3. • The generation of a potential further £140,000 pa in new business rates from brownfield development. • The generation of approximately £750,000pa in new council tax income linked to potential new homes • Potential further investment to Cheshire East from Central Government through the New Homes Bonus of up to in the order of £4,500,000 calculated from the occupation date of new homes. • An increase in the potential viability for the proposed Middlewich railway station through the creation of new employment and residential areas to support the town core. • Delivery of a major retail store. • Town Wharf heritage redevelopment. • Council Offices redevelopment. • Library and community centre redevelopment. • Canal side public open space. • Cycle path and footpath improvements. • Marina development. <p>In terms of direct jobs, the RGF contribution of £4.1m is equivalent to the generation of 900 jobs per £1m public sector contribution. Combining, the direct jobs with the indirect and induced jobs would increase this ratio to about 1,200 jobs per £1m public sector contribution.</p>
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Section A: Programme Description

This section of the application form seeks basic information about the nature of the programme. It is designed to identify private, civil society organisations and public sector partners involved in the programme or to establish the bidders track record in establishing these partners if they are not yet identified.

1. (a) What is the programme title? (please provide a short title, maximum of 20 words)
[guidance]

Middlewich Action Plan and Bypass - An Integrated Programme for Local Economic Regeneration and Growth.

- (b) Briefly summarise the programme, its main objectives (i.e. the overarching investment strategy) and a brief outline of the main programme activities and outcomes (maximum of 300 words)?

[guidance]

The programme to achieve the Middlewich Action Plan is made up of a series of interdependent objectives. On commencement of the first objective, several related objectives will then be commenced.

On completion of the first objective, the remaining objectives will then proceed. More aspirational objectives will follow.

The first objective is to complete the construction of the Middlewich Eastern Bypass and it is this strategic infrastructure which requires Regional Growth Funding of £4.1m to be added to the £17.9m private sector funding, which together, will match the required £22m cost. This first objective will create 100 construction jobs over two years.

As soon as this infrastructure commences construction of three related objectives will commence. Employment development consisting of a 600,000sq.ft. multi-model distribution centre will create 80 construction jobs over 18 months and up to 900 permanent jobs over a wide range of job types.

An hotel of 112 rooms will create 60 construction jobs over 9 months and 40 permanent jobs.

House building will commence shortly before the Bypass is completed to create 80 construction jobs over four years.

The remaining objectives will bring 120 construction jobs and the balance permanent jobs detailed in the Executive Summary when the remaining employment and industrial developments are constructed.

A specialist industrial occupier who is not reliant on the Bypass, to be constructed, will create 300 construction jobs, 50 permanent jobs and secure 150 existing jobs for the future.

Other outputs will be in training retail and tourist based jobs taking up existing space within the Action Plan area.

Table 1 shows the sequence of implementation of the objectives in relation to RGF Funding.

Table 1

Objective	Title	Timeline (Years)									
		-2	-1	0	1	2	3	4	5	+5	
1	Completion of the Middlewich Bypass										
2	Initial Employment Development										
3	Leisure Development										
4	House Building										
5	Additional Employment Development										
6	Industrial Development										
7	Indirect and Aspirational Development										

(c) What is the geographical target area and spread of the programme? *Explain why this is the appropriate scale.*

[\[guidance\]](#)

The Action Plan is centred on Middlewich. The first objective, the completion of the Bypass, is situated to the east of the town. The other objectives are located within the town centre and to the east and south of the town. The majority of the direct employment will arise in these areas but the indirect and induced jobs will be more widely disbursed within the other Weaver Valley towns of Northwich and Winsford and broadly within the Borough of Cheshire East.

It is expected that 95% of the impact of this new employment will affect Cheshire East and the remainder within North West England, a one hours drive time.

2. What good(s) or service(s) will be offered to the market directly and indirectly as a result of the known components of the programme? E.g. training, transport improvements, housing, etc.

[\[guidance\]](#)

(a) Goods and services directly offered to the market by the programme partners as a direct result of this investment?

The Middlewich Action Plan will offer a large range of services to the market. Objective 1 - Completion of the Bypass: This will be procured by a series of contracts let directly by the Applicant. The primary contract will secure the basic engineering infrastructure but support contracts to an extensive range of work and statutory undertakers will be required to deliver the complete project. The RGF Funding will only be used for the primary contract.

The direct result of the Bypass will be:

- *Private sector investment amounting to 81% of the £22m cost of the road project. This amounts to a public to private sector gearing of 1 : 4.36 (£4.1m public sector, £17.9m private sector).*
- *100 construction jobs.*
- *Relief of the traffic congestion affecting Middlewich (improved amenity).*
- *Establishment of the conditions to enable the upgrading of Middlewich town centre.*
- *Primary servicing of the Midpoint 18 Phase 3 employment project extending to 143,000sq.m. (1,539,000sq.ft.)generating an estimated 2,800 jobs.*
- *A total of some 4,500/5,000 additional direct/indirect/induced jobs that would not be generated and supported in its absence.*
- *Significant further job creation through the development/construction programmes.*
- *Servicing of a hotel site for Middlewich as part of the Midpoint 18 Phase 3 project.*
- *Potential for circa 500 new homes on adjacent sites (currently poor quality agricultural land) subject to planning approvals and current Local Development Framework.*
- *The generation of an estimated £3,000,000 pa in new business rates following development of Midpoint 18 Phase 3.*
- *The generation of a potential further £140,000 pa in new business rates from Project Delta.*
- *The generation of approximately £750,000 pa in new council tax income linked to potential new homes.*
- *Potential further investment to Cheshire East from Central Government through the New Homes Bonus of up to in the order of £4,500,000 calculated from the occupation date of new homes.*

Objectives 2 and 3: Completion of employment and leisure development will include a range of construction contracts for building and other works directly by the Applicant.

The remaining objectives will be procured by each resultant beneficiary.

(b) If the programme will create additional market opportunities, these should be listed here.

The establishment of conditions to enable upgrading of Middlewich town centre will create retail and leisure based opportunities.

The traffic relief for the town centre will facilitate:

- *An increase in the potential for the proposed Middlewich railway station and canal side improvements through the creation of new employment and residential areas to support the town core.*
- *Delivery of a major retail store.*
- *Town Wharf heritage redevelopment.*
- *Council Offices redevelopment.*
- *Library and community centre redevelopment.*
- *Canal side public open space.*
- *Tow path and footpath improvements.*
- *Marina development.*

- 3.** Set out the main programme activities and proposed timescale in which they will be carried out. Include as part of this a simplified programme plan or Gantt chart, and provide costing in Part 2, Section D of the application form. *Please note the RGF will not cover programme administration costs, these should be covered by other funding sources, potentially through private sector leverage.*

[\[guidance\]](#)

(a) Activities carried out by programme partners as a direct result of this investment?

Objective 1 - Completion of the Bypass is the key delivery mechanism.

Table 2 below shows the programme of activities to achieve completion of the Bypass. It should be noted that a substantial number of activities have already been put in place and preparation is in hand when funding is secured.

Table 2

Activity	Timeline (Years)								
	-3	-2	-1	0	1	2	3	3+	
Planning									
Land									
Highway Closures and TRO									
Service Provisions									
Service Diversions									
Planning Condition Discharge									
Site Preparation									
Advanced Works									
Main Works Contract									
Open to Traffic									

(b) Other activities which may be carried out as an indirect result of the programme? If it is not certain that an activity will go ahead, please estimate the likelihood of it going ahead with and without the programme.

The sequence of further direct and indirect activities is also shown in Table 1 (Q 1(b)).

(c) Where details of component projects are not already known, please provide information to demonstrate how partners will be identified and engaged and demonstrate a track record of delivering similar programmes.

The indirect activities which are as yet not detailed include increasing the potential for the proposed Middlewich railway station, canal side improvements, Town Wharf heritage redevelopment, marina development all of which will be separately funded.

The Applicant has extensive experience of delivering mixed use developments and major infrastructure throughout the North West and specifically in Middlewich. Appendix 3.2 of this document sets out this experience and the capability of the Applicants project delivery team.

