



**21<sup>st</sup> September 2016**

**Agenda Item: 6**

## **REPORT OF CORPORATE DIRECTOR, PLACE**

### **GEDLING ACCESS ROAD – SCHEME UPDATE, COMPULSORY PURCHASE ORDER AND SIDE ROADS ORDERS**

#### **Purpose of the Report**

1. To seek approval in principle to compulsorily acquire land and rights required to deliver the Gedling Access Road under sections 239, 240, 246, 249 and 250 of the Highways Act 1980 and the Acquisition of Land Act 1981;
2. To seek approval for the progression of documents required to make a Side Roads Order under section 14 and 125, and in accordance with Schedule 1 of the Highways Act 1980;
3. To note the scheme update and current financial position.

#### **Information and Advice**

4. The County Council has been safeguarding proposals for a Gedling village bypass for over 50 years. This scheme forms part of proposals for the A612 Nottingham Eastern Outer Loop Road which has, with the exception of the eastern most section around Gedling village, been successfully completed by the County Council. The Gedling Access Road (GAR) will connect directly to the most recently constructed phase (the Gedling Major Integrated Transport Scheme) which opened to traffic in 2007.
5. The role of GAR is twofold. Primarily, GAR will enable the sustainable redevelopment of the former Gedling Colliery site for mixed-use purposes by providing safe and adequate access to the proposed residential, employment and community related uses proposed for the site. GAR will also provide a 'bypass' around Gedling, providing improved connectivity to the wider road network. In doing so, GAR will ease traffic congestion on other roads surrounding the former colliery site that at present are either at or nearing capacity.
6. Due to the limited availability of public funding the construction of GAR has not previously featured in any delivery programme. The current viability of the site does not allow the project to be wholly funded by either the private or public sector. However, the redevelopment of the Gedling Colliery site has provided a catalyst for delivering the project with a significant contribution being secured from the Homes and Communities Agency through a Development Agreement for the Gedling Colliery site with Keepmoat who have been appointed as preferred developer.
7. The redevelopment of the Gedling Colliery site and adjoining land remains a priority for all the public sector partners including Gedling Borough Council (GBC), Homes and Communities Agency (HCA) and Nottinghamshire County Council (NCC). The supporting

infrastructure requires the provision of an access road which also serves the dual purpose of completing a road around the eastern side of the conurbation of Nottingham. This priority is supported by the government with the announcement on 8<sup>th</sup> January 2015 that Gedling Housing Zone (comprising of the GAR, Gedling Colliery and Teal Close developments) was one of 10 housing zones outside of London selected to help provide thousands of new homes across the country. A key element of the Housing Zone status is priority access to expert planning and technical support from services run by the HCA. For the GAR it meant funding was obtained that enabled a detailed and up to date assessment of construction costs being undertaken that is reflected in this report.

## **Scheme Details**

8. The scheme as shown on drawing GAR/NCCL01 involves the construction of 3.8km of new single carriageway road that follows a southern route from a new junction with the B684 at Mapperley Plains, running parallel with the A6211 Arnold Lane, through the centre of the former Gedling Colliery site, to the east of which is the Gedling Country Park. From the former colliery site, the GAR would cross a number of fields, Glebe Farm and a section of the walled garden at Gedling House, which is a Grade II Listed Building, and a small section of the Carlton-le-Willows Academy grounds. The route would terminate at a new junction created with the A612 Trent Valley Way, Gedling.
9. The scheme will incorporate seven key junctions along its length to integrate the new road with the existing highway network and provide accesses to the proposed mixed-use development. These include:
  - Two new traffic signal controlled junctions including pedestrian crossing facilities at either end at junctions with the B684 Mapperley Plains Road and A612 Trent Valley Way that ties into Burton Road and Whitworth Drive;
  - A new 5-arm roundabout connecting GAR with Arnold Lane and the Gedling Colliery development site;
  - A new 4-arm roundabout connecting GAR with the Gedling Colliery development and future employment site;
  - Two new T-junctions providing links with the northern and southern sections of Lambley Lane with the GAR;
  - A new 3-arm mini-roundabout on Lambley Lane connecting the southern section of Lambley Lane to GAR, with the option of a fourth arm to serve potential development land immediately to the east of Lambley Lane.
10. In addition there is a requirement for a number of private access points off the GAR to serve land, property and drainage balancing ponds. A new 3.0m wide shared use footway / cycleway will be provided along the entire length of GAR with signal controlled TOUCAN crossings located at key points to assist pedestrian and cycle crossing movements. There is also a requirement to divert an existing public footpath across the GAR.
11. The road will have a 40mph speed limit except for the section immediately adjacent the Gedling Colliery development which will have a lower 30mph limit, the route will also have street lighting along its entire length.
12. The HCA submitted a full planning application (ref. 2014/0915) to GBC on 1<sup>st</sup> August 2014 for the construction of the GAR. The HCA was also required to execute a Section 106 Unilateral Undertaking (UU) to secure planning obligations related to the planning application. The application was considered by GBC as Local Planning Authority and full planning permission granted for construction of the whole GAR on 23<sup>rd</sup> December 2014.

