



CITY DEAL

Preston, South Ribble & Lancashire

CITY DEAL EXECUTIVE AND STEWARDSHIP BOARD

Private and Confidential: No

Monday, 19 February 2018

Preston Western Distributor (including Cottam Link Road) and East West Link Road

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Executive Summary

This report provides an update on the Preston Western Distributor, East West Link Road and Cottam Link Road, a key City Deal scheme. It reports that several key milestones have been reached since the City Deal Executive and Stewardship Board met in late November 2017, firstly with the production of a second independent cost verification which confirmed the financial position reported at that meeting as a reliable basis for subsequent key stages. At its meeting on 10th January 2018, the Transport for Lancashire Committee recommended that the LEP Board grant the scheme Conditional Approval, which the Board did at its meeting on 30th January 2018. With this conditional funding approval confirmed, the County Council's Cabinet was able to agree, at its meeting on 1st February 2018, to make and advertise Side Roads and Compulsory Purchase Orders for land and rights, as well as changes to the existing highway network and two bridge schemes that will cross the Lancaster Canal and the Millennium Ribble Link.

The report presents a programme of work which considers forthcoming key milestones anticipated to take us to a start to construction by the end of 2019.

Recommendation

The City Deal Executive and Stewardship Board is asked to note the report.

Background and Advice

- 1.1 At its meeting in November 2017, the City Deal Executive and Stewardship Board were presented with a private and confidential report regarding the North West Preston Road Programme (NWPRP), comprising the Preston Western



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Distributor, (PWD) which includes a new Junction 2 on the M55, Cottam Link Road, and the East West Link Road. Since that time, a number of important milestones have been reached towards the delivery of this major road scheme.

- 1.2 Members will recall that the County Council's Development Control Committee resolved to grant planning permission for the road scheme at its meeting on 4th October 2017. Since that time, work has continued to finalise the signing of a section 106 agreement with a third party landowner relating to necessary ecological mitigation measures, which is imminent.
- 1.3 In light of this progress, the funding case for the Preston Western Distributor has been able to proceed with the finalisation and submission of an outline business case to the Lancashire Enterprise Partnership (LEP) to seek approval for the Growth Deal element of the funding package, an allocation of £58 million.
- 1.4 Prior to proceeding to this stage, officers had completed a cost exercise to verify the cost estimate forming the basis for this submission. Members will recall that a number of independent specialist reviews have been carried out to update or verify the scheme cost estimate since the original concept and cost estimates were established in 2013. Most recently, a second independent cost verification was commissioned during Autumn 2017, following the outcome of the planning process, which has since confirmed the financial position as a reliable basis for reporting to the following key stages.
- 1.5 At its meeting on 10th January 2018, the LEP's Transport for Lancashire Committee received the report of the LEP's independent assurance assessor in these matters, Atkins, and their recommendation that Conditional Approval be granted to enable the scheme to progress to Full Business case submission. The current projected outturn capital cost of the Preston Western Distributor of £161.6m was set out in the report and an explanation given as to the difference to the £104.5m reported at Programme Entry in 2014. The assessor's report confirmed that the scheme is predicted to deliver high quality for money with a benefit to cost ratio of 2.29, with the potential to generate an additional £144m of GVA for the local economy, over its 60-year evaluation period, principally through unlocked development.
- 1.6 On the basis of this information, the Transport for Lancashire Committee recommended that the LEP Board grant the scheme Conditional Approval, which the Board did at its meeting on 30th January 2018.
- 1.7 To remind members of the City Deal Executive and Stewardship Board, the most recent cost estimate reported for the NWPRP (comprising the Preston Western Distributor and, additionally, the East West and Cottam Link Roads) is £189.45m. The agreed capital contribution from the Local Growth Fund through the Lancashire Growth Deal is fixed at £58m. Highways England has also



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confirmed its £25m contribution towards the cost of the new M55 Junction 2. The City Deal Infrastructure Fund will fund the balance, with a local contribution of £106.45m met through the resources available and which become available to the City Deal along with any subsequent cost increases above the level of the grant already agreed. Lancashire County Council has confirmed through the outline business plan process that it will underwrite the impact of any timing difference in relation to receipt of City Deal funding and any subsequent cost increase.

- 1.8 Confirmation of these planning and funding consents has enabled arrangements for land assembly to proceed through an important milestone. At its meeting on 1st February 2018 the County Council's Cabinet agreed to make and advertise Side Roads and Compulsory Purchase Orders for land and rights, as well as changes to the existing highway network and two bridge schemes that will cross the Lancaster Canal and the Millennium Ribble Link.
- 1.9 The scheme requires 88 hectares of permanent land take, 4 hectares of permanent rights over land for drainage, access to maintain structures etc, and a further 68 hectares of temporary rights for works compounds, soil storage, haul roads etc.
- 1.10 No houses are taken or will need to be demolished for the scheme, with 3 gardens affected and a single business which requires the agreed relocation of some buildings. The vast majority of the land affected is farm land or used for equestrian purposes.
- 1.11 There has already been a high level of involvement with land owners affected by the scheme, through the planning process and in determining the detail of the scheme and its impacts and how mitigation could be included in the project. Discussions will continue in an attempt to reach agreement with landowners, although there is no guarantee that landowners will be prepared to sell or grant the necessary rights by agreement, hence the County Council taking this important step to ensure progression of the scheme.
- 1.12 This decision will see the County Council make, advertise and request the Secretary of State to confirm the Side Roads and Compulsory Purchase Orders to make necessary changes to the existing highway network and to acquire the necessary land and rights to deliver the scheme. The Secretary of State's confirmation is also needed in order to allow the County Council to construct bridges over navigable waters.
- 1.13 Once these Orders have been made, all those with an interest in the land must be notified and notices placed in the local press. The Orders and any objections received during this advertisement period will be submitted to the Secretary of State. If objections are received, the Secretary of State will determine whether to proceed by way of written representations or a public inquiry. Under these



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circumstances, an Inspector will be appointed who will prepare a report for the Secretary of State.

- 1.14 Officers have prepared a programme (overleaf) which considers the future key milestones and includes the prospect for a public inquiry, the preparation and submission of a Full Business Case for funding approval (which will be a decision for the Department of Transport), the finalisation of the scheme design and procuring and awarding a build contract for construction. These stages are anticipated to take us to a start to construction by the end of 2019.



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2. Programme

Draft Programme as of February 2018

2018/19

Milestones		Current Draft Programme
Outline Business Case to TfL		Q4 17/18
Outline Business Case to LEP		Q4 17/18
CPO made		Q4 17/18
CPO submitted to Secretary of State		Q1 18/19
Secretary of State decision on Inquiry		Q1 18/19
Public Inquiry	*	Q3 18/19
Target Cost Agreed		Q3 18/19
Inspectors report made	*	Q4 18/19
CD Executive funding Approval		Q4 18/19

2019/20

Milestones		Current Draft Programme
Secretary of State Confirms CPO	*	Q1 19/20
Final Business Case to TfL	**	Q1 19/20
Final Business Case to LEP	**	Q1 19/20
Final Business Case approval by DfT	+	Q1 19/20
GVD Notice Served		Q2 19/20
Award Build Contract		Q2 19/20
Entry to land		Q3 19/20
Start on Site		Q3 19/20

Planning	Funding	Land Assembly	Build
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* Assumed dates from guidance and previous experience

** Possible dates meeting schedule not published

+ Time taken by DfT to make decision is without guidance