

DERBYSHIRE COUNTY COUNCIL

CABINET MEETING

24 March 2015

Report of the Strategic Director – Economy, Transport and Environment

**A61 GROWTH CORRIDOR TRANSPORT INFRASTRUCTURE
(HIGHWAYS, TRANSPORT AND INFRASTRUCTURE)**

(1) **Purpose of Report** To seek Cabinet approval in principle to the acceptance of Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) Local Enterprise Partnership Growth Deal grant funding for the A61 Growth Corridor Strategy, and for the County Council to work in collaboration with Chesterfield Borough Council (CBC) and North East Derbyshire District Council (NEDDC) to finalise the draft Strategy to develop transport infrastructure improvements for the A61.

(2) **Information and Analysis** The delivery of transport improvements to support major housing and employment growth along the A61 Corridor in Chesterfield and north-east Derbyshire is identified as a priority in Derbyshire County Council's Council Plan (2014-17). The A61 Corridor, in common with many areas in north-eastern Derbyshire, is characterised by existing employment, residential, leisure and retail, and is strongly influenced by its industrial heritage and contrasting urban and rural landscapes. It is also regarded as a key housing, employment and leisure growth area by Derbyshire Economic Strategy Statement (DESS), due to the considerable amount of brownfield land available for major and minor developments, as well as its prime location close to major national motorway and rail linkages, and its close relationship with the South Yorkshire economy.

Congestion and poor reliability of journey times along the A61, particularly around its major junctions in the morning and evening peak periods, constrains opportunities to attract inward investment. Whilst a number of improvements have been undertaken by the County Council through its Local Transport Plan and developer contributions, more needs to be done if the route is to cater for a significant increase in traffic and to establish a reputation as a premier destination for new homes, jobs and leisure opportunities.

Growth Deal Funding

There is currently an opportunity to draw on funding from the Local Growth Fund (LGF) that was established as part of the Government's response to Lord Heseltine's, *'No Stone Unturned'* report. Substantial Government budgets have been committed to the Fund which is a minimum of £2 billion

per annum, up to and including the year 2020-21. Local Growth funding is allocated through 'Growth Deals' between Government and each of the 39 Local Enterprise Partnership (LEP) areas, negotiated in response to their Strategic Economic Plans (SEPs).

The D2N2 SEP presents D2N2's strategy and delivery priorities for boosting the local economy, and provides the basis for determining the key funding priorities to which available resources should be directed. Early in 2014, D2N2 issued a 'call for projects' to the constituent local authorities to identify infrastructure proposals across the LEP area.

In response, officers from the County Council, CBC and NEDDC worked collaboratively to develop a business case for transport infrastructure improvements along the A61 Corridor. On 13 March 2014, (Minute No. 51/14 refers), the Cabinet Member – Jobs, Economy and Transport endorsed several Derbyshire infrastructure projects, including a proposal for the A61 Growth Corridor, to be recommended to D2N2 LEP for inclusion in its SEP. These same projects were subsequently endorsed by the Derby and Derbyshire (D2) Joint Committee for Economic Prosperity.

The first Growth Deals were announced in July 2014 and the Growth Deal with the D2N2 LEP has provisionally set aside funding to implement an A61 Growth Corridor Strategy (gross budget £16 million). This funding is to be drawn down over the period from 2016-17 to 2020-21, subject to all the requirements of the D2N2 Infrastructure and Investment Board (IIB) Assurance Framework being met, as set out later in this report. This is in addition to funding already secured from the D2N2 LEP towards transport infrastructure improvements at the A61 Whittington Moor roundabout. The availability of funding for the Corridor Strategy will allow a broader range of solutions to be considered for Whittington Moor than would have been the case otherwise.

The D2N2 IIB Assurance Framework requires Growth Deal funding to be supported by local contributions from other sources, totalling a minimum of 20% of the total cost of the project (£3.2 million). It is anticipated that a significant proportion of local contributions can be secured, not least from developers whose projects benefit from infrastructure investment. However, almost inevitably, the County Council as a potential 'scheme promoter' in its own right, will also be required to underwrite a proportion of the local contribution from its Local Transport Plan allocation.

Developing the Business Case

Since the D2N2 Growth Deal was announced in July 2014, further collaborative working between officers from the County Council, CBC and NEDDC, has refined the original business case submission into a simple statement, reflecting the Council's plan and other local authority strategic aspirations for the A61 Growth Corridor, as set out in Appendix 1.