4. Please summarise how the programme will contribute to the objectives of the Regional Growth Fund. See application form guidance (Maximum of 750 words)
[guidance]

It is generally agreed by all parties - public and private - that the benefits of the Bypass include:

(i) Traffic relief and removal of congestion from the Middlewich town centre;

- (ii) *Associated environmental improvements (noise, air quality, disturbance etc.) for those living and working in and around the town centre;*
- (iii) *Unlocking the remaining parts of Midpoint 18 - particularly the Phase 3 development that is presently sterilised due to inadequate access (a planning condition to the permission requires the Bypass to be in place before further new buildings can be occupied); and*
- (iv) *Enhancing the attractiveness of Midpoint 18 Phase 3 as an employment location by improving its accessibility to the wider area.*

There is consensus amongst key stakeholders that the Bypass is a necessary infrastructure project and Pochin and the Council are keen to ensure its completion is secured as soon as possible.

A recent study by AECOM commissioned by Cheshire East Council has concluded that the Bypass “would provide economic and transport benefits to Middlewich and the wider area”. It also concludes on page 8 that the main impacts of the Bypass would include:

- (i) *The consequential generation of 143,000 sq.m. of business development that would lead to some 2,800 new jobs;*
- (ii) *Environmental benefits arising from traffic relief in Middlewich town centre; and*
- (iii) *Reduction in congestion on the A54 link to the M6.*

The report also concludes that the proposals for Midpoint 18 and the Bypass have “the potential to significantly grow local employment” and “then associated businesses may be attracted to Midpoint 18 and environmental clustering may occur”.

The accepted view of the Council’s consultants (AECOM) is that poor public transport and traffic problems - in the absence of the construction of the Bypass - would continue to inhibit the performance of the town and also exacerbate the perceived shortage of community facilities by making access to existing provision more difficult.

Without the Bypass, Midpoint 18 Phase 3 would simply not happen and the rates of development at other projects are likely to be detrimentally effected. Indeed, the Bypass clearly influences a number of direct and indirect economic consequences and impacts.

Another recent study - the Weaver Towns Report - states that;

“the town centre of Middlewich is grossly underperforming; the town centre does not adequately provide for the needs of its catchment population and that there is a requirement for additional retail floorspace, for both comparison goods, within the centre to meet this need”.

The Bypass would provide part of the solution and hence can be seen as the catalyst that could enable the existing retail centre to become sustainable at levels above those currently in operation.

Overall, the Bypass will directly facilitate employment by releasing land at Midpoint 18 but also trigger off contingent investments in large-scale local housing and town centre regeneration. Without the Bypass none of these contingent benefits can take place.

5. Please use the table in **Annex 1** to provide details of the *recipients* of RGF funds (who will manage the programme), *partners* of this bid (not recipients but have a role in the delivery of the programme) and *intended beneficiaries* where known (directly supported recipients) of the programme funds? Who are their immediate and ultimate parents? Provide where appropriate details for each of these of legal status, entity name, address, company registration number or VAT registration number, sector, directors, principal shareholders, and contact details. **Please also identify any recipients which are SMEs.**

[\[guidance\]](#)

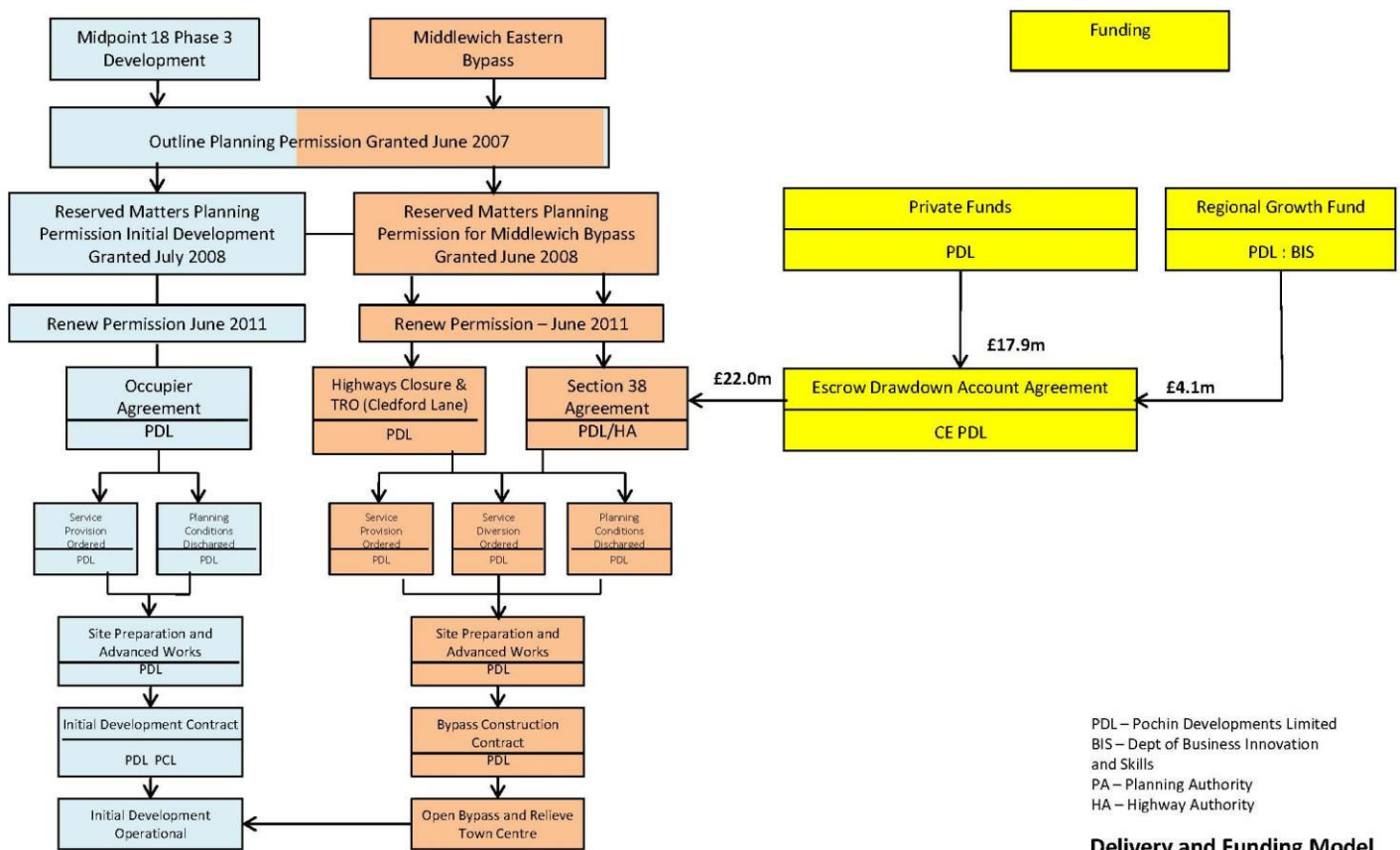
The recipients of the RGF Funds will be the Applicant but Table 3 below shows the financial control mechanism for both the private and public sector partners. Appendix 3.2 provides the details of the Applicant. The direct beneficiaries will be determined by competitive tendering and competition.

Table 3

PDL350/38

Table 3 Middlewich Action Plan – Objective 1: Complete the Bypass

28/06/11



6. How will the programme be funded? Please identify sources, amount of funding, terms of funding and indicate whether these have been confirmed. Show how these sources of funding along with the RGF support add up to the total cost of delivering the programme set out in question 3.

[\[guidance\]](#)

(a) Funding for the investment itself?

Source of funding	Entity (private/public)	Type of funding eg. grant/ loan/ loan guarantee/ equity etc	Amount of funding (£m)	% of total programme costs	Confirmed?
Applicant	Private	Equity	£17.9m	81%	Yes
BIS	Public	Equity	£4.1m	19%	No
TOTAL			£22.0m	100%	

Additional Notes (including more details on the status of other sources of funding):

<include additional notes here>

(b) Funding of related or contingent investments?

Source of funding	Entity (private/ public)	Type of funding eg. grant/ loan/ loan guarantee/ equity etc	Amount of funding (£m)	% of total programme costs	Confirmed?
TOTAL				100%	

Additional Notes (including more details on the status of other sources of funding):

<include additional notes here>

7. If you are applying for a loan or loan guarantee from the RGF, please set out the terms on which this support is sought. For loans, include details of the term of the loan, the payback profile (bullet or linear), proposed interest rate, and any interest payment holiday sought. For loan guarantees, include the term of the guarantee, the premium to be paid and details of available security. This information is required solely for indicative purposes and if the applicant is successful in securing a condition offer this might require different terms.

[\[guidance\]](#)

Not applicable.