A revision to the planning approval was approved in May 2016, removing the conditions associated with phasing.

13. The County Council will construct the GAR pursuant to this planning permission and will be responsible for the discharge of obligations within the UU. This was supported in a letter dated 14<sup>th</sup> December 2014 from the Chief Executive of NCC confirming that the requirements of the UU did not represent an obstacle to the County Council in progressing the construction of GAR.
14. The GAR will also be complemented by the proposals of Nottingham City Council for a series of bus based improvements along a 'southern growth corridor' linking Beeston and the Boots Enterprise Zone on the west of Nottingham to Gedling in the east, including additional bus services and proposed bus priority measures along the A612 through Colwick and Netherfield. The section 106 agreement for Gedling Colliery development include a £600 thousand commuted sum for bus service provision based on residential occupancy to ensure a suitable, affordable and sustainable service is provided to complement and link into the southern growth corridor.

## **Scheme Delivery**

15. Nottinghamshire County Council has the overall responsibility for land acquisition, design, procurement, construction and delivery of the GAR working in partnership with the HCA, GBC and Keepmoat. Via East Midlands on behalf of NCC, will be responsible for managing the land acquisition process and the design and project management of the road construction. All statutory procedures such as Compulsory Purchase Orders (CPOs) and Side Roads Orders (SROs) will be made by NCC as these powers are not delegated to Via East Midlands.
16. The total project cost is estimated at £40.899 million, split into £7 million for land and £33.899 million for design and construction of the GAR. The funding stream assembled is sufficient to deliver the project and are as follows:
  - HCA - £7.17 million
  - NCC Capital - £5.4 million
  - D2N2 - £10.8 million (outline business case approval obtained, full approval required)
  - Housing Developer (Keepmoat) - £17 million (including Community Infrastructure Levy (CIL) liabilities of £4.488 million)
  - Section 106 contributions - £0.529 million
17. It is intended that the scheme will be delivered in two concurrent contracts, one covering the highway interface works at the junctions onto the existing network and the main contract which is largely off-line undertaking earthworks and new road construction.
18. The main contract will be procured using the Medium Schemes Framework 2 (catering for schemes up to £25 million in value) provided through the Midlands Highway Alliance, which Nottinghamshire County Council is part of. Using this existing framework will reduce any procurement delays and also enable a significant period of Early Contract Involvement (ECI) to fix a target price, carry out value engineering and assist in the management of risk. Based on cost estimates at a 2016 base rate the contract value would be approximately £21.6 million excluding service diversion works.

19. Delivery of the highway interface works by Via East Midlands will enable the overall contract period to be reduced by undertaking multiple contracts simultaneously and utilise the expertise from the joint venture. Similarly, the procurement route enables the design and construction teams to work closely to determine efficient methods of construction and costs savings. Based on cost estimates at a 2016 base rate the contract value would be approximately £4.8 million excluding service diversion works.
20. It is currently anticipated that main contract works can commence on site during September 2017 with completion of the route programmed for March 2019. This is subject to numerous key stages being completed including the land acquisition process using CPO as necessary, funding approval from D2N2 for which a preparation of full business case is currently being prepared for submission. It must also be stated that there is a risk of public inquiry regarding land acquisition being required, if that is the case it is anticipated it would be scheduled for May 2017.

## Scheme Costs

21. Housing Zone funding has been used to develop construction costs to inform the funding agreements and ensure the viability of the project. The costs were reviewed by specialist consultant Turner and Townsend who were appointed through the HCA's consultancy framework. The review used the latest design information and liaison with officers at NCC undertaking the design and also included contractor input. A cost summary for the design and construction of the whole road is detailed in table 1. The pricing detail undertaken by the consultant splits the works into distinct phases to ensure that the project can be delivered in accordance with the proposed delivery routes summarised in this report.