This draft statement recognises that it is vital to maintain stability in the current level of traffic congestion on the A61 as growth occurs, as well as reducing disruption from extreme weather events if the need for growth in jobs and housing is to be met. It also recognises that a balanced, sustainable approach is required, that seeks road-based improvements to manage traffic better, as well as accommodating a greater share of additional journeys by transforming the use of sustainable travel modes, such as walking and cycling.

The provision of sustainable transport options will also help meet the need for low-cost accessibility to jobs and training in Chesterfield and surrounding areas. It is equally vital the A61 Corridor develops as a better destination to support Chesterfield and North East Derbyshire's aspirations to attract more people to visit and enjoy the cultural and historical heritage of the local area, and the special landscapes of the Peak District National Park.

Governance

Further collaborative working with CBC and NEDDC, and consultation with stakeholders, communities, transport users, businesses and visitors is now required to finalise the A61 Growth Strategy. It is recommended that governance and working arrangements are put on a formal footing by seeking approval of the County Council's Cabinet, and the Executives of CBC and NEDDC, to continue to work proactively to finalise the Strategy and use it as the single framework for preparing and implementing transport improvements along the A61 Corridor.

Providing Assurance to D2N2 LEP

The D2N2 LEP is currently developing a Local Assurance Framework that will set out how the process of ensuring value for money, prioritisation, appraisal, business case development and risk management for the Growth Deal programme will be embedded.

Whilst a decision is yet to be made, it is unlikely the Local Assurance Framework will significantly deviate from standard project development processes. Cabinet is therefore requested to note an indicative work programme (set out below), for 2015-16, to develop a package of transport infrastructure proposals for the A61 Corridor:

- May/June 2015 – six week consultation on transport issues and strategic aspirations to inform option development.
- July 2015 – Cabinet to consider the outcome of the consultation and, if appropriate, finalise the strategy and consider options for appraisal and further public consultation.
- August to November 2015 - appraisal of options and public consultation on preference of options.
- December 2015 - Cabinet to consider the outcome of consultation, and if appropriate its preferred option and programme for delivery.

- Winter 2015-16 - Commence detailed design and preparation of proposals.
- Spring 2016 onwards - Cabinet is requested to note that it is anticipated that the preferred option will consist of a package of several distinct interventions that will be programmed for implementation between 2016-17 and 2020-21. Cabinet is therefore asked to note that further reports will be brought during this period to complete D2N2 Assurance requirements and seek approval to let contracts.

To enable preparatory work to commence, Cabinet is requested to approve the principle of drawing down Growth Deal funds in future and to add the A61 Growth Corridor to its Local Transport Capital Programme. Cabinet is asked to note that a separate report regarding the Economy, Transport and Environment Service Plan 2015-16 seeks approval for financial support from the County Council's Local Transport Plan allocation for preparatory work, and that further reports will be brought to seek approval before any key financial decisions are made.

Investment Strategy

As Cabinet is aware, the County Council usually negotiates infrastructure provision or financial contributions from developers through Section 278 or Section 106 legal agreements to mitigate for predicted transport impacts of major developments and secured when an agreed scale of development is reached.

The use of Growth Deal funding, to bring forward transport infrastructure associated with major development, is an effective mechanism to deliver the transport benefits early, but also to assist with the viability of new development by seeking new arrangements for clawing back contributions, for example, a 'roof tax' to spread the cost of infrastructure across the whole development.

These new arrangements are unlikely to be unique to the delivery of the A61 Growth Corridor Strategy, and it may be appropriate for all D2 Joint Committee authorities to develop a common framework for dealing with Growth Deal and other external funding to support new development, for example, by establishing a countywide Supplementary Planning Document (SPD) in due course. It would, though, be sensible to use the A61 Strategy as a pilot to develop a broader investment strategy in collaboration with CBC and NEDDC.

(3) Financial Considerations The cost of building transport infrastructure associated with the A61 Growth Corridor Strategy is estimated to be £16 million (gross budget) and improvements at the A61 Whittington Moor junction to be £4.5 million (gross budget) including allowances for design and construction. Further reports, in accordance with Financial Regulations, will be brought to Cabinet before financial commitments are made.

(4) **Legal Considerations** The County Council will work in collaboration with the relevant District/Borough Councils on this project. The Director of Legal Services will advise in relation to procurement requirements and to ensure on-going compatibility with relevant conditions in relation to State Aid requirements.