8. If you have also submitted an application for ERDF, or are planning to, please explain which elements of the RGF programme you consider to be eligible for ERDF and are planning to use as match funding. There is no requirement for all RGF expenditure to be eligible for ERDF, but it must be eligible if it is to be used to co-finance an ERDF project.

[\[guidance\]](#)

Not applicable.

Section B: Without RGF Support

In order to maximise the impact of the Regional Growth Fund, Government support should be restricted to those instances where the market cannot, or will not fully or in-part, bring an investment forward in the absence of public support. This section will establish a rationale for Government support by enabling us to understand whether and why the programme would not otherwise go ahead as proposed.

9. In the absence of RGF support, would funding be available for the beneficiaries of the programme from other sources (and if so in what form)? *Please provide commercial and economic reasoning to support your argument.*
[\[guidance\]](#)

In the absence of RGF support the programme is only likely to go ahead on a much longer timescale. As time passes, the likelihood of commencement would become less and less likely.

To set this statement in context, it is necessary to understand that efforts to complete this programme have been in existence for many years. All the infrastructure for Phase 1 and 2 of Midpoint 18 has been delivered by the Applicant. In 2007 the Applicant was working in partnership with Cheshire County Council and North West Development Agency to jointly deliver that for Phase 3. An agreement was reached whereby the Applicant was required to provide 59% of the cost of the Bypass, the Highway Authority 14% and North West Development Agency 27%.

The office of the North West Development Agency has recently provided the following quotation to describe what happened next.

“NWDA fully appraised and approved in principal in December 2007, subject to confirmation of match funding commitments and NWDA Board Approval, an investment of £5.8m to open up the Midpoint 18 site for further development through the provision of the Middlewich Eastern Bypass. In reaching this decision NWDA recognised that the project would deliver significant economic benefits for Middlewich and the wider sub-region. However following protracted, unresolved negotiations to secure match funding commitments, a process complicated by Local Government Reorganisation in Cheshire, the Agency wrote to Cheshire East in July 2010 confirming that it was unable to commit funding to the project as a consequence of the Government’s decision to close the RDA by March 2012.”

The match funding referred to above was to be provided by the Applicant and Cheshire County Council.

In subsequent meetings with Cheshire East Council, the Applicant was advised that no match funding was available from the Local Transport Funds.

Despite the prolonged period of economic downturn, the Applicant has been able to draw further private sector funding together to reach the current figure of £17.9m, 81% of the total.

This private sector contribution is conditional on the public sector figure of £4.1m, 19% of the cost. The Applicant has itself already invested substantial sums to date to secure land and planning permission for the Bypass and the employment and leisure development. It must also budget for development expenditure to undertake further site based infrastructure and therefore the limit of private sector contribution has been reached as it equates to the uplift in value of land which would benefit from the Bypass and take account of the contingency for overrun which it would fund.

(a) would the funding be available for beneficiaries (and in what form)?

Every avenue of funding has been examined over a long period of time and an alternative of funding for the beneficiaries is just not available.

(b) will the wider development of the area, if applicable, proceed (and in what form)?

Every avenue of funding has been examined over a long period of time and an alternative of funding for the beneficiaries is just not available.

10. Are there other ways of achieving the aims of the programme which will not require RGF support? *Please outline what these are and why they are considered inferior:*
[guidance]

The programme can only be delivered through public/private sector partnership and this continues to be most successful in all ways, except that of funding commitment.

The only way for delivery in the foreseeable future is through the currently proposed joint financial commitment of private equity and public funding via RGF.

(a) ways of achieving the aims of the programme itself?

Without the Bypass, the redevelopment of the town centre and the opening up of Phase 3 at Midpoint 18 cannot happen in the foreseeable future. The Applicant has been able to commit 81% of the capital requirement but all other forms of public and private sector funding have been exhausted and indicate absolutely no possibility of funds in the next 5/8 years.

(b) ways in which the wider development of the area would proceed?

The Bypass would not only address a number of severe obstacles to town centre regeneration, it would also lead to a number of direct and wider economic benefits. The Bypass would enable the local planning authorities to tackle the entrenched economic problems that have blighted Middleswich for several decades. There is simply no other way to tackle these economic problems.

11.(a) Why is the level of RGF support sought in this application the minimum amount of required to allow the project to proceed? *Please provide analysis and evidence to justify the amount and timing of support.*
[guidance]

The RGF bid figure of £4.1m has been based on detailed calculation of the cost of the Bypass and the private sector equity which is deliverable. These calculations have been examined and validated by the Cheshire East Council and an independent report commissioned.

The current timeframe for drawdown of both private and public sector funds is shown in Part 2 of the Application.

(b) Is this amount scalable? If yes, how?
[guidance]

The Applicant has managed to reduce the funding gap from £9.1m to £4.1m since the withdrawal of public funding commitments in mid 2010. We will not seek any additions to the £4.1m from the RGF in the event that the outturn cost of the Bypass exceeds the current cost of £22m.

Section C: Sustainable Private Sector Growth

The Regional Growth Fund seeks to encourage sustainable private sector-led growth. Please complete this section only where specific projects are already known which deliver individual components of the programme. Financial accounts (simplified profit & loss and cashflow) of these projects should have been entered in Part 2 Section B of the application form in response to Q3.

Questions 12-15 make reference to goods and services identified in Question 2. Where more than one good or service has been identified, for one or more programme component, the following questions should be answered separately for each good/service.

Where specific elements of the programme have not been clearly identified you should answer Q23.

Details of delivery have not yet been clearly identified. Q23 has therefore been answered.

12. (a) Using the pro-forma in Part 2, Section A of the application form, please provide a simplified forecast of Profit & Loss and cashflow over the economic lifetime of the programme. Where specific projects are already known which deliver individual components of the programme please detail these costs in Part 2 Section B. *The answer to this question should refer to goods and services identified in Question 2(a).* [\[guidance\]](#)

(b) Explain the rationale for the base case and downside scenarios, and for each of the assumptions underlying the cashflow. This should be linked to the market forecasts set out below.

<insert response here>

Responses to parts (a) and (b) in Questions 13-15 should correspond to answers provided to the corresponding sub-sections of Question 2 i.e. when answering Questions 13(a), 14(a) and 15(a), responses should correspond to the goods and services identified in Question 2(a). When answering Questions 13(b), 14(b) and 15(b), responses should correspond to the goods and services identified in Question 2(b).

13. What are the characteristics of the market for the product(s) or service(s) directly or indirectly offered as a result of the programme component(s)? *Please refer to product/service volumes and margins and identify key market participants.* [\[guidance\]](#)

(a) Market for goods or services directly offered as a result of this investment?

<insert response here>

(b) Market for other goods or services that may be indirectly created as a result of this investment?

<insert response here>

14. How is the market forecast to change over time?

[\[guidance\]](#)

(a) Market for goods or services directly offered as a result of this investment?

<insert response here>

(b) Market for other goods or services that may be indirectly created as a result of this investment?

<insert response here>

15. What assumptions are being made about market share? *Include as appropriate information on customers, suppliers and competitors to support these assumptions. .*

[\[guidance\]](#)

<insert response here>

16. What are the key risks, constraints and dependencies (e.g. planning consents) in executing the programme? *Please demonstrate how these will be managed.*

[\[guidance\]](#)

(a) Risks etc. around activities carried out by programme partners, directly related to the investment, as set out in Question 3(a)?

Risk	Risk Owner	Likelihood	Impact	Mitigation
		High/Med/Low	High/Med/Low	
		High/Med/Low	High/Med/Low	
		High/Med/Low	High/Med/Low	

<include additional notes here>

(b) Risks etc. around activities not directly related to the programme, in particular those set out in Question 3(b)?

Risk	Risk Owner	Likelihood	Impact	Mitigation
		High/Med/Low	High/Med/Low	
		High/Med/Low	High/Med/Low	
		High/Med/Low	High/Med/Low	

<include additional notes here>

17. How does the programme fit with the economic priorities and prospects of the locality as a whole? This should be linked to the wider economic vision for the area set out by the Local Enterprise Partnership (where one exists), as well as actions and policies of other local partners. Please be specific when identifying economic priorities, actions and policies, and explain how the programme links with them.

[\[guidance\]](#)

<insert response here>

18. Please provide a list of key project personnel who will be involved in delivering the project, including summary CVs covering role in project, employment history, qualifications, relevant skills and experience.

[\[guidance\]](#)

<insert response here>

19. Who will be responsible for any liabilities associated with the programme e.g. cost overruns or shortfalls in receipts?