**Table 1: Scheme Costs**

<b>Costs (millions)</b>	<b>Comments</b>
£26.427	Construction costs (2016 prices)
£1.581	Diversion works to services during main construction works
£0.273	Diversion works to services outside of main construction works (including diversion of gas services already done on Arnold Lane)
<b>£28.281</b>	<b>Construction Total</b>
£1.755	Inflation (assumed 7.35%) – based on current BCIS All In Tender Prices
£0.061	Advanced Works
£1.273	Contingencies (5%) on construction costs and services during construction
£0.478	Testing (2%) including ground investigation works
£2.051	Design, Project Management and Site Supervision
<b>£33.899</b>	<b>Design and Construction Total</b>
£7.000	Land Acquisition, Compulsory Purchase Order and costs relating to Unilateral Undertaking
<b>£40.899</b>	<b>TOTAL PROJECT COSTS</b>

22. The costs produced includes a contingency set at 5%, inflation is based on current BCIS (Building Cost Information Service) All In Tender Prices assuming a main contract start date of October 2017 and a base rate of Quarter 1 2016. It should be noted that these costs have been developed using the best information available at the time of review. As the project moves towards construction and a delivery partner is employed there will be further iteration of these which in turn will generate an agreed target cost for the delivery of GAR.

## Funding Profiles and Agreements

23. A total funding package has been assembled totalling £40.899 million from a number of different sources and this is summarised in table 2. In order to deliver the road and to ensure that funding is secured a number of funding agreements are required between NCC and key partners, these are:

- Variation to the Enabling Works agreement with the HCA;
- Payment and Escrow Account with the HCA and the developer (Keepmoat);
- Deed of Agreement for CIL Funding with GBC.

24. There are other funding streams supporting the delivery of the GAR, these are covered by agreements currently in place (Teal Close section 106) or subject to separate processes such as the Local Assurance Framework procedure for the D2N2 funding. Each of the funding agreements will seek to protect NCC from significant risk through preconditions needing to be met linked to planning, statutory procedures, timescales and funding. No contracts will be entered into to build the GAR unless all pre-requisites are met and its delivery viable. There is also potential that a Public Inquiry may be required in respect of compulsory land acquisition. If this is the case then timescales and funding implications will be reviewed.

**Table 2: Funding Streams**

Value (millions)	Funding Source	Comments
£7.000	HCA	Grant Funding - Enabling Works agreement
£0.170	HCA	Grant Funding – Phase 1 Works
£5.400	NCC	County Capital
£10.800	D2N2	Maximum amount, Outline Business Case Approval obtained
£0.436	Teal Close – s106	S106 agreed when outline planning granted, reserved matters application due for submission
£0.093	Gedling Colliery – s106	S106 being finalised, completion expected Sept 2016.
£17.000 (split as detailed below)	Keepmoat and GBC	Keepmoat are the current developer and under terms of the agreement fund up to £17,000,000 towards the GAR. This includes payments of CIL liabilities.
£12.512	Keepmoat	
£1.225	GBC	CIL Phase 1a Liability
£0.923	GBC	CIL Phase 1b Liability
£2.340	GBC	CIL Phase 2 Liability
<b>£40.899</b>	<b>TOTAL</b>	

25. The funding agreements are currently being negotiated between HCA, NCC, GBC and Keepmoat. The completion and execution of these are required prior to making of a Compulsory Purchase Order (CPO) to demonstrate that funding is in place. It is intended that the CPO will be made in November 2016, and final drafting will therefore need to be completed and agreements signed in accordance with the recommendations in this report before then. The timeline of the project remains a very challenging one and all partner agencies have much to do to take the project forward and deliver all its objectives.
26. A report is being presented to NCC Finance and Property Committee on 19<sup>TH</sup> September 2016 that seeks to secure approval to enter into various funding agreements with partners that will trigger the drawdown of funds to purchase land and deliver the project. This report is listed as a background paper.

## **Update on Land Acquisitions**

27. The Enabling Works agreement between the HCA and NCC enables funding to be drawn down for land purchases and costs including those associated with a Compulsory Purchase Order and Side Roads Order. The current agreement permits the purchase of land subject to independent valuations.
28. The funding agreement is a maximum capped value of £7 million from the HCA. Work has previously been undertaken to validate land acquisition costs and whilst these are subject to potentially fluctuating land values it is considered that this element of work can be delivered within the funding available. More recent work has been undertaken by the District Valuer, this is being currently being reviewed and will be included in the final funding agreement.
29. Whilst every endeavour will be made to acquire lands via negotiation, in order to ensure scheme delivery it is standard practice that Compulsory Purchase Order (CPO) powers are progressed simultaneously with land acquisition. The land acquired will be for highway purposes to construct the new road and its connections, to divert watercourses and provide water storage to control and attenuate flow, provide landscaping and other ecological measures and mitigation.
30. Letters have been sent to all land / lease holders to provide an update on the possibility of a CPO, stating that wherever possible rights will be acquired by negotiation and agreement and providing details of key contacts to discuss details of the scheme. This has prompted contact from a number of key land owners and detailed discussion / negotiations are underway. In addition the design team are reviewing all parcels of land to confirm the extents and types of rights required for the delivery of the works.
31. Currently there are 56 plots of land over which rights are to be acquired permanently and 81 plots where essential temporary access rights are required to construct the GAR. These are currently in a mixture of public and private sector ownership and do not include land owned by NCC that forms part of the public highway or would be dedicated as public highway following the construction of the GAR, summarised in the table 3.

