

Report to the Cabinet

Meeting to be held on Thursday, 7 March 2024

Report of the Executive Director of Growth, Environment, Transport and Health

Part I

Electoral Divisions affected:
Lostock Hall & Bamber Bridge;
Moss Side & Farington;
Penwortham East & Walton-le
-Dale; Penwortham West;
Preston Central West;

Corporate Priorities:
Supporting economic growth;

A582 South Ribble Western Distributor Submission to the Major Road Network Funding Programme
(Appendix 'A' refers)

Contact for further information:

Marcus Hudson, Tel: (01772) 530696, Head of Planning and Transport,
marcus.hudson@lancashire.gov.uk

Brief Summary

The delivery of a scheme of road capacity improvements to the A582 South Ribble Western Corridor was identified in the Highways and Transport Masterplan for Central Lancashire in 2013. The county council is scheme promotor as Local Transport Authority and the scheme has formed part of the original delivery programme under the Preston, South Ribble and Lancashire City Deal since 2013.

This report presents the latest updates on the scheme and seeks approval for the submission of an outline business case to the Department for Transport for a focussed scheme and associated funding arrangements.

This is deemed to be a Key Decision and the requirements of Standing Order C19 have been complied with.

Recommendation

Cabinet is asked to:

- (i) Approve the submission of an outline business case for funding to the



Department for Transport for a 'focused scheme' of improvements to the A582 South Ribble Western Distributor, and authorise the Executive Director of Growth, Environment, Transport and Health, in consultation with the Director of Finance and the Cabinet Member for Economic Development and Growth, to approve the final content of the submission.

- (ii) Confirm the approved expenditure up to £19 million towards development of highway infrastructure on this network as a commitment to fund the local contribution towards these improvements along with any subsequent cost increase above the level of grant agreed by the Department for Transport, this being subject to the Council's decision to proceed to full business case and its approval by the Department for Transport to release the requisite government funding.

Detail

The county council's Highways and Transport Masterplan for Central Lancashire, published in 2013, identified necessary road capacity improvements along the existing A582 through South Ribble between Cuerden and Preston city centre to improve journey times and reduce congestion, improve access to Cuerden, and unlock delivery of new housing developments in South Ribble, in support of the Local Plan for the area. The masterplan recognised that increasing road capacity along the A582 would also allow opportunities for improvements for bus priority, cycling and walking and public realm enhancements along the B5254 Leyland Road through Lostock Hall and Tardy Gate.

The delivery of the scheme formed part of the original delivery programme under the Preston, South Ribble and Lancashire City Deal, and has been subject to annual reviews of funding availability since that time. Following a successful funding application to Government in 2019, the potential funding package for this scheme has included a substantial contribution to come from the Department for Transport's National Roads Fund, specifically a funded programme for improvements to the Government's Major Road Network.

Progress in delivering capacity upgrades to the A582 South Ribble Western Distributor were last reported to Cabinet in November 2019. At that stage in its development, a scheme that would result in its dualling was being designed with a planning application to be submitted and preparations to begin for necessary land acquisition.

This scheme was designed to complement improvements to the A582 corridor delivered since 2013, with Golden Way dualled between two improved junctions at Leyland Road and Broad Oak, and major junctions upgrades delivered at Pope Lane, Chain House Lane, the 'Tank' and Stanifield Lane, along with improvements introduced as part of the completion of the Penwortham Bypass, including an improved junction at Broad Oak roundabout.

Progress continued on a dualling scheme to 2022, at which time a combination of extraordinary inflationary pressures and increasing cost pressures, a change to existing and predicted traffic levels, and emerging Government investment priorities,



led to a re-evaluation of the scheme and the critical elements to be delivered to meet the scheme's objectives within funding and spending requirements.

From that re-evaluation, a focussed scheme has been identified comprising critical elements of the dualling scheme. The focussed scheme comprises a series of major junction reconfigurations, the introduction of new technology, and complementary improvements to bus and active travel routes, aligned to wider infrastructure improvements on the same network including in relation to Lancashire Central. A plan identifying the extent of the focused scheme is presented at Appendix 'A'.

This scheme has been informed by evidence that benefits can be obtained by focussing on junction improvements and innovative technology on the remaining sections of the A582 without full dualling being required or necessary at this stage to accommodate traffic growth over the forecast period. A focused scheme removes the need for an extended programme of design, substantial land acquisition, and complex rail bridge replacements, these elements alone adding considerable time and cost to the full dualling scheme. Notably, a focused scheme offers significant environmental and decarbonisation benefits and is better aligned with evolving Government priorities for transport.

With similar delivery timescales, and a common road network, survey and design activity for improvements along the A582 is being progressed in tandem with the highway improvements to support the delivery of the Lancashire Central site. Details of the focused scheme have been discussed with, and positively received by, the local highway authority, Transport for the North (which acted as sponsor to the original scheme's inclusion in the Government's National Roads Fund programme) and with the Department for Transport.