(5) **Equality and Diversity Considerations** The A61 Growth Corridor Strategy will seek to increase travel opportunities for all and an Equality Impact Analysis will be carried out during the finalisation of the Strategy and used to influence emerging investment proposals

Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, environmental, health, human resources and transport considerations.

(6) **Key Decision** No.

(7) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(8) **Background Papers** Held on file within the Economy, Transport and Environment Department. Officer contact details – Alan Marsden, extension 38134.

(9) **OFFICER'S RECOMMENDATIONS** That Cabinet:

- 9.1 Approves, in principle, the acceptance of Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Growth Deal grant funding for the A61 Growth Corridor Strategy
- 9.2 Approves the proposed collaborative working with Chesterfield Borough Council and North East Derbyshire District Council to finalise the Strategy and to use it to develop transport infrastructure improvements for the A61 Corridor.
- 9.3 Notes an indicative preparatory work programme and that further reports will be brought to Cabinet at key preparatory milestones and before any financial commitments are made.
- 9.4 Notes that approval for financial support to carry out preparatory work is sought in a separate report to this Cabinet.

Mike Ashworth
Strategic Director – Economy, Transport and Environment

Appendix 1

The Growth A61 Corridor

| Destination | Home | Workplace | Gateway | Connection |

Introduction

The A61 road functions as the spine of a strategic north-south corridor through Chesterfield and North East Derbyshire. Its economic geography is strongly influenced by being situated at the heart of the North East Derbyshire Economic Zone¹ (NEDEZ) that primarily includes Bolsover and North East Derbyshire Districts and the Borough of Chesterfield. Whilst the zone is characterised by its strong industrial heritage, it is a much more diverse area with a contrast of urban and rural, and includes part of the Peak District National Park. Dominant features of the area are national transport linkages including the M1 motorway corridor and the Midland Main rail line, and, in future, the alignment of High Speed Two (HS2) rail line. Despite these positives for the area, there are also contrasts between affluence and deprivation and high/poor accessibility.

The A61 Corridor is characterised by existing employment, housing, leisure and retail. It is also regarded as a key growth area by the considerable amount of brownfield land available for major and minor that provide a potential for delivering around 6,700 new jobs and 3,800 new homes, which will significantly increase the demand for movement along the Corridor and within the NEDEZ.

No 'engineering' solution would deal fully with the impacts or take advantage of the opportunities, nor would it be appropriate to approach the issue in this way. A balanced and cost-effective approach is required with a core objective of supporting a strong economy whilst reducing disparities and improving prosperity through managing and accommodating the movement of people and goods, and place-making to transform the Corridor as a destination in its own right.

Sustainable travel options will need to be transformed to meet a growth in travel demand. However, traffic management and control will also need to be put in place when demand cannot be met from other means. Innovative solutions should be explored that, for example, make more use of the corridor outside current peak periods or a greater utilisation of technology.

The Strategy is primarily focussed on the A61 Corridor between Sheepbridge to the north of Chesterfield and through North East Derbyshire to Clay Cross to the south. However, it also recognises the close association between the

¹ The North East Economic Zone is one of three areas of Derbyshire set by the Derbyshire Economic Strategy Statement to describe a functional area with similar economic characteristics that can be exploited.

Corridor and other parts of the North Eastern Zone, and the influence of those on the Corridor, including the town centre, the railway and M1 motorway.

Consequently, the Strategy recognises that solutions may not necessarily be confined to the corridor.

This Strategy has been approved by Derbyshire County Council, Chesterfield Borough Council (CBC) and North East Derbyshire District Council (NEDDC), and sets out the intention of the authorities to work in partnership to deliver the best outcome for the social and economic wellbeing of the area.

Strong governance is fundamental to the success of this collaboration. The three local authorities are primary to realising development that meets local needs, whether that be in terms of business, recreational or housing needs. This is why collectively, they will lead the implementation of this Strategy for the A61 Growth Corridor.

Resources and Investment Planning

Underpinning this Strategy and the delivery of growth along the A61 Corridor is the availability of capital and revenue resources secured by the partners from many different sources including D2N2 Growth Deal, Sheffield City Region Infrastructure Fund, European Union (EU) Structural and Investment Fund Strategy (ESIF), Local Transport capital, Section 106 or Community Infrastructure Levy (CIL) and private sector investment. Each of these will require different processes and supporting activity.