[\[guidance\]](#)

<insert response here>

20. Is the proposed level of RGF support considered to be compliant with European State aid regulations? *Please give a brief explanation of your assessment and use the tick boxes below to indicate the mechanism(s) through which support would be legal. Please refer to the Guidance document for further information provided for this question.*

[\[guidance\]](#)

Regional aid	<input type="checkbox"/>
SME aid	<input type="checkbox"/>
Aid for Research, Development & Innovation	<input type="checkbox"/>
Training aid	<input type="checkbox"/>
Environmental aid	<input type="checkbox"/>
Social aid	<input type="checkbox"/>
Aid for promoting women entrepreneurship	<input type="checkbox"/>
De Minimus	<input type="checkbox"/>
Other, please specify	<input type="checkbox"/>
Non-aid	<input type="checkbox"/>

<include a brief explanation here>

21. Are any of the identified programme partners making (or intending to make) a separate bid to the RGF? *If so, please identify by project or programme title and indicate whether these bids are considered to be mutually exclusive.*

[\[guidance\]](#)

<insert response here>

22. Please provide a summary of the public support that any private sector partners involved in the programme, including civil society organisations have received, or applied for, in the last three years..

[\[guidance\]](#)

<insert response here>

23. Where some or all specific projects have not been identified, please set out your plan for ensuring the programme will deliver sustainable private sector growth. Include evidence of experience and/or expertise in driving/enabling growth appropriate to the geography..

[\[guidance\]](#)

Section A sets out the range of objectives which this programme seeks to deliver. The RGF Fund only relates to the first of these objectives and it is this which has been planned in detail. The programme relies upon the Bypass being built and for development to take place. The step change of economic prosperity is best illustrated by examples which the Applicant has carried out to date in other areas throughout the North West. Appendix 3.2 provides this experience. The plan for this programme follows these successful projects from the past.

Section D: Costs and Benefits

In order to ensure good value for money for the taxpayer, it is important that the additional economic benefits associated with supporting a programme exceed the costs of Government support. This section seeks to identify and characterise the full range of economic costs and benefits associated with the intervention.

Where details of specific projects or components of the programme are not known, applicants should draw upon the programme plan to identify and provide evidence for expected benefits, referring to your answer to Q17 to use details of the planned appraisal process to forecast expected benefits. Throughout and across all types of bids, the link to job growth must be made absolutely clear.

24. Please provide an approximate estimate of the spread of employment impacts, including direct and indirect jobs, by Local Authority District where possible using the table provided in **Annex 2 – THIS TABLE MUST BE COMPLETED**.
[guidance]

We need to know the estimated number, type and location of jobs that will be created or safeguarded through the programme. These jobs can be directly or indirectly created or safeguarded. Indirect jobs can arise through:

- the activity of the programme, (i.e. through the supply chain); and
- wider economic benefits enabled or unlocked by the programme

Job forecasts should **not** include those created through income multipliers.

Employment impact areas will be 95% Cheshire East and 5% North West England. Annex 2 has been completed with these figures.

The totality of these impacts in terms of direct job creation is shown below.

	<i>Direct Jobs</i>
<i>Phases 1 and 2 - Midpoint 18</i>	<i>300 - 400</i>
<i>Phase 3 - Midpoint 18</i>	<i>2,800</i>
<i>Safeguarding</i>	<i>100 - 150</i>
<i>Town Centre</i>	<i>300 - 500</i>
TOTAL	3,500 - 3,850

These above figures relate to the generation or safeguarding of direct jobs. In addition, indirect and induced jobs will be generated by the creation and safeguarding of these direct jobs. It is not possible to be specific about the type of jobs as these will be entirely dependent on the nature of tenants to Phase 3 of Midpoint 18. However, we can say that based on the existing companies resident on Phases 1 and 2, we would expect a wide range of skill requirements. The jobs will be by definition either located on Midpoint 18, the surrounding area including Phases 1 and 2 as well as Middlewich town centre.

25. Using Part 2, Section C of the application form, please set out the **gross** number and type of jobs that will be:

[guidance]

(a) *directly* created and safeguarded by the programme over its economic lifetime (if details of specific projects are known).

It is our view that the Bypass will have a total employment impact of 3,500 to 3,850 jobs over a 15 year period with at least 1,200 jobs being created within 3 years of the Bypass opening. All these jobs will be created in Middlewich and the local area.

(b) *indirectly* created and safeguarded by the programme over its economic lifetime. Where less specific information is known, expected employment impacts should be set out and explained including details of the assumptions being made and the data and research that have been used to draw these. This may include evidence from previous programmes, or programme plans setting out the benchmarks which will be used to determine programme spend.

It is our view that the Bypass will have a total indirect employment impact of 1,000 to 1,150 jobs over a 15 year period with at least 350 indirect jobs being created within 3 years of the Bypass opening. All these jobs will be created in Middlewich and the local area.

26. What, if any, Research and Development (R&D) activities are planned or expected as part of the programme? Please describe these activities below (including location, nature of activities, required inputs and expected outcomes) and complete the R&D expenditure profile in Part 2, Section D of the application form. .

[\[guidance\]](#)

None.

27. What, if any, skills and training provision will be associated with the programme? Please describe these activities below (including location, type of training and qualification level) and where possible complete the skills and training expenditure profile in Part 2, Section D of the application form..

[\[guidance\]](#)

Skills and training will be provided throughout the range of beneficiaries.

The Bypass will not directly have a training component. However, we will insist on a labour agreement with the successful contractor that they provide training and skills provision for a minimum of 10% of the workforce from amongst local residents.

A propos the employment generation associated with Phase 3 of Midpoint 18, we can state that we are aware of the considerable investment in training that many of our existing tenants engage upon in order to 'skill-up' the local labour force. We are totally confident that new tenants will follow a similar pattern.

28. Please describe briefly, summarising and citing supporting analysis and evidence where possible, the wider secondary benefits/costs associated with the programme over its economic lifetime. These cover non-employment related impacts only, as employment impacts have been addressed in Q34. If any of these wider benefits are "valued" or "monetised" in a Green Book compliant manner, the assumptions underlying the valuation must be clearly set out.

[\[guidance\]](#)

Wider impacts are benefits/costs that are not directly captured by the recipients of RGF. The following list gives examples of wider impacts. However, this list is only indicative and it may not be applicable for all applicants. Programmes do not need to

produce wider secondary benefits in order to be eligible for RGF. Where possible please include details of when and where these benefits will accrue.

Wider benefits not captured in BCR	Tick if Yes	When and where?	Supporting analysis and evidence (eg data, survey, research) including any quantification
Uplift in land values in neighbouring areas	Yes	Middlewich town centre	
Increasing attractiveness of an area to businesses, due to improvements to public goods (e.g. parks and the public realm) or crime reductions	Yes	Local area after opening of the Bypass	
Future savings to the exchequer stemming from the higher likelihood of gaining and retaining employment by residents of the area	Yes	Local area after opening of the Bypass	
Future savings to the exchequer as a result of reduced crime or improvements in health	Yes	Local area after opening of the Bypass	
Environmental benefits, such as improved open spaces, biodiversity, air quality, noise, land remediation, reduction in greenhouse gas emissions, etc	Neutral	Local area after opening of the Bypass	
Reductions in the distance from the labour market among residents of the area as they become more job-ready/move closer to the labour market	Neutral	Local area after opening of the Bypass	
Transport economic efficiency e.g. safety enhancements and time savings accruing to other businesses and consumers ¹	Yes	Middlewich. Local area after opening of the Bypass	See notes below and Appendix 3.3.
Improvements to social cohesion	Yes	Local area after opening of the Bypass	
Option value - where the project creates a significant incremental option to make follow-on investments, or flexibility to alter the investment at some point in the future	Yes	Local area after opening of the Bypass	
Other (write in)	Y/N		

Additional notes:

Transport Notes on Middlewich Bypass

The A54 through Middlewich forms part of the locally strategic highway network. It is identified within the Cheshire East Local Transport Plan (LTP) 2011-2026 as being of sub-regional importance.

The road links to the M6 at Junction 18 and for this reason provides the main access from the Strategic Road Network not only to Middlewich but also to Northwich, Winsford, Knutsford and a significant proportion of Crewe, as well as a large rural hinterland. The A54 currently caters for, in

¹ Please present transport benefits in the form of an Appraisal Summary Table (AST):
<http://www.dft.gov.uk/webtag/documents/project-manager/pdf/unit2.7.2.pdf>

the region of 19,000 vehicles per day (AADT) and this is forecast to rise to nearly 26,000 by 2021ⁱ. At present around 1,000 of these are Heavy Goods vehiclesⁱⁱ.

