



CABINET REPORT

Report Title	Northampton Waterside Enterprise Zone: Proposed St. James Mill Link Road.
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AGENDA STATUS: **Public**

Cabinet Meeting Date:	17 th January 2018
Key Decision:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Regeneration Enterprise & Planning
Accountable Cabinet Member:	Cllr Tim Hadland
Ward(s)	Castle & St James

1. Purpose

- 1.1 Cabinet is requested to consider this report and to give approval for the purchase of a parcel of land owned by Network Rail and to design a new section of road that would connect St James Mill Road to Towcester Road at the B&Q roundabout, which it is intended would become public highway upon completion.

2. Recommendations

That Cabinet:

- 2.1 Authorises the appointment of KierWSP (the County Council's approved highways contractor) to prepare and finalise the scheme design, inclusive of site clearance, intrusive site investigations, production of estimated costs, and to submit a planning application when appropriate.
- 2.2 Notes the informal consultation that has taken place with those business that may be directly affected by the proposed new link road and notes that further consultation will be undertaken as a part of the proposed planning application process.

- 2.3 Notes and welcomes the award of Local Growth Fund II and Growing Places Funding from SEMLEP, and the agreement to further support the scheme through the use of Enterprise Zone Business Rates Uplift.
- 2.4 Authorises the expenditure of up to £600,000 for site clearance, site investigations, design work and the purchase of a small parcel of land from Network Rail that the route of the proposed link road would traverse.
- 2.5 Approves appropriate provision for this scheme in the capital programme over the period 2017/18 – 2019/20 inclusive, and the allocation of £600,000 into the Capital Programme from the Development Pool.
- 2.6 Authorises the Chief Executive, acting in consultation with the Cabinet Member for Regeneration Enterprise & Planning, the Borough Secretary & Monitoring Officer and the Chief Finance Officer, to purchase, on terms to be agreed, a small parcel of land required for this scheme from Network Rail.
- 2.7 Authorises the Borough Secretary & Monitoring Officer to arrange the preparation and execution of such contractual and other legal documents as are necessary to give effect to the above recommendations.
- 2.8 Authorises the Chief Executive to submit a further progress report to Cabinet when appropriate.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The proposed St James Mill Link Road, which derives support from both SEMLEP's Economic Strategy for the South East Midlands (2017), Northampton Borough Council's Corporate Plan (2015) and from Northampton Borough Council's Economic Regeneration Strategy (2008), would comprise a new section of public highway that would connect St James Mill Link Road to Towcester Road at the B&Q roundabout (see Plan at Appendix 1).
- 3.1.2 This would provide new links to light industrial businesses south of the Weedon Road and St James Road which would also reduce journey times and traffic congestion on the Inner Ring Road (A4500 St James Road). In essence the proposed scheme would provide significantly improved accessibility to, and throughout, the Northampton Waterside Enterprise Zone.
- 3.1.3 Northamptonshire County Council have, as part of a wider highways infrastructure assessment, undertaken an exercise to model the impact that the proposed new section of road would have on traffic movement around the Enterprise Zone and Northampton as a whole using their VISSIM Model. Following discussion of this with the County Council it is understood that minor modifications may need to be made at three junctions on the wider highway to facilitate localised traffic flow.

3.1.4 In general terms the proposed new scheme would:

- Improve accessibility throughout the Enterprise Zone;
- Unlock additional land that would border the proposed Link Road for industrial development (B1/B2 Use);
- Demonstrate public sector commitment to creating even better trading conditions for existing and future businesses within the Enterprise Zone;
- Unlock a key local inhibitor to growth in what is a regionally significant employment area;
- Provide rear-access improvements to a number of existing businesses;
- Provide some traffic congestion relief on the Inner Ring Road to the town;
- Assist with the dispersal of fans following football and rugby matches.

3.1.5 It is difficult to be definitive about the precise timescales at this stage but this will clearer once the County Council have completed the necessary design work. Very broadly, it may be possible to have the scheme completed sometime in the period between March and December 2019, but this cannot be guaranteed at this point.

3.2 Issues

3.2.1 At its 8th October 2014 meeting, Cabinet received a report on the Northampton Waterside Enterprise Zone, and amongst other things, this detailed Enterprise Zone pipeline projects over the period 2015 -2020. The proposed St James Mill Link Road was, and is, one of these projects. It has however not able to progress towards implementation until recently because Network Rail had to do some technical work to establish that it did not need the area of land that the Council would propose to purchase, for train-run-off should that be needed in the event of train experiencing brake-failure further up the line. This required careful technical assessment, given that any alternative solution had to be proven as being sound before being adopted, given the requirement to promote public safety at all times.

3.2.1 Approximately three quarters of the length of the proposed link road crosses an area of land that was historically used for land-fill; this lies to the west of the now disused railway-line.

3.2.3 Environment Agency records indicate that the input dates were between February 1983 and February 1984. The 'what's in my backyard' feature on the Environment Agency website says that the landfill site is likely to have received inert waste. Beyond that historical maps indicate that it is possible that there has been more than one episode of land filling at the site, with one taking place in the 1960's.