This Strategy is predominantly focussed on the D2N2 Growth Fund that makes allowances for an improvement scheme at the Whittington Moor roundabout (gross budget £4.5 million) and funding to implement the Corridor Strategy (gross budget £16 million). Both of these require local contributions comprising a minimum of 20% of the gross figure and, whilst this is underwritten by Derbyshire County Council, the partners agree to work on a broader investment strategy which ensures appropriate contributions from other sources, not least developers whose projects benefit from the infrastructure investment. The Growth Deal funding is to be drawn down over the period from 2016-17 to 2020-21.

The development of investment plans, though, will not be restricted to D2N2 Growth Deal funding. Alignment of the objectives for this Strategy with wider economic priorities and funding opportunities will help deliver growth, for example by using D2N2 Growth Deal funding as match funding to draw down further resources and to also establish protocols for contributions to be secured through developer funding.

Investment plans will not be restricted to the D2N2 Growth Deal funding period and will incorporate longer-term thinking around making the best use of rail capacity after the introduction of High Speed Rail (HS2) in 2032 or earlier.

Wherever state resources are used to provide assistance to organisations, there is a risk that state aid can occur and distort competition. Consequently, investment plans will need to ensure that they are compatible with UK and EU State Aid rules to promote a level playing field and ensure that funding is invested well.

The A61 Corridor

The A61 corridor follows the principal transport route leading between Alfreton in the south and Sheffield in the north, through the market town of Chesterfield and former mining town of Clay Cross, as well as various dormitory villages.

The Horns Bridge Roundabout, Chesterfield, acts as a watershed for the route. To the north, the route comprises an all-purpose dual carriageway which is predominately a high speed route with few junctions that interrupt the passage of traffic. The heart of the town centre and most of the Chesterfield urban area lies to the west of the corridor. This section of the corridor is mostly commercial with elements of housing. A number of retail outlets are located at the major junctions and nearby in the centre of Chesterfield, but the character changes to industrial estates on the northern outskirts of the town. There are opportunities for further housing and employment developments to the west of the A61 and to transform the town's offer as a shopping and leisure destination. Most of the eastern side of this section of the Corridor is brownfield land and likely to provide a significant proportion of future housing and employment growth close to the town centre, as well as further opportunities to develop the town as a leisure and retail destination.

Chesterfield's main rail line station is located in the corridor a quarter of a mile from the town centre, offering regular services to Sheffield and Nottingham, and across the country. There is now quite an extensive strategic cycle and walking route provision, parallel to the A61 and will be further transformed on completion of a strategic route between the town centre and railway station. There are opportunities to improve cycle and walking connectivity to and from planned development, and the town centre through a separate strand of D2N2 Growth Deal funding. No local bus services operate on the A61, just those travelling between the major conurbations. Numerous others, though, serve the Corridor on parallel roads, such as Sheffield Road, but have to negotiate the junctions as they cross the A61.

To the south of Horns Bridge, the route changes to an all-purpose single carriageway of varying width. The character of the town quickly changes from retail and leisure to residential terraced properties that front the street until the outskirts of Chesterfield. Consequently, there are numerous side roads, many roundabouts, and signal junctions that facilitate traffic joining the route, but also slow the passage of traffic along it at peak times. Lateral routes give access to retail and commercial centres.

Further south, the route becomes semi-rural with many small conurbations and the former mining town of Clay Cross. There are also plenty of development opportunities beyond Chesterfield's boundary on brownfield land for both housing and employment that would further facilitate traffic joining the route. Bus services operate along the route with multiple stops. Although there are opportunities for cycling as far as Storforth Lane, the quality is mixed and there is no continuous off-road route or infrastructure immediately alongside the A61 for cyclists presently between Chesterfield and Clay Cross. A number of north-south links are planned to the east of the A61 using redundant railway lines, bridleways and recreational routes but at present, there is no firm programme for when they will be completed.

The River Rother and its floodplain closely follow the A61 route alignment. Consequently, the operation of the road at a number of locations, such as Horns Bridge Roundabout, is compromised by flooding during extreme weather periods. Likewise, many of the major and minor planned developments are located within the River Rother flood zones.

Leaving aside the alternative use of the route taking traffic from the M1 should a collision or incident occur, the route is heavily congested at its major junctions and pinch-points during the morning and evening peak periods. Congestion sometimes spreads to the adjacent road network preventing traffic from joining it and which compounds local congestion. A number of route improvements have been undertaken by Derbyshire County Council either through developer contributions or to address road safety and capacity issues. However, more needs to be done if the route is to meet the anticipated future development needs.