Current assessment of the road network undertaken for the LTP confirms that the route through the town centre in particular is reaching high levels of network stress in 2006ⁱⁱⁱ. This will clearly be exacerbated as traffic flows rise.

The need for a bypass has been long established and the current LTP confirms this as follows:

“The scheme would provide economic and transport benefits to Middlewich and the wider area, including:

- Creation of 143,000m² of business development and around 2800 jobs*
- Environmental benefits as traffic routes away from Middlewich Town Centre, improving conditions for residents and visitors and enhancing the retail experience*
- Reduction in congestion on sections of the A54*

The scheme is important to the delivery of the economic growth of Middlewich as a sustainable town and key service centre.”^{iv}

The impacts of the bypass were assessed in detail in 2004 and 2005 as part of the original planning application, submitted at the time by Cheshire County Council. Whilst this report is now a little dated, there have been no significant changes in traffic flows since and the broad conclusions remain appropriate and robust. This is confirmed in the LTP which states that “the number of vehicles using the boroughs roads has remained relatively stable since 2004”.^v

The provision of improvements and in particular the Middlewich bypass as a key driver to them through the centre of Middlewich remains wholly consistent with LTP policy objectives as follows:

Objective 1 (Congestion): Minimise congestion in our urban areas and on important routes and improve the overall efficiency of the highway network.

Objective 2 (Accessibility): Improve accessibility to key services (employment, education, health, shopping and leisure) and reduce the need to travel.

Objective 3 (Maintenance): Improve maintenance of the highway and transport network.

Objective 4 (Community): Support community involvement and decision-making.

Objective 5 (Health): Support active and healthy lifestyles.

Objective 6 (Environment): Protect and enhance the local and global natural environment (including environmental assets such as biodiversity, geodiversity, soils and protected landscapes).

Objective 7 (Safety): Improve road safety for all users and increase personal and community safety.

The ES of that development reached the following conclusions:

- Traffic flows on the A54 through the town centre would reduce by some 30%;*
- Traffic flows on other lines including the A530 would reduce by up to 37%.*
- The scheme would result in positive Noise and Air Quality impacts on the town centre.*
- General impacts of the scheme were assessed at a local level on the bypass and concluded that all could be adequately mitigated against.*

The conclusions of the ES in terms of the benefits arising are summarised in the Appraisal Summary Table at Appendix 3.3.

ⁱ Figures from SKM 2004 ES of proposed bypass.

ⁱⁱ Para 3.100 of LTP.

ⁱⁱⁱ Para 3.79 of LTP.

^{iv} Page 51 – LTP.

^v Para 3.78 of LTP.

29. What other activities will you undertake, apart from the core activities for which RGF funding is being sought, which are likely to have wider impacts on society? e.g. community mentoring programmes, site visits for disadvantaged groups etc. .

[\[guidance\]](#)

The Applicant is engaged directly with the local community as representative of local business on the Middlewich Vision Steering Group. The programme has been put together in close working relationship with Middlewich Vision and the Town Council. See letter of support at Appendix 3.1.

30. If the benefits of the project, that is both employment and wider benefits, are expected to last more than 10 years, please provide the estimated long-term costs of sustaining these benefits and the period over which they are incurred e.g. maintenance costs of infrastructure.

[\[guidance\]](#)

The benefit of the programme will last much longer than 10 years but the operating cost will be met entirely by the private sector. The Highway Authority has agreed to adopt the completed project.

31. With reference to the characteristics of the programme and its beneficiaries, please describe why this programme could not be pursued through individual specified projects or packages of projects.

[\[guidance\]](#)

The programme provides a step change to the local economy whereby the greater benefit is greater than the sum of the parts.

Section E: Governance and Capability

This section will develop Government's understanding of the capability of the programme operator to manage, appraise and evaluate the programme in a way that is Green Book compliant and which satisfies the objectives of the RGF.

32. Capability:

- (a) Who will be the accountable body responsible for ensuring that activities supported as part of the programme fit within the programme's objectives, are value for money and an efficient use of public resource?.

[\[guidance\]](#)

Pochin Developments Limited will be the accountable body working through a legal agreement with Cheshire East Council as Highway Authority.

- (b) Has this partner previously acted in this capacity?.

[\[guidance\]](#)

The mechanism and financial controls are based on a standard Section 38/Section 278 legal Agreement, a tried and tested procedure.

- (c) How will the functions of the accountable body be funded?.

[\[guidance\]](#)

From its own sources.

33. Programme Plan: Please outline the delivery plan for the programme including the timescales for delivery of the objectives of the programme including key milestones..

[\[guidance\]](#)

The programme plan is enclosed as Table 3.

34. Funding model: If the programme uses a revolving funding model, e.g. a loan or loan guarantee, please use the pro-forma in Part 2, Section A or B (depending on whether it constitutes the whole or part of the programme) to provide the financial projections based on the level of RGF support you have bid for..

[\[guidance\]](#)

Not applicable.

35. Governance: Describe how the accountable body will ensure the activities of the programme meet objectives of the fund and carry out the due diligence before approving projects? Please describe the process by which funding will be allocated through the programme, including a detailed **description of the appraisal process** to ensure that projects delivering the various components of the programme fit within the RGF objectives (including where known: who, when, how, how it will be funded and evidence of the capacity and experience to do this)..

[\[guidance\]](#)

Through the mechanism described in 32(b) above.

36. Monitoring: How will the accountable body monitor the impacts and outputs of the programme activities and projects? How will this feed into financial control arrangements (including, how and when activities will be monitored and evidence of the capacity and experience to do this)..

[\[guidance\]](#)

Through the mechanism described in 32(b) above.

37. Evaluation: How do you plan to evaluate the programme to ensure that outcomes are delivered (i.e. what methodologies will be used, will this be contracted out/done internally, what are the timings for this)? Provide details of the monitoring and feedback approach which will be used to evaluate the impact and process of the programme over its lifetime as well as any plans for a final evaluation..

[\[guidance\]](#)

Not applicable.

38. How will the outcomes of the programme be sustainable and contribute to wider economic growth and jobs once the public funding for the programme ceases? You should make reference to the proposed economic life of the improvements outlined in the bid..

[\[guidance\]](#)

The funding is entirely for the Bypass. The local Highway Authority - Cheshire East Council - is totally committed to the upkeep of the bypass post opening. Pochin will be commercially committed to the long-term sustainability of Midpoint 18 as our core aim is to own, manage and operate business parks and associated commercial activity. At all times, it is our commercial imperative to optimise the land take-up on our sites and by definition to sustain employment levels.

Section F: Equality

39. Do you envisage that the programme or its outcomes will have a disproportionate impact, whether positive or negative, on any of the following groups?

- (a) minority or majority ethnic communities
- (b) women or men, including transsexual people
- (c) disabled people
- (d) lesbians, gay men, bisexual or heterosexual people
- (e) people with particular religious or non-religious beliefs
- (f) people in particular age groups

If yes, please describe the impact or impacts the programme is expected to have, the group or groups which may be affected, and any steps, if applicable, which have been taken to mitigate the impact(s)..

[\[guidance\]](#)

No.

