

Report of Director of City Development

Report to Housing & Regeneration Scrutiny Board

Date: 11th November 2014

Subject: East Leeds Orbital Road

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Crossgates & Whinmoor Harewood		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix number:		

Summary of main issues

1. At its meeting of 25th February 2014, Scrutiny Board received a report on the East Leeds Orbital Road (ELOR) and following discussion requested a further update to include the following :
 - a. The current detailed ELOR timetable/programme being progressed;
 - b. Any potential time saving that can be foreseen in current programme;
 - c. Evidence of the formal decision taken and recorded in relation to the extension of the original contract with Highways & Transportations strategic partner consultant Mouchel.
2. This report presents the requested information.

Recommendations

3. Scrutiny Board is asked to note the report and consider the responses to its previous queries.

1 Purpose of this report

- 1.1 This report provides an update in response to queries raised by Scrutiny Board on the East Leeds Orbital Road at its meeting on 25th February 2014.

2 Background information

- 2.1 Previous reports to meetings of the 7th of January and 25th February 2014 of the Board set out the background and current position in respect of the East Leeds Extension and the work to bring forward the East Leeds Orbital Road (ELOR).
- 2.2 The East Leeds Extension is a major allocation of housing land where significant new road infrastructure in the form of ELOR is required to support development coming forward.
- 2.3 From the meeting of the 25th of February 2014 Members requested;
- a. The current detailed ELOR timetable/programme being progressed;
 - b. Any potential time saving that can be foreseen in current programme;
 - c. Evidence of the formal decision taken and recorded in relation to the extension of the original contract with Highways & Transportations strategic partner consultant Mouchel.
- 2.4 These queries are addressed through the report and Appendix A & B.

3 Main issues

- 3.1 The East Leeds Orbital Road (ELOR) is a major piece of investment in infrastructure for the city region. It will be a critical enabling scheme supporting the release of housing land in the East Leeds Extension (ELE) and for the improvement of both local and strategic travel and transport in the wider East Leeds area.
- 3.2 Land in the ELE is currently in a range of ownerships and it is likely that proposals for housing development will come forward at different times across the area. In bringing forward a scheme for the delivery of ELOR there will be complex issues relating to these land ownerships, the phasing and viability of housing developments and the expectations of land owners.
- 3.3 ELOR is presently ranked as a regional priority for strategic transport investment by the newly formed West Yorkshire Combined Authority. Consequently the West Yorkshire Plus Transport Fund (WYTF) has made a