Principal pinch points along the growth corridor are considered to be:

- Sheepbridge Junction, including the local road network in the vicinity.
- Whittington Moor roundabout and the adjacent road network.
- Tesco roundabout, mainly the north-south route.
- Horns Bridge, all roads and the adjacent network.
- Between Horns Bridge and Langer Lane, principally the north-south route and peripheral roads such as St Augustine's Road and Storforth Lane.
- The various roundabout junctions to the south.
- Clay Cross, mainly the north-south route.

Though the timing of development is uncertain due to market conditions, the improving economy and incentives, such as the Growth Deal funding, will stimulate investment locally. It is important for each authority to ensure that the best deal is brokered between development needs and the existing infrastructure for the local economy, and that it can be sustained. Targeted interventions along the corridor will help achieve this.

High Level Transport Strategy/Aspirations

The Strategy for the A61 Corridor is set at a high strategic level as it is recognised that it needs to provide a consistent strategic direction whilst planned developments and travel requirements may change over time. The following gives an outline of priorities for the Corridor agreed between the three local authorities:

- To achieve stability in the current level of traffic congestion whilst facilitating improved predictability of travel times and an increasing number of travel journeys from planned developments.
- To create the right conditions to support economic growth and for Chesterfield and North East Derbyshire to develop as a place to visit and a gateway to wider tourism associated with the cultural/historical heritage of the local area and the Peak District National Park beyond.
- To transform levels of sustainable travel journeys in the area by creating attractive alternative travel opportunities to the car and to encourage their use.
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In pursuit of these, interventions will be sought:

Travel

- Targeted interventions at junctions to ease the flow of traffic and, where possible, to assist bus movement. It is anticipated that these will be concentrated on the route from Horns Bridge to the south, but improvements elsewhere in the town centre will be considered where journey times can be improved.
- To ensure that non-car travel journeys are considered as part of all proposals and to provide a high-quality route, and address pinch points and barriers for walkers/cyclists to encourage transfer to these modes of travel.
- Not to interfere with parking stock or its location but to consider parking in the context of the whole area and provide better information regarding parking availability and where spaces can be found.
- To make best use of technology and be mindful of likely societal and technological change.
- Provide better information for drivers enabling better use of all the available network or alternative modes of transport, such as bus or cycle.

Place

- To ensure that the A61, whilst remaining important to the movement of traffic, does so in a way which enhances the quality and attractiveness of the local environment and place, and seeks to minimise its impacts on the communities through which it passes.
- To build resilience to climate change and extreme weather events, e.g. flooding.

- To exploit opportunities to improve wider health and well-being benefits, e.g. improved air quality, reduced noise, better environment and reduced community severance.

Standards and Quality

- To take an asset management approach that seeks to implement the least engineered and most cost-effective solutions possible and take opportunities wherever possible to de-clutter and minimise future maintenance requirements.
- Consider a wide range of options, including those that demonstrate an effective solution but require a departure from standards.
- To carry out effective monitoring and evaluation on an ongoing basis.

Governance

The Officer Steering Group with representatives from the three local authorities (Derbyshire County Council, CBC and NEDDC) will continue to oversee the development and implementation of the strategy. These authorities have agreed the principles set out in this document. It is not intended to set up bespoke arrangements at elected Member level for the development or implementation of the Strategy. Approvals will be sought from each local authority at appropriate gateway stages through their existing committee systems. The D2 Joint Committee (and in due course a D2 Combined Authority) will be advised of progress.

Bespoke working groups will be formed as appropriate to deliver specific solutions and report back to the Officer Steering Group. Member and stakeholder events will be held where appropriate to enable participation in the development and implementation of solutions.

Funding for the implementation of the Strategy will need to be sought from many different sources including D2N2 Growth Deal, Sheffield City Region Infrastructure Fund, Local Transport capital, Section 106 or CIL processes. Each of these will require different processes and supporting activity from each of the local authorities.

The joint development and implementation of this Strategy fulfils an important part of the legal duty placed on the two local planning authorities (CBC and NEDDC) and Derbyshire County Council to engage constructively and actively on an ongoing basis to maximise the effectiveness of local planning in the context of strategic cross boundary matters.

Deliverables and Next Steps

1. Terms of reference and a programme of work for the Officer Steering Group.
2. Framework agreement over the use of developer contributions
3. Option development and analysis.
4. Preparation and implementation programme for Growth Deal funding.
5. Communications and stakeholder management strategy.
6. Monitoring and evaluation framework.