Annex 1

RGF Recipients, Project Partners, Intended Beneficiaries (where known)

Organisation	Recipient/partner/ beneficiary 1	Recipient/partner/ beneficiary 2	Recipient/partner/ beneficiary 3	Recipient/partner/ beneficiary 4	Recipient/partner/ beneficiary 5
Recipient/partner / beneficiary	<i>Pochin Developments Limited</i>				
Role in project	<i>Recipient</i>				
Building Name/No.	-				
Sub-dwelling (e.g. Unit 1)	-				
Street	<i>Brooks Lane</i>				
Locality (e.g. village or area)					
Town	<i>Middlewich</i>				
County	<i>Cheshire</i>				
Postcode	<i>CW10 0JQ</i>				
Contact Name	<i>Brian T. Reay</i>				
Contact Telephone	<i>01606 831 615</i>				
Contact Email	<i>brian.reay@pochins.plc.uk</i>				
VAT Registration No.	<i>279 4342 27</i>				
Company Registration No.	<i>740515</i>				
Sector	<i>Property</i>				
Directors	<i>J W P Nicholson B T Reay</i>				
Principal Shareholders	<i>Pochin's PLC</i>				
Immediate Parent Company	<i>Pochin's PLC</i>				
Ultimate Parent Company	<i>Pochin's PLC</i>				
Legal Status (see guidance)					
SME?	Y/N	Y/N	Y/N	Y/N	Y/N
LEP?	No	Y/N	Y/N	Y/N	Y/N

Annex 2

Areas of Impact

Local Authority Area	Approximate proportion of employment impacts (%)
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Adur	0	East Hampshire	0	Milton Keynes	0	St Edmundsbury	0
Allerdale	0	East Hertfordshire	0	Mole Valley	0	St. Helens	0
Amber Valley	0	East Lindsey	0	New Forest	0	Stafford	0
Arun	0	East Northamptonshire	0	Newark and Sherwood	0	Staffordshire Moorlands	0
Ashfield	0	East Riding of Yorkshire	0	Newcastle upon Tyne	0	Stevenage	0
Ashford	0	East Staffordshire	0	Newcastle-under-Lyme	0	Stockport	0
Aylesbury Vale	0	Eastbourne	0	Newham	0	Stockton-on-Tees	0
Babergh	0	Eastleigh	0	North Devon	0	Stoke-on-Trent	1
Barking and Dagenham	0	Eden	0	North Dorset	0	Stratford-on-Avon	0
Barnet	0	Elmbridge	0	North East Derbyshire	0	Stroud	0
Barnsley	0	Enfield	0	North East Lincolnshire	0	Suffolk Coastal	0
Barrow-in-Furness	0	Epping Forest	0	North Hertfordshire	0	Sunderland	0
Basildon	0	Epsom and Ewell	0	North Kesteven	0	Surrey Heath	0
Basingstoke and Deane	0	Erewash	0	North Lincolnshire	0	Sutton	0
Bassetlaw	0	Exeter	0	North Norfolk	0	Swale	0
Bath and North East Somerset	0	Fareham	0	North Somerset	0	Swindon	0
Bedford	0	Fenland	0	North Tyneside	0	Tameside	0
Bexley	0	Forest Heath	0	North Warwickshire	0	Tamworth	0
Birmingham	0	Forest of Dean	0	North West Leicestershire	0	Tandridge	0
Blaby	0	Fylde	0	Northampton	0	Taunton Deane	0
Blackburn with Darwen	0	Gateshead	0	Northumberland	0	Teignbridge	0
Blackpool	0	Gedling	0	Norwich	0	Telford and Wrekin	0
Bolsover	0	Gloucester	0	Nottingham	0	Tendring	0
Bolton	0	Gosport	0	Nuneaton and Bedworth	0	Test Valley	0
Boston	0	Gravesham	0	Oadby and Wigston	0	Tewkesbury	0
Bournemouth	0	Great Yarmouth	0	Oldham	0	Thanet	0

Bracknell Forest	0	Greenwich	0	Oxford	0	Three Rivers	0
Bradford	0	Guildford	0	Pendle	0	Thurrock	0
Braintree	0	Hackney	0	Peterborough	0	Tonbridge and Malling	0
Breckland	0	Halton	1	Plymouth	0	Torbay	0
Brent	0	Hambleton	0	Poole	0	Torridge	0
Brentwood	0	Hammersmith and Fulham	0	Portsmouth	0	Tower Hamlets	0
Brighton and Hove	0	Harborough	0	Preston	0	Trafford	0
Bristol, City of	0	Haringey	0	Purbeck	0	Tunbridge Wells	0
Broadland	0	Harlow	0	Reading	0	Uttlesford	0
Bromley	0	Harrogate	0	Redbridge	0	Vale of White Horse	0
Bromsgrove	0	Harrow	0	Redcar and Cleveland	0	Wakefield	0
Broxbourne	0	Hart	0	Redditch	0	Walsall	0
Broxtowe	0	Hartlepool	0	Reigate and Banstead	0	Waltham Forest	0
Burnley	0	Hastings	0	Ribble Valley	0	Wandsworth	0
Bury	0	Havant	0	Richmond upon Thames	0	Warrington	1
Calderdale	0	Havering	0	Richmondshire	0	Warwick	0
Cambridge	0	Herefordshire, County of	0	Rochdale	0	Watford	0
Camden	0	Hertsmere	0	Rochford	0	Waveney	0
Cannock Chase	0	High Peak	0	Rossendale	0	Waverley	0
Canterbury	0	Hillingdon	0	Rother	0	Wealden	0
Carlisle	0	Hinckley and Bosworth	0	Rotherham	0	Wellingborough	0
Castle Point	0	Horsham	0	Rugby	0	Welwyn Hatfield	0
Central Bedfordshire	0	Hounslow	0	Runnymede	0	West Berkshire	0
Charnwood	0	Huntingdonshire	0	Rushcliffe	0	West Devon	0
Chelmsford	0	Hyndburn	0	Rushmoor	0	West Dorset	0
Cheltenham	0	Ipswich	0	Rutland	0	West Lancashire	0
Cherwell	0	Isle of Wight	0	Ryedale	0	West Lindsey	0
Cheshire East	95	Isles of Scilly	0	Salford	0	West Oxfordshire	0
Cheshire West & Chester	1	Islington	0	Sandwell	0	West Somerset	0
Chesterfield	0	Kensington and Chelsea	0	Scarborough	0	Westminster	0

Chichester	0	Kettering	0	Sedgemoor	0	Weymouth and Portland	0
Chiltern	0	King's Lynn and West Norfolk	0	Sefton	0	Wigan	0
Chorley	0	Kingston upon Hull, City of	0	Selby	0	Wiltshire	0
Christchurch	0	Kingston upon Thames	0	Sevenoaks	0	Winchester	0
City of London	0	Kirklees	0	Sheffield	0	Windsor and Maidenhead	0
Colchester	0	Knowsley	0	Shepway	0	Wirral	1
Column Total	0	Lambeth	0	Shropshire	0	Woking	0
Copeland	0	Lancaster	0	Slough	0	Wokingham	0
Corby	0	Leeds	0	Solihull	0	Wolverhampton	0
Cornwall	0	Leicester	0	South Bucks	0	Worcester	0
Cotswold	0	Lewes	0	South Cambridgeshire	0	Worthing	0
County Durham	0	Lewisham	0	South Derbyshire	0	Wychavon	0
Coventry	0	Lichfield	0	South Gloucestershire	0	Wycombe	0
Craven	0	Lincoln	0	South Hams	0	Wyre	0
Crawley	0	Liverpool	0	South Holland	0	Wyre Forest	0
Croydon	0	Luton	0	South Kesteven	0	York	0
Dacorum	0	Maidstone	0	South Lakeland	0	Other areas within:	
Darlington	0	Maldon	0	South Norfolk	0	East	0
Dartford	0	Malvern Hills	0	South Northamptonshire	0	East Midlands	0
Daventry	0	Manchester	0	South Oxfordshire	0	London	0
Derby	0	Mansfield	0	South Ribble	0	North East	0
Derbyshire Dales	0	Medway	0	South Somerset	0	North West	0
Doncaster	0	Melton	0	South Staffordshire	0	South East	0
Dover	0	Mendip	0	South Tyneside	0	South West	0
Dudley	0	Merton	0	Southampton	0	West Midlands	0
Ealing	0	Mid Devon	0	Southend-on-Sea	0	Yorkshire and The Humber	0
East Cambridgeshire	0	Mid Suffolk	0	Southwark	0	Unknown districts in England	0
East Devon	0	Mid Sussex	0	Spelthorne	0	Outside England	0
East Dorset	0	Middlesbrough	0	St Albans	0	TOTAL (must sum to 100%)	

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CHESHIRE EAST COUNCIL**REPORT TO: CABINET**

Date of Meeting:	25 June 2012
Report of:	Strategic Director of Places and Organisational Capacity
Subject/Title:	SEMMMS A6 to Manchester Airport Relief Road
Portfolio Holder:	Councillor Jamie Macrae

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 ongoing discussions with Stockport MBC before being requested to consider the proposals outlined within the report supporting the formal submission of the Major Scheme Business Case.

Based on the verbal update, Members will be invited to either:

A) Endorse the Scheme's business case, and its submission to the DfT, and to confirm this to Stockport Metropolitan Borough Council as the Scheme promoters on behalf of the Greater Manchester Combined Authority;

Or

B) Not support the recommendation in A above at this stage as the latest position requires further discussions with Stockport.

- 2.2 If recommendation A is endorsed, and subject to the final approval of the Greater Manchester Combined Authority to allocate funding from the Earn Back model to the Scheme, Members are requested to 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.