**Table 3: Number of Land Parcels**

Ownership	Number of Land Parcels		
	Permanent Rights	Temporary Rights	Total
3 <sup>rd</sup> Party	26	40	66
Homes and Communities Agency	8	15	23
Gedling Borough Council	11	11	20
Nottingham City Council	0	4	4
Unknown	11	11	11
<b>TOTAL</b>	<b>56</b>	<b>81</b>	<b>137</b>

**32. HCA Land**

The enabling works agreement details the transfer of land owned by the HCA to NCC that is required to deliver the road and meet obligations under the Unilateral Undertaking, this land is shown on the enclosed plan GAR/NCCL02 and covers all the land required permanently. Negotiations are underway to include the temporary land areas in a licence agreement, if agreed then these can be removed from the CPO schedule. The transfer of land from the HCA will take place on confirmation of the CPO and the enabling works agreements includes access to land under licence to carry out works if required, subject to submission of method statements and risk assessments.

**33. Gedling Borough Council and Nottingham City Council Land**

Negotiations are underway with both authorities to acquire the necessary rights, if agreed then these can be removed from the CPO schedule.

**34. Unknown Land**

The County Council has commissioned TerraQuest to act on its behalf to research land ownership and undertake Land Referencing work. TerraQuest are making enquiries that will help to inform the County Council's understanding of the third party interests in land that will be affected by GAR including determination of ownership that is currently unknown.

**Compulsory Purchase Order**

35. The making and confirmation of the CPO will enable NCC to acquire the land and rights necessary for the construction and maintenance of the scheme and ensure the necessary improvements are made to the local highway network. The CPO will be made under sections 239, 240, 246 and 250 of the 1980 Highways Act and the Acquisition of Land Act 1981.

36. The CPO schedules, plans, statement of reasons, notice and orders are currently being drafted and validated. Following approval of the principle of compulsory purchase, it is intended that final versions of these documents will be brought to the Transport and Highways Committee meeting on 17<sup>th</sup> November 2016 for approval before the Order is made and sealed. The Committee is asked therefore to approve in principle the making of a CPO to acquire the land required to construct the GAR.

37. The attached drawings GAR-CPO/01, 02, 03, 04, 05 and 06 show the proposed GAR together with the parcels of land required permanently (within the red line boundary) and land required temporary (area between the red and the blue line boundaries).

## **Side Roads Order**

38. It is considered that a Side Roads Order (SRO) will be required as part of the delivery of the GAR to confirm the following:

- Areas of existing highway that will require stopping up (by reference to the highways map);
- Identifying which private accesses need stopping up (as noted below where a highway is stopped up the private access to that highway should also be stopped up in addition);
- Demonstrating alternative means of access being provided and planning status of such works;
- Position on classification for the proposed new highway.

39. The SRO would be made under section 14 and 125, and in accordance with Schedule 1 of the Highways Act 1980 and this can be progressed at the same time as the CPO. Drawings are currently being prepared at it is intended that the final set of documents will be brought to the meeting on 17<sup>th</sup> November 2016 for approval together with the CPO documents.

## **Other Options Considered**

40. The options considered that can be split into the alignment / route details of the GAR and finance / legal agreements.

41. There have been numerous options surrounding the alignment and route details which have been considered through the design and planning process. A collaborative approach has been taken to the project and key partners have met regularly throughout the planning process and this has been formalised into revised governance arrangements for the Gedling Housing Zone delivery.

42. Through the planning process Statutory Consultees were also contacted in the course of undertaking the Environmental Impact Assessment and as part of the pre-application process and feedback has been disseminated. Their comments and requirements have been addressed and incorporated in the EIA and planning application process. The consultation strategy for the planning application included public exhibitions in order to enable as many local people as possible to view the plans and to have an opportunity to make comments and to discuss any concerns with members of the team. The target area covered over 10,000 properties and three consultation events were held in the local area. The current proposals represent the best solution to meet the complex requirements and parameters surrounding the project.