In October 2023, the Government confirmed its commitment to funding the A582 through specific announcements committing capital funding in the post-HS2 *Network North* funding proposals. The A582 was mentioned alongside other national programmes. Whilst further details are awaited, the Department for Transport remains committed to a funding contribution and officers will continue to explore with the Department the prospect for additional funding, announced as part of *Network North*, to come from the Government, as well as other potential funding opportunities presented by the *Network North* proposals.

In order to maintain the current pace of development activity, keep to key milestones for the delivery of A582 improvements to ensure infrastructure is in place to support local housing and other development, achieve the timescales for the Government's funding programme, and meet Lancashire Central's target construction programme, an Outline Business Case for funding approval is programmed for submission to the Department for Transport in April this year. This will enable subsequent milestones to be achieved in the production of a full business case to be submitted by the end of this calendar year.

As scheme promoter, the county council must provide assurance to the Department for Transport that full funding is in place, including the remaining funding over and above all Government awards, in the form of a local funding contribution which will be met by the county council, along with any subsequent cost increase above the level of grants agreed.



In this regard, in April 2019 the county council agreed to allocate up to £25 million towards the development of highway infrastructure on this network. As the focused scheme is aligned to wider infrastructure improvements on the same network including those in relation to Lancashire Central, the unspent amount of this funding (£19 million) would be available to be utilised for local match as required.

The focussed scheme is currently costed at £70.7m which includes an £18.7m contingency allowance, however this total may alter as the design for the scheme matures and costs and contingencies are updated to account for this, as well as updated rates informing construction costs and inflation.

The county council intends to report an update to the forthcoming City Deal Executive Board meeting on 19 March and to future meetings as appropriate.

The scheme will be the subject of a Full Business Case towards the end of the calendar year at which time the county council will have comprehensive information on costs and contingencies and the amount of Government and local funding contributions in order to make the final decision to proceed with delivery.

Appendices

Appendix 'A' is attached to this report, showing a plan illustrating the extent of the focussed scheme.

Appendix	Title
Appendix 'A'	Plan of A582 South Ribble Western Distributor Focussed Scheme

Consultations

Public and stakeholder consultation has previously taken place for the original proposals for capacity improvements and dualling. Subject to submission of the outline business case, the ongoing development work after April will entail stakeholder and wider public engagement to present details of the proposals for the A582 corridor and the complementary measures to support local traffic and sustainable travel choices through Lower Penwortham, Middleforth, Lostock Hall and Tardy Gate focused along the Leyland Road corridor.

Implications:

This item has the following implications, as indicated:

Risk management

If the Outline Business Case cannot be submitted to these timescales, with the requisite commitment of the Section 151 Officer to the local funding contribution, the county council as scheme promoter risks the scheme falling outside the spending period indicated by the Department for Transport.



Financial

The proposed funding package for the focussed scheme includes an award from the Department for Transport's National Roads Fund.

Following submission of an outline business case, and subject to its approval, further development work can proceed to delivery. Officers will seek a continuation to the Department's funding support to this development work, alongside local funding, towards finalising the design, land acquisition and all statutory procedures to enable a full business case to be submitted in this calendar year and works to commence during 2025.

The report notes that in October 2023 the Government confirmed its support to funding improvements to the A582 and, as part of the *Network North* announcement, has identified an additional £460 million across the North of England (£300 million for the North-West) for schemes already entered in this funding programme. Separately, information on a further £2.5bn for the north of England is awaited. The £460m additional funding is intended to offset the call on Local Authority funding, and so the burden locally may reduce further. Officers will seek to maximise the amount of funding to the scheme through the Government's funding programmes, and further details of these programmes is expected shortly.

Lancashire County Council funding has previously been committed towards the implementation of Lancashire Central, including provision for off-site highway works. A large proportion of these highways works will now be delivered through the focussed scheme, therefore it is proposed that the funding for local match should be taken from this approved commitment subject to the maximisation of grant funding. The level of contribution of this funding will be dependent upon the additional funding brought forward through *Network North* such that the borrowing requirement is reduced to the minimum needed.

A decision of the county council to commit to the delivery of the scheme will be needed at Full Business case stage when the levels of all grant funding and the latest scheme delivery costs are fully known. The level of borrowing and all related financing costs will then also be known. A contribution of the full £19m would result in a minimum revenue provision of £1.805m per year for 20 years, however this will be minimised by the maximisation of grant to the scheme.

Legal

Legal services will provide support in the preparation and submission of the Major Road Network bid and associated contractual documentation.



List of Background Papers

Paper

Date

Contact/Tel

None

Reason for inclusion in Part II, if appropriate

N/A