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.
- 3.2 The Council are contributing no 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 Further, the north of the Borough would experience an overall benefit from the Scheme in terms of:
- 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, probably a roundabout, located on Chester Road. Once constructed, this will form the first phase of the 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.
 - 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.
 - 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.

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 None. 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.

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 consultation process, land issues and the submission of a planning application for the scheme would be taken to Cabinet at the appropriate time.
- 10.21 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

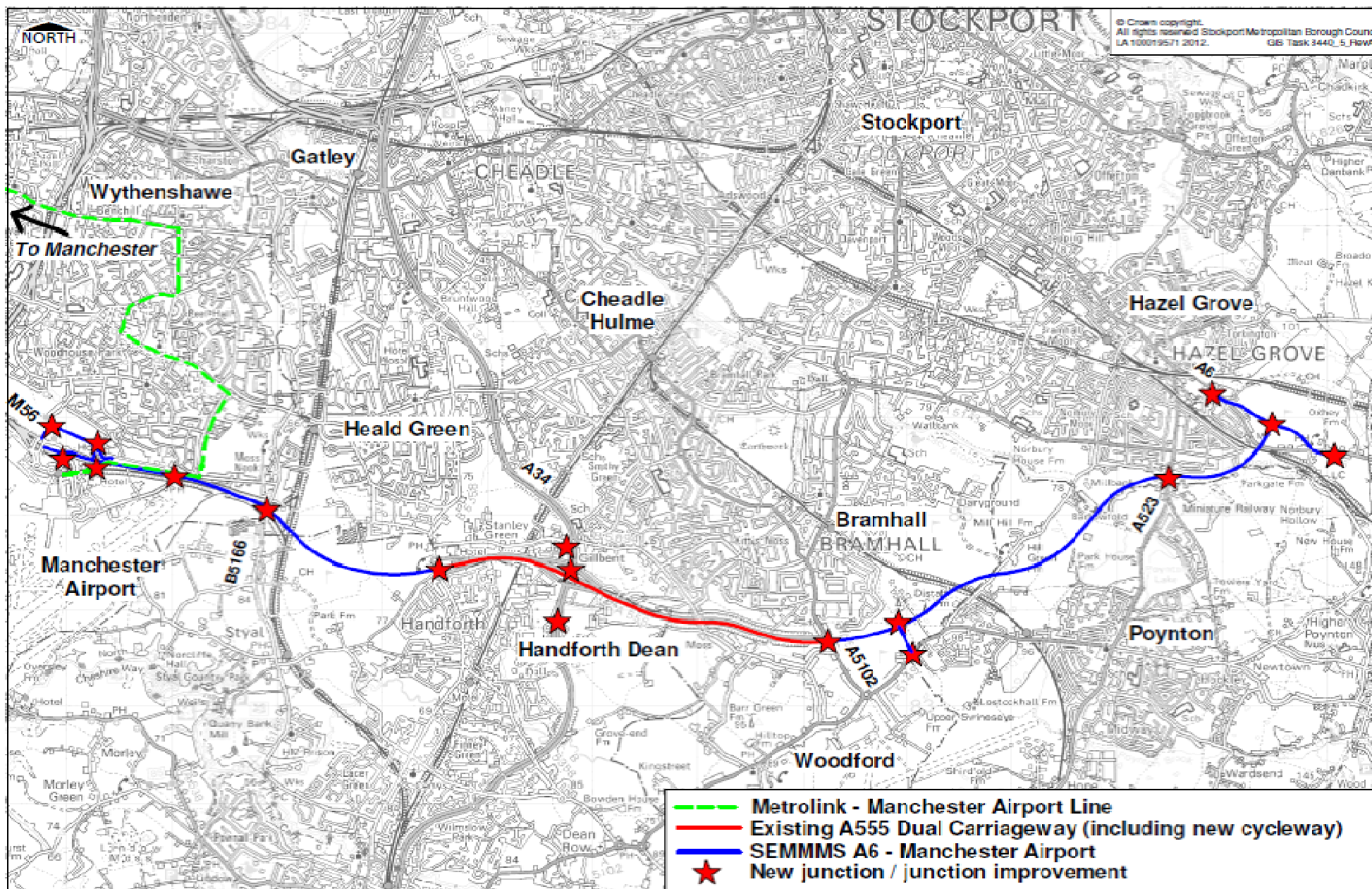
The proposed A6 to Manchester Airport Relief Road scheme includes a new 2-lane dual carriageway connecting the A6 to Manchester Airport. The scheme bypasses Bramhall, Cheadle Hulme, Hazel Grove, Handforth, Poynton and Wythenshawe District Centres and Gatley and Heald Green Local Centres (as shown in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



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.

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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	25 June 2012
Report of:	Legal and Democratic Services Manager
Subject/Title:	Management and Governance Arrangements for Joint Waste Contracts

1.0 Report Summary

- 1.1 Following the recent decision by both Cheshire East and Cheshire West and Chester Councils to discontinue the Waste PFI Project, which was managed by the Joint Waste Board, consideration has been also now been given by that Board to whether the remaining joint waste contracts should continue in their current form and be managed by the current waste team, as currently constituted.
- 1.2 At its meeting on 1 May 2012 the Joint Waste Board resolved that: -
- (1) the continuation of the existing joint waste management contract arrangements be agreed, until the end of the current Waste Disposal (landfill) contract extension on 31 March 2014; and
 - (2) Option 2 of the three set out in the report be adopted; as follows-
The Portfolio Holders to:
 - meet at a minimum frequency per year (to be agreed);
 - request and receive reports from officers on the joint waste contracts;
 - make such arrangements as necessary to discuss and agree mutually acceptable actions to be taken as a result of the reports;
 - take decisions where the appropriate delegated powers exist;
 - make recommendations to their respective Council's Cabinet and Executive as appropriate.

2.0 Decision Requested

- 2.1 That the decision made by the Joint Waste Management Board on 1 May 2012 be noted and that the Portfolio Holder (Environmental Services) and appropriate Officers put in place the necessary arrangements to replace the Joint Waste Board.

3.0 Reasons for Recommendations

- 3.1 An extension to the existing joint waste management contract arrangements until 31 March 2014, with the contracts continuing in their current form and being managed by the joint waste team as currently constituted will, in the intervening period, enable a detailed exploration to be made of the

implications of dividing the remaining joint contracts and for apportioning liabilities for the closed landfill sites.

- 3.2 Option 2, resulting in the dissolution of the existing Joint Waste Board, means that the governance of the joint waste contracts will be undertaken by the Portfolio Holders with responsibilities for waste in each Council. This approach will significantly reduce the burden on Portfolio Holder time, provide greater flexibility, and streamline decision making by allowing reports to be submitted directly to the decision makers.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 The Council undertakes a considerable amount of joint working and shared services with Chester West and Chester Council. The Joint Waste Board was originally responsible for the governance of the joint waste contracts and the now discontinued Waste PFI project.

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

- 7.1 Administrative efficiencies are noted in the report. There are no other particular financial implications relating to this decision.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The Council had the option of continuing its current joint governance arrangements with Chester West and Chester Council should it have preferred to do so. Alternatively the Board could have continued to meet with a reduced number of meetings per year.

9.0 Risk Management

- 9.1 The potential implications and liabilities that would be incurred under each of the joint contracts were assessed by the Joint Board for the key implications in the event of the contracts being split. There was considered to be little risk in adopting any of the three options for governance arrangements.

10.0 Background and Options

- 10.1 The Joint Waste Board (the Board) has been responsible for governance of the joint waste contracts and of the now discontinued Waste Treatment PFI procurement project. The Board was established as a consultative body and

under the terms of an Inter Authority Agreement (IAA) dated 26 March 2009 it meets on an 'as and when' basis, but not less than six times per financial year, in order to make recommendations to the respective Cabinet/Council Executive; the Board does not have decision making powers.