43. The detail in each legal agreement has been through various iterations as a result of ongoing negotiations and is designed to reflect the interdependencies between the projects and meet the needs of all parties, whilst meeting all relevant financial and legal requirements. For NCC this has been done to protect the authority and minimise risk through pre-requisites that have to be met and link with key milestones to provide project assurance as the project develops.

## **Reason/s for Recommendation/s**

44. To enable a key strategic development site to be realised and unlock much needed development land. The Gedling Colliery site is identified as an area of future housing development in the Aligned Core Strategy (ACS), as it is a key strategic site on the urban edge of Nottingham and viewed as a priority for Gedling Borough Council. The site has a status of strategic location and will be allocated through part 2 Local Plans as set out in Policy 2. Policy 7 of the ACS recognises the regeneration benefits arising from the Gedling Colliery site, which offers the opportunity for the redevelopment and reuse of brownfield land to create a new sustainable neighbourhood. Policy 15 of the ACS lists the Gedling Access Road as a scheme which remains important to the delivery of the Core Strategy. The financial package assembled resolves the funding requirements for the delivery of the GAR that would unlock the full development site.
45. The delivery of GAR will also complete the long awaited bypass of Gedling village and provide strategic transport objectives in keeping with the Nottinghamshire Local Transport Plan.

## **Statutory and Policy Implications**

46. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **Finance Implications**

47. The delivery of both the GAR and Gedling Colliery development are linked as a result of the complex funding arrangements.
48. Based on current scheme estimates and review work undertaken the scheme is deliverable with sufficient funding streams to cover anticipated costs. Details of financial implications and risk were included and approved in the Finance and Property Committee meeting on 19<sup>th</sup> September 2016.
49. By utilising the procurement methods identified an opportunity is provided for the project team to engage and work collaboratively with a preferred contractor to carry out value engineering and fix a target price. If the target price is less than current estimates then it reduces the risk of costs being incurred above the current contributions. In the case of the target cost being above current scheme estimates then through the robust project governance arrangements this information would be taken to partners to seek additional contributions and a subsequent report brought to the appropriate committee to advise on the next steps required to deliver the project.
50. The Payment and Escrow Account and Deed of Agreement between NCC and GBC related to CIL payments only become active and funding eligible to be withdrawn once contracts are in place to deliver the road. Contracts to deliver GAR also require all necessary permanent and temporary access rights to land either through negotiation or via confirmation of the CPO. Before the Secretary of State can confirm any CPO required, they must first be satisfied that the scheme is fully funded.

51. Costs will be updated as target prices are agreed with Contractors that enables further validation to be undertaken to demonstrate that the scheme offers value for money and is viable.

## **RECOMMENDATION/S**

It is **RECOMMENDED** that Committee:

- 1) To seek approval in principle to compulsorily acquire land and rights required to deliver the Gedling Access Road under sections 239, 240, 246, 249 and 250 of the Highways Act 1980 and the Acquisition of Land Act 1981;
- 2) To seek approval for the progression of documents required to make a Side Roads Order under section 14 and 125, and in accordance with Schedule 1 of the Highways Act 1980;
- 3) To note the scheme update and current financial position.

**Tim Gregory**  
**Corporate Director – Place**

**For any enquiries about this report please contact: Mike Barnett 0115 977 3118**

## **Constitutional Comments (RHC/09/09/2016)**

52. The recommendations fall within the remit of the Transport and Highways Committee by virtue of their terms of reference.

## **Financial Comments (GB/08/09/2016)**

53. The financial implications are set out in paragraphs 47 to 51 in the report.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Finance and Property Committee Report dated 24<sup>th</sup> March 2014  
Gedling Access Road, Scheme Development and Funding Agreements
- Report to County Council dated 27<sup>th</sup> February 2014  
Capital Programme 2014/15 to 2017/18
- Greater Nottingham (Broxtowe Borough, Gedling Borough, Nottingham City) – Aligned Core Strategies Part 1 Local Plan – Adopted September 2014
- D2N2 Local Growth Fund – Local Assurance Framework – Available at:
- [http://www.d2n2lep.org/write/Local\\_Assurance\\_Framework\\_final\\_version.pdf](http://www.d2n2lep.org/write/Local_Assurance_Framework_final_version.pdf)
- Finance and Property Committee Report dated 19<sup>th</sup> September 2016  
Gedling Access Road, Scheme Update and Funding Agreement

## **Electoral Division(s) and Member(s) Affected**

Arnold North  
Arnold South  
Carlton East  
Carlton West  
Calverton

Councillors Pauline Allan and Michael Payne  
Councillors Roy Allan and Muriel Weisz  
Councillors Nikki Brooks and John Clarke  
Councillors Darrell Pulk and Jim Creamer  
Councillor Boyd Elliott