

HUNTINGDON WEST OF TOWN CENTRE LINK ROAD

To: Cabinet

Date: 25th January 2011

From: Acting Executive Director, Environment Services

Electoral division(s): Huntingdon

Forward Plan ref: 2011/013 **Key decision:** Yes

Purpose: To seek approval for borrowing by the County Council and the allocation of s106 contributions towards the cost of the Huntingdon West of Town Centre Link Road and to re-affirm the making of the Compulsory Purchase and Side Road Orders for the scheme.

Recommendation: Cabinet is recommended to:

- (a) approve borrowing of £2.5m towards the cost of the scheme, repayment with all accrued interest to be through received s106 contributions and land sales in Huntingdon or returned Housing Growth Fund monies under the Rolling Fund arrangement in the southern fringe of Cambridge
- (b) approve the allocation of s106 contributions to the Huntingdon West of Town Centre Link Road
- (c) re-affirm the making of the Compulsory Purchase and Side Road Orders for the Huntingdon West of Town Centre Link Road.

<i>Officer contact:</i>		<i>Member contact</i>	
Name:	Phil Crack	Name:	Councillor Roy Pegram
Post:	Head of Major Transport Infrastructure Delivery	Portfolio:	Cabinet Member for Growth and Infrastructure
Email:	Phil.Crack@cambridgeshire.gov.uk	Email:	Roy.Pegram@cambridgeshire.gov.uk
Tel:	01223 699915	Tel:	01223 699173

1. BACKGROUND

- 1.1 The proposed Huntingdon West of Town Centre Link Road (WOTC) is contained in the Huntingdon and Godmanchester Market Town Transport Strategy (MTTS) 2003-2011 and is also part of the wider Cambridgeshire Local Transport Plan.
- 1.2 The proposed Link Road between Brampton Road and Ermine Street will support the aspirations of Huntingdonshire District Council (HDC) for the regeneration of land on the western edge of the town centre as set out in the Huntingdon West Area Action Plan. The road will support an area of development bounded by Ermine Street to the north, Brampton Road to the south and the East Coast Main Line railway to the west. Key benefits will include:
- protection of a significant number of existing jobs;
 - generation of new permanent jobs;
 - provision of a significant number of construction jobs and the opportunity through these, to increase general skill levels;
 - provide additional employment/retail floor space;
 - reduction in traffic on the Inner Ring Road between George Street and Ermine Street by up to 20%;and
 - environmental improvements.
- 1.3 If the road is not delivered, these benefits will not be realised
- 1.4 Cabinet resolved to make the Compulsory Purchase and Side Road Orders for the scheme on 29 September 2009 and planning permission was granted by the HDC Development Management Panel on 19 November 2009.

2. SCHEME COST AND FUNDING

- 2.1 At the time authority for making the Compulsory Purchase and Side Road Orders was sought from Cabinet, only a preliminary estimate of land costs was available. Since the original authority was given, further work on this has been undertaken by HDC and a full estimate of land costs is now available. Combined with other costs, HDC now estimate that the total cost of the scheme will be £9,971,000.
- 2.2 The funding for the project will come from a number of sources. The current expectation of this by HDC is as follows:

Housing Growth Fund	£3,491,000
HDC Capital Contribution	£510,000
Sale of excess land	£1,000,000
Current and future S106 contributions	£4,970,000
Total	£9,971,000

- 2.3 Details of the individual elements are as follows.

Housing Growth Fund contribution - This funding is already secured from the Department of Communities and Local Government, administered by the Homes and Communities Agency. It has been allocated to this project by the Cambridgeshire Horizons Board and some has already been spent and the balance will be spent over the course of 2011/12.

HDC Capital contribution – HDC have agreed as part of their Medium Term Capital Planning process to allocate this funding towards the scheme.

Sale of excess land – It is expected that some of the land needed to construct the road scheme will be surplus to requirements when the adjacent developments come on stream. This will be able to be sold as development land and this figure is the HDC estimate of its value which will be ploughed back into the project.

Current and future s106 contributions – One element of this relates to a s106 contribution of £420,000 that came from a County Council land sale and was originally proposed for the Hinchbrook Bus Lane, which was a Market Town Transport Strategy scheme. This scheme was deferred by Cabinet on 4 November 2008 due to changes in bus routing, cost increases and because it no longer provided value for money. It is proposed that this funding should be transferred to the West of Town Centre Scheme as a high priority within the Market Town Transport Strategy. This reallocation of funds is fully supported by HDC. In addition to this, when the link road scheme is completed, it will open up land for development and s106 contributions are expected to be received from such developers. Finally, as well as the developments in the immediate vicinity of the link road, other developments will go ahead within Huntingdon and HDC propose that all Market Town transport Strategy contributions received from those other developments should be directed at the link road until the full cost of the link road scheme is secured. This is consistent with the Market Town Transport Strategy which allocated a total £9.450m (at 2002 prices) for improvements in Huntingdon for Safety, Cycling and Walking, Bus Facilities, Town Centre, Ring Road and Bypass Relief proposals.

- 2.4 Of the above total, £4,421,000 is currently secured, leaving a sum of £5,550,000 still to be received. HDC and County officers are confident that these sums can be secured from developers and land sales as described above although there will be a time lag between spending on the road and the contributions being received.
- 2.5 For this reason, borrowing will be required to bridge the gap of £5,550,000. Cabinet is therefore asked for approval for the County Council to borrow £2.5m of this gap funding. HDC Cabinet has already agreed to borrow the balance of this gap funding.
- 2.5 This borrowing plus accrued interest will be repaid when the sale of the surplus land is completed and s106 contributions are secured. Should for any reason, these sources not provide for the full repayment, then the HDC and County Council borrowing will be repaid with accrued interest from returning HGF funding in the Southern Fringe of Cambridge under the rolling fund arrangement.
- 2.6 Given the above and to allow the next stages of the scheme to proceed, Cabinet is therefore asked to approve Borrowing of £2.5m towards the cost of the scheme. Cabinet is also asked to approve the allocation of existing and future S106 contributions from the Market Town Transport Strategy to the Link Road as described in paragraph 2.3 above.
- 2.7 Cabinet is also asked to re-affirm the making of the Compulsory Purchase and Side Roads Orders for the Link Road given the proposed funding package outlined in this report.

3. SIGNIFICANT IMPLICATIONS

- 3.1 The following bullet points set out details of significant implications identified by officers:

Resources and Performance

- 3.2 Seeking allocation of such a large amount of current and future s106 contributions will limit other schemes that can come forward in Huntingdon with developer funding. However, the link road scheme is so important for the regeneration of Huntingdon and job creation that members are advised that this is an appropriate course of action and is one fully supported by HDC.

Statutory Requirements and Partnership Working

- 3.3 Although the scheme is being promoted by HDC, the County Council is working very closely in partnership to take it forward. If the scheme is not delivered it will adversely affect objectives held by both HDC and the County Council.

Climate Change

- 3.4 There is the potential that as a road scheme, this could lead to an increase in the emission of exhaust gases that impact on climate change. This, however, needs to be balanced against the local regeneration benefits of the scheme and it also allows development to take place in the town centre, which is an inherently more sustainable location than out of town. Reducing congestion on the ring road will also reduce emissions.

Access and Inclusion

- 3.5 There are no significant implications arising from this report.

Engagement and Consultation

- 3.6 There are no significant implications arising from this report.

Source Documents	Location
HDC scheme costings HDC proposed scheme funding HDC Cabinet report – December 2010	Castle Court, 2 nd floor, A Wing