- 10.2 The discontinuance of the Waste PFI Project means that this element of the joint working falls out of the scope of the IAA.
- 10.3 Up until now the main focus of the Board's activities has been the Waste PFI project, with reports taken from time to time on issues relating to the other joint waste contracts. Currently the two Council's hold joint contracts for the Management of Household Waste Recycling Centres, the Disposal of Residual Waste, the Monitoring of Closed Landfill Sites, and the Collection and Recycling of Waste Electrical and Electronic Equipment.
- 10.4 The contracts are managed by a joint team based in Winsford and hosted by Cheshire West and Chester as lead Council; the joint team is funded by both Councils.
- 10.5 At its meeting on 1 May 2012, and following the recent decision by both Council's to discontinue the Waste PFI Project, the Board reviewed whether the contracts should be managed jointly or whether they should be split. It also considered whether existing governance arrangements should continue.
- 10.6 Three options were considered, these being
- Option 1 - No change;
 - Option 2 - Dissolution of the existing Joint Waste Board with the governance of the joint waste contracts being undertaken by the Portfolio Holders with responsibility for waste in each Council;
 - Option 3 - To maintain the current Joint Waste Board arrangements with a reduced number of meetings per year.

Option 2 was recommended to the Board as it would significantly reduce the burden on Portfolio Holder time, provide greater flexibility and streamline decision making by allowing reports to be submitted directly to decision makers.. It would also save on the resources required to run large meetings.

- 10.7 The Board resolved that: -

(1) the continuation of the existing joint waste management contract arrangements be agreed, until the end of the current Waste Disposal (landfill) contract extension on 31 March 2014; and

(2) Option 2 of the three set out in the report be adopted; as follows-
The Portfolio Holders to:

- meet at a minimum frequency per year (to be agreed);
- request and receive reports from officers on the joint waste contracts;
- make such arrangements as necessary to discuss and agree mutually acceptable actions to be taken as a result of the reports;

- take decisions where the appropriate delegated powers exist;
- make recommendations to their respective Council's Cabinet and Executive as appropriate.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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CESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 25 June 2012

Report of: Strategic Director, Places and Organisational Capacity

**Subject/Title: Discretionary Enhancement to the English National
Concessionary Travel Scheme**

Portfolio Holder: Cllr Rod Menlove, Environmental Services

1.0 Report Summary

- 1.1 This report outlines options for consideration in respect of usage of concessionary bus passes on flexible and community transport. Recent changes in provision of flexible transport within the Borough have highlighted a need for clarity over the council's adopted policy in this area.

2.0 Decision Requested

- 2.1 Cabinet considers the options outlined below and decides the appropriate policy that they wish to adopt:
- 2.1.1 Adopt a policy that views flexible / demand responsive transport has a significant amenity element, and therefore would bar concessionary pass holders from using them to secure transport free at the point of use. This would have the impact of removing current entitlement to free travel from users of flexible / demand responsive transport in the north of the borough.
 - 2.1.2 Adopt a policy of admitting section 19 transport provision to the scheme. This would have the impact of allowing entitlement to free transport on any section 19 service, and would allow all such providers to receive reimbursement of revenues foregone and costs incurred in accepting passengers using concessionary passes. This would allow users of flexible / demand responsive transport in the south of the borough to travel free at the point of use.
 - 2.1.3 Continue with the current policy until such time as the ongoing public consultation on the policy options has concluded on 22 June 2012 and been assessed and the Cabinet has had the opportunity to formally consider it.

3.0 Reasons for Recommendations

- 3.1 The current policy contains an apparent anomaly in that demand responsive transport in the north of the borough is provided through registered public transport – entitling passengers to travel free at the point of use if they hold a concessionary pass – whereas demand responsive transport in the south of the borough is provided by a “section 19” service, with no provision for usage of the concessionary pass.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications including – Carbon Reduction - Health

- 6.1 By allowing free concessionary travel to all users of demand responsive transport, the entire costs of such transport will fall to the taxpayer. There is likely to be significantly higher demand for transport as it would be free at the point of use, exceeding the capacity available. As no price signal would be in place (and hence transport be provided at least in part on a willingness and ability to pay), “rationing” of the available capacity would therefore take the form of availability of vehicles, “first come first served” booking mechanisms etc.
- 6.2 Alternatively, should Cabinet decide to adopt a model that would seek to claim that demand responsive transport has an amenity element, and therefore would exclude all demand responsive transport from the concessionary scheme, there are likely to be impacts on users currently making use of the service.

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

- 7.1 The option outlined in 2.1.1 above would reduce expenditure by approximately £35,000 per annum, and would be a direct saving.
- 7.2 The option outlined in 2.1.2 above would result in an increase in expenditure of approximately £75,000 a year, which is unbudgeted. There are no suitable offsetting savings within the Cheshire East transport budget, and therefore if Cabinet were to adopt this policy an application for a Supplementary Revenue Estimate may potentially be

required to be funded from general reserves. Attempts will be made to find sufficient savings from other Cheshire East budgets to off set the financial implications of this decision, but if required a formal application to Council through a supplementary revenue estimate may be necessary at a future date if sufficient savings cannot be found.

- 7.3 The option outlined in 2.1.3 above would result in neither an increase nor reduction in expenditure in the short term. A report to Cabinet would be produced outlining options with associated costs or savings following the public consultation analysis.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The English National Concessionary Travel Scheme was established on 1 April 2008¹. It entitles older and disabled residents to free off-peak bus travel on any registered local bus service. Operators of local bus services are required to offer free travel to passengers presenting a valid concessionary bus pass. Local transport authorities are required to make suitable arrangements to issue passes to entitled applicants, and to reimburse operators of local bus services for revenue foregone or costs incurred. Cheshire East Council is the travel concession authority for the borough, and therefore is responsible for setting policy and establishing an appropriate budget for concessionary travel in the area.
- 8.2 Local authorities are free to enhance their discretionary travel schemes with locally-adopted and funded policies. In Cheshire East, previous council decisions have resulted in two main enhancements – all day travel for persons entitled to concessionary travel passes by virtue of blindness, and pre-09.30 subsidised travel for all concessionary pass holders. Until 1 April 2012, an additional discretionary policy of offering free travel on transport operated under section 19 or section 22 of the Transport Act 1985. In effect, this entitled passholders to free travel on dial-a-ride schemes in the borough.
- 8.3 The council is free to adopt discretionary policies in this area. Cabinet should be mindful, however, of the risk of challenge should a revised policy be adopted during the period of public consultation, since it may be viewed as taking a decision before the full impact of the public consultation has been understood.

9.0 Risk Management

- 9.1 There are risks attached to all three options, since there is a risk of legal challenge that the council will have predetermined a significant component of the current public consultation on transport issues. In addition, there is a risk

¹Concessionary Bus Travel Act 2007

that the financial impacts of the three options are either under- or over-estimated.

10.0 Background and Options

- 10.1 In the deliberations over the Council's 2012-2015 business plan, Cabinet proposed and Council adopted a budget that required the cessation of this latter discretionary policy. From 1 April 2012, the Council would no longer reimburse operators of dial-a-ride transport schemes – in effect, requiring them to charge a fare for the transport provided. In January 2012, whilst the budget was still at a formative stage and had not been adopted by Council, the proposal was communicated to the two dial-a-ride schemes operating in Cheshire East. This led to a cascade of events that eventually has resulted in the ending of the council's relationship with Community Transport Macclesfield District and the demise of East Cheshire Community Transport.
- 10.2 In seeking to ensure vulnerable residents were able to continue to receive some form of demand responsive transport whilst a long term solution is procured, the council has acted quickly to ensure appropriate transport provision is secured. In doing so, two separate schemes exist – one in the north of the borough, operated as public transport; the other, servicing the south of the borough, operated using the council's vehicles and drivers under a permit issued under section 19 of the Transport Act 1985.
- 10.3 Due to the differences in licensing regimes, and the requirements of the Concessionary Bus Travel Act 2007, an anomaly has arisen whereby concessionary bus pass holders are treated differently based on which demand responsive travel scheme they are able to utilise. This has been brought to the attention of Cabinet to determine if they desire to change the adopted policies in relation to concessionary travel. These options are outlined in paragraph 2.1.1 – 2.1.3 above.
- 10.4 Cabinet members' attention is brought to the ongoing public transport consultation. Users of demand responsive transport, non-users and general stakeholders have been asked to comment on aspects of demand responsive provision, most pertinently:

Which of the following options would you prefer the Council to implement for concessionary pass holders on flexible transport services?

Please choose one option only

- *Free travel, but with a limited frequency of service (e.g. once per week / fortnight)*
- *Apply a part subsidy and part passenger fare, with a moderate frequency of service (e.g. once / twice per week)*

- *Apply a full fare and provide the maximum frequency of service possible*

10.5 Cabinet are therefore advised to take into account the risks attached to determining in advance of the end of the public consultation process a significant element of the consultation, and the associated risk of legal challenge.

11.0 Access to Information

There are no background papers relating to this item.

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