

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	6 th January 2015
Report of:	Head of Strategic Infrastructure and Director of Economic Growth and Prosperity
Subject/Title:	Congleton Link Road – Refinements to Preferred Route and Progress Update Ref. CE14/1526
Portfolio Holder:	Councillor David Brown, Strategic Outcomes

1.0 Report Summary

- 1.1 The Council has set out a clear vision and strategy for jobs-led economic growth. An important element of this strategy is to improve the Borough's national, regional and local infrastructure to improve connectivity.
- 1.2 The Congleton Link Road (CLR) is an important element of this strategy and is included in the new Local Plan; enabling job creation, helping to deliver housing growth and addressing longstanding traffic congestion and environmental issues in the town.
- 1.3 The report highlights the work and assessment that has been undertaken since the initial preferred route for the road was decided in May 2014 and recommends minor adjustments to the route based on these assessments.
- 1.4 The report also sets out the likely scale of council funding required to deliver the road and a process to acquire any necessary land for the scheme.
- 1.5 The report will assist in demonstrating a robust evidence base for decision making as the scheme moves through its statutory processes.

2.0 Recommendations

- 2.1 Cabinet is recommended to
 1. note the findings of the Modified Preferred Route - Comparative Options Report (Annex A);
 2. approve that the modified preferred route shown in Annex B be taken forward as the basis for the future development of the scheme, including introducing the necessary modifications into the Local Plan Core Strategy at the earliest opportunity;

3. approve that the modified preferred route be used as the basis for an additional public consultation on the detail of the scheme to inform a future Planning Application;
4. note the Council's success in securing £45m of funding towards the scheme through the Local Growth fund and the current scheme funding strategy;
5. authorise officers to explore additional funding opportunities and to note that as a reserve position, an approval for the full funding required for the scheme will be made through the council's budget setting process; and
6. authorise officers to enter into discussions with land owners about acquiring the necessary land and rights to deliver the scheme and to delegate the entering into of any necessary supporting legal agreements to the Head of Legal Services in consultation with the Portfolio Holder.

3.0 Reasons for Recommendations

- 3.1 To refine the protected route for the link road following additional assessment work; thereby protecting the land from development.
- 3.3 To demonstrate that the council is following an evidence based approach in how it makes decisions about the alignment and design of the road to achieve the best outcome for the majority of affected parties.
- 3.4 To reflect key stakeholder feedback, including taking on board, where possible the concerns of affected landowners.
- 3.5 To confirm to the Local Enterprise Partnership that the council is in principle able to cover any shortfall in funding and hence give comfort that the scheme can be delivered.
- 3.6 To explore additional funding opportunities to reduce the call on council funding.
- 3.7 To explore all opportunities to acquire the necessary land for the scheme prior to the serving of compulsory purchase notices.

4.0 Wards Affected

- 4.1 Brereton Rural, Congleton East, Congleton West, Gawsworth, Odd Rode.

5.0 Local Ward Members

- 5.1 Brereton Rural – Cllr John Wray
Congleton East – Cllr David Brown, Cllr Peter Mason and Cllr Andrew Thwaite

Congleton West – Cllr Gordon Baxendale, Cllr Roland Domleo and Cllr David Topping
Gawsworth – Cllr Lesley Smetham
Odd Rode - Cllr Rhoda Bailey and Cllr Andrew Barratt

6.0 Policy Implications

- 6.1 A minor amendment to Local Plan Submission Strategy is required to refine the corridor of interest to a specific route.

7.0 Financial Implications

- 7.1 Following a strong funding bid, the council was successful in attracting £45m of funding through the Local Growth Deal in July 2014.
- 7.2 The full scheme estimate, including land, preparation costs and compensation, is estimated to be £79.5m. This is subject to ongoing work and opportunities will be explored to reduce costs where possible.
- 7.3 The current estimate includes an allowance for risk and sunk costs to date. As project development continues these estimates will be updated.
- 7.4 This funding is expected to come from the Community Infrastructure Levy / Developer contributions. However, given the timing of the scheme and that it is about delivering prosperity and jobs, the council may need to commit to meet some or all of the funding gap. Cheshire East Council has already contributed and allocated in future budgets £3.306m to the development of the scheme which would mean a further requirement of approximately £31m to fund any shortfall.
- 7.5 The land and compensation costs associated with the scheme are currently estimated at £15m. These will accrue only after construction and continue for several years afterwards. Therefore there is a significant element of the scheme costs which are effectively a 'deferred payment'. There is a target of £20m to be achieved through developer contributions, though the income profile will be spread over a long period.
- 7.6 Following construction of the road it is expected that the rate of delivery of housing linked to the scheme will accelerate. This will represent an 'income stream' to help meet the costs set out in 7.4.
- 7.7 In order to achieve the construction programme, a key requirement will be to evidence that funding is in place by the time of the Compulsory Purchase Inquiry. This is currently programmed for spring 2016. Therefore, realistically, the council will have to underwrite and be able to demonstrate to the inspector that the scheme is fully funded by the time of the submission for the inquiry in late 2015.
- 7.8 There is uncertainty around future construction and property cost inflation which can only be resolved once the scheme has been out to tender. As such, the

scheme estimate will need to be regularly revisited and monitored as the project develops.

- 7.9 The detailed approval of the work programme will be subject to the usual contract processes to assure that value for money is being achieved. This will include cross checking quoted prices for similar tendered works with other local authorities.
- 7.10 A revised scheme estimate is now in preparation and will closely reflect the emerging design to be taken to planning. A funding options paper will be prepared to consider how any funding gap can be bridged, this may include examining other sources of funding such as top slicing future local transport grant funding or utilising other capital receipts such as New Homes Bonus. The paper will also confirm the profile of expenditure.

8.0 Legal Implications

- 8.1 One of the implications of the proposed modification to the Local Plan is that it may give rise to claims arising from 'Planning Blight'.
- 8.2 Planning Blight can arise where land is shown as being proposed or allocated for the purpose of a local authority in a deposited draft Local Plan. In this case the purpose being the proposed Link Road.
- 8.3 The blight liability will become effective when the Local Plan is submitted to the Secretary of State for independent examination: Schedule 13, paragraph 1A (2)(c) of the Town and Country Planning Act 1990.
- 8.4 The Planning Blight procedure is in effect a 'reverse' compulsory purchase process order (CPO) in the sense that a person whose property is affected by blight may, in certain circumstances, require the Council to purchase his property by the service of a 'blight notice'
- 8.5 This right is conferred in recognition of the fact that property values may be adversely affected by, in this case, a proposed new highway.
- 8.6 If a property owner serves a blight notice then, if his interest in the property is a qualifying interest, the Council will have the options to accept the blight notice, dropping the scheme or altering the scheme so that it does not affect the blighted property.
- 8.7 If the Council accept the blight notice, then it will be compelled to purchase the relevant property on the same terms that would apply if the property were purchased pursuant to a CPO.
- 8.8 Claimants must show reasonable endeavours to sell their interests and demonstrate that as a consequence of blight they were unable to - or only at a substantially lower price. It is not sufficient to make no

attempt to sell. The costs of any attempts to sell are not recoverable as compensation. Blight cannot be served for part of a unit.

9.0 Implications for Rural Communities

- 9.1 There are no direct implications from this report. Any future planning application for the road would be supported by a full Environmental Assessment, including impacts on farming land.

10.0 Risk Management

Project Development

- 10.1 The project development costs necessary to deliver this scheme would be at risk if funding for the scheme is not available or the scheme does not achieve the necessary statutory permissions. However, it has been demonstrated that the scheme does have a strong initial transport and wider economic business case and there is broad public support for the proposal.
- 10.2 Continuing to progress the development of the scheme to 'shovel ready' status will ensure that the council can take full advantage of any further funding opportunities.
- 10.3 The scheme will be reviewed by the council's gateway process (TEG and EMB) to review the risks at the appropriate stages.
- 10.4 The formal protection of the route of the link road in the Core Strategy may trigger blight claims against the council. If such claims occur they will need to be dealt with by means of a supplementary capital estimate. It is difficult to assess the scale of possible blight notices or the timescales.
- 10.5 The Growth deal funding is contingent on the further development of the business case.
- 10.6 If, ultimately, the scheme is not funded the resources set aside for the development of the scheme will have to be met from the revenue budget.
- 10.7 If the delivery of the scheme is delayed, inflation costs and compensation costs will add significantly to the scheme cost.

Scheme Costs and funding.

- 10.8 The findings of the geotechnical studies may reveal more challenging ground conditions from those assumed (from desk study assessment), with consequential adjustments to the scheme estimates. As the scheme design is refined, further revisions of the cost estimate are likely and will need to reflect any conditions imposed as part of any future Planning Permission.

10.9 The Department for Transport have requested they they have oversight of the future business case development and approval. This will require careful management to ensure that this does not lead to additional delays to the programme

.11.0 Background and Options

11.1 A preferred route for CLR was approved by the Cabinet in May 2014.

11.2 Since that time intensive engagement with local stakeholders has led to suggestions for further improvements to the route.

11.3 Clearly, there is a significant element of local pressure to move the road as far away as possible from their land/property interests. Whilst this is understandable this inevitably involves the road being moved closer to other affected interests, who inevitably want the opposite outcome.

11.4 In order to impartially assess the merits of these suggestions for improvements, along with other design led changes to the scheme, the team has undertaken a comparative assessment of various minor adjustments to the preferred route.

11.5 Key areas where suggestions for alternatives / improvements have been made along the route include:

1. Sandy Lane between the A534 and A56 – moving the road closer to the alignment of Sandy Lane
2. Between the A56 and Chelford Road – suggestions to move the road both closer and further away from the properties on Chelford Road
3. Between Chelford Road and the crossing of the river Dane – suggestions to move the road further south
4. Between the River Dane crossing and Giantswood Lane –moving the alignment further south.
5. Between the A34 and the A536 – moving the alignment further north.
6. The form of junction for the Radnor Park access road and local access issues.

11.6 Alternative designs (sometimes several) were prepared for these alternatives and assessed on a seven point scale against the same factors used to consider the initial preferred route. These include issues such as cost, stakeholder preference and impact on the Local Plan. The full assessment is attached an Annex A.

11.7 This scoring assessment has been used to inform the revised preferred route and demonstrating an evidenced led approach to incorporating changes into the scheme.

- 11.8 In some cases the reasons for making changes were overwhelming, in others where the case had a more balanced mix of positive and negatives; professional judgement has been used to come to a conclusion
- 11.9 It is worth noting that these plans will be subject to a further round of public consultation; and that there remains scope to incorporate additional changes into the plans
- 11.10 Furthermore, for the purposes of the assessment of the route of the road these plans do not show any additional mitigation measures such as landscaping and screening of the road. These will be available for the next round of public consultation.
- 11.11 Finally, in some locations where it has not been possible to perhaps achieve all of key stakeholder wishes by for example moving the road hundreds of metres from properties, where possible more minor adjustments have been made to achieve the best outcome without impairing other key aspects of the scheme.
- 11.12 A key requirement of any compulsory purchase process will be able to demonstrate that reasonable attempts have been made by the acquiring authority prior to the confirmation of a compulsory purchase order.

12.0 Access to Information

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

Annex A – Modified Preferred Route - Comparative Options Report
Annex B – Modified Preferred Route and initial design fix.

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