3.2.4 A report prepared for the Council by Peter Brett Associates in 2012, based on a desk study, site walkover and qualitative risk assessment, identified the on

and off site contaminants of possible concern over the wider site which the link road crosses to be inorganics, metals, hydrocarbons, semi-volatile organic compounds, volatile organic compounds, and landfill gas (methane and carbon dioxide).

- 3.2.5 This concluded that although pollutant linkages had been identified, the estimated risks for the identified pollution linkages were low, moderate low and moderate as a worst case, but said that these risks could potentially be higher during a temporary construction phase. What this means in practice is that these risks are capable of being managed but that the appropriate measures will have to be incorporated in the design and construction of the proposed new link road with a view to ensuring that no new receptors are created.
- 3.2.6 A later report was prepared by Applied Geology for an area of land to the south and south west of the line of the proposed link road, and this indicated, in summary, that development was possible within an acceptable risk envelope. This area of land was subsequently developed for industrial premises.
- 3.2.7 Cabinet should be clear that the area of land to be purchased from Network Rail would not be built over, save to enable vehicular/pedestrian passage, improved access to the rear of some existing business premises and to enable Network Rail to access their remaining heavy-rail track-bed, if required.

3.3 Choices (Options)

Cabinet could decide to:

- 3.3.1 Not design the proposed link road and purchase the land from Network Rail. This is the least cost option, although LGF II and Growing Places Funding would be lost. If Cabinet decided to exercise this choice then none of the benefits arising from the eventual construction of the proposed link road would be realised and this would be to the detriment of the Enterprise Zone. This is not recommended.
- 3.3.2 Seek to tender the design work using a traditional approach outside of the County Council's approved highways framework/contractual arrangements. Again this is an option that could be exercised, although it would take longer and incur additional cost as the County Council would reasonably need to supervise any external consultants to ensure that the new link road was designed to fully adoptable standards. This is not recommended.
- 3.3.3 Take all appropriate steps to design the link road and purchase the Network Rail land with a view to enabling the construction of the link road, which would help to make the Enterprise Zone more accessible, afford the opportunity to open up land-locked areas for development and provide some congestion relief for town centre users and on match days. This option is recommended.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The Council's adopted Economic Regeneration Strategy 2008 -2026, which aims to create the right environment to attract diverse and entrepreneurial business to invest in Northampton, would seem to lend support to the construction of the proposed link road within the Enterprise Zone in a number of ways:

Policy T6 Support Road Developments

This says that 'development should be planned in partnership with the County Council to ensure that road systems are adequate'. This is precisely what is envisaged with respect to the proposed link road.

Policy E10 Industrial Growth Space

This says that 'key industries, including motor sport and shoes, need to be promoted to ensure development and growth space is available'. Some firms within this part of the Enterprise Zone will clearly benefit from the proposed construction of the link road, whilst other areas of land may be opened-up for subsequent development.

- 4.1.2 More recently, towards the end of 2017, SEMLEP published 'South East Midlands -Where Innovation Meets Growth', which is the strategic economic plan for the South East Midlands. This aims to ensure that the economy of the South East Midlands not only continues to thrive, but also contributes to the success of UK plc.

- 4.1.3 Amongst other things the strategic economic plan supports a number of local transport schemes and it states that:

'Work to enable the St James Mill Link Road, which will enable improved traffic flow and further development of the Northampton Waterside Enterprise Zone, was endorsed by the Prime Minister in April 2017'.

4.2 Resources and Risk

Finance

- 4.2.1 The County Council originally estimated that the potential construction cost of the scheme would be approximately £1.5 million, although more recently they have said that the cost could be higher than this. The final estimated cost will, however, be informed by detailed design work which has yet to be completed. The current budget for design, land-purchase and construction stands at £2.0 million. There is therefore a risk that the cost could exceed the current budget and this represents a moderate to moderate/high financial risk. A further report will therefore be submitted to Cabinet once the land purchase and design work have been completed; in the meantime this will be funded from the £600k of LGF II grant already approved by SEMLEP.

- 4.2.2 Should Cabinet eventually be minded to approve the construction of the link road then the County Council's contractor would be appointed to deliver the scheme. In the meantime the County Council will, of course, need to be provided with sufficient funds to pay for the design work.
- 4.2.3 It is intended that the scheme will be funded by an LGF II grant of £600k, a Growing Places Fund loan of £400k (to be repaid through Business Rates Uplift) and additional £1.0m from Northampton Waterside Enterprise Zone Business Rates Uplift, as approved by the Northampton Waterside Enterprise Zone Board and SEMLEP.
- 4.2.4 Cabinet will be aware that the use of Business Rates Uplift (BRU) is predicated on returns that will be achieved from new development across the Enterprise Zone over time. There will be a timing lag between when costs are incurred and the realisation of business rates uplift; this time-lag could be as much as a period of eight years. This means that the Council may incur bridging finance of up to approximately £1m.
- 4.2.5 Should these returns not materialise, or not materialise to the extent envisaged, then the Council could be in a position whereby it would in effect be using its own funding to repay both the £400k Growing Places Fund loan and the additional £1m of BRU, plus interest, from its own funds. In any event the Council would be cash-flowing any funding allocated to this scheme from BRU. At the present time this is considered to represent a low/moderate risk.
- 4.2.3 The Council will need to ensure appropriate provision to fund this scheme continues to be included within its Capital Programme. A total estimated cost of £2m has already been included within the capital programme, £0.6m of which is in the approved programme with a further £1.4m held in the development pool awaiting the outcome of the detailed design works/costs.
- 4.2.4 If the proposed link road is built to adoptable standards, and this is the intention, then the County Council, as the local highways authority, would maintain it in future years. If this was not the case then the Borough Council would have responsibility for maintenance.

Proposed Land Purchase

- 4.2.5 As set out elsewhere in this report, the Council intends to purchase a relatively small area of land from Network Rail which is required for part of the proposed new highway. Before this can happen, Network Rail need to grant an LC 7 consent; this was originally anticipated to be achieved in September 2017, but for reasons which are not entirely clear, this has been subject to some slippage and is now programmed for the end of January 2018. Cabinet needs to be aware that further slippage could present programming issues relating to the timely progression of the scheme, so until this issue has been resolved this must be considered to be an area of risk.

Environmental

- 4.2.6 Part of the proposed link road would be built over a former landfill site. The detailed design, particularly around the foundation and drainage solution will need to take account of this. There is, however, no suggestion that an appropriate technical approach cannot be devised.
- 4.2.7 For completeness, Cabinet should also note that although the area of land that it is intended to purchase from Network Rail is relatively small, Network Rail will expect the Council to indemnify it against any claims arising from historic or current contamination. This is a standard condition that Network Rail apply.
- 4.2.8 Appropriate consultation should therefore be anticipated with the Council's designated Contaminated Land Officer and the Environment Agency, as necessary and preferably before the submission of any planning application.
- 4.2.9 The proposed scheme will require planning consent and an application will be submitted at the appropriate time. Northampton Borough Council's Planning Committee will determine that application. Whilst it is hoped that the recommendation will be positive, this cannot and should not, be assumed at this stage. So there will be a risk of a potentially unfavourable determination until the Planning Committee has actually considered the application. This is considered to represent a moderate risk at this time.

4.3 Legal

- 4.3.1 The report recommends that the Council purchases a parcel of land needed to implement the scheme from Network Rail. At the time of writing however, Network Rail have not yet obtained an internal consent (LC 7 Consent) to enable the sale to take place. The latest estimate provided by Network Rail is that this consent will be obtained by the end of January 2018.
- 4.3.2 Notwithstanding this, Heads of Terms are currently being negotiated with a view to advancing the matter and these will form the basis of a subsequent sale and purchase agreement.
- 4.3.3 The report also recommends that the County Council's Highways contractor, KierWSP, which has already been subject to a full procurement exercise, should be used for scheme design and construction. This would seem to be entirely appropriate as it is intended that the proposed new section of link road would become public highway and it therefore needs to be built to adoptable standards.
- 4.3.4 The scheme is being partly funded by Local Growth Fund Round II and Growing Places Funding. These come with conditions and outputs that will need to be observed. Failure to meet the specified requirements could result in a part or the whole of the provided funding to be repaid, or repaid early.

4.4 Equality and Health

- 4.4.1 An Equalities Impact Assessment will be finalised when the design work has been completed. Clearly, attention will be focused on ensuring that the new section of highway can be used safely by all groups within the community.

4.5 Consultees (Internal and External)

- 4.5.1 A range of bodies and organisations have been consulted on the proposed scheme. These include Network Rail, Northamptonshire County Council, KierWSP – the County Council’s Highways Contractor, Northampton Borough Council in its capacity as Local Planning Authority, SEMLEP and firms that would be directly affected by the proposed scheme. Further statutory consultation will take place as part of the planning process following the submission of a planning application.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The proposed construction of the St James Mill Link Road would directly help to deliver Priority 1 – Northampton Alive – A Vibrant Town. In particular it would revitalise our infrastructure to support economic growth, where the proposed St James Mill Link Road is specifically identified as a scheme, as well as more generally contributing to the Northampton Waterside Enterprise Zone – capitalising-on our town’s clear strengths – its central location, diverse economy and appetite for success.

4.7 Other Implications

- 4.7.1 None identified.

5. Background Papers

South East Midlands: Where Innovation Fuels Growth, SEMLEP, 2017.

Northampton Borough Corporate Plan, Northampton Borough Council, 2015.

Northampton Waterside Enterprise Zone, Report to Cabinet, 8th October, 2014.

Report on Ground Investigation for Land off St James Mill Link Road, Northampton, Applied Geology, March 2014.

Land at St James Mill Link Road, Phase 1 ground Condition Assessment (Contamination), Peter Brett Associates, February 2012

Northampton’s Economic Regeneration Strategy 2008 -2026, Northampton Borough Council, 2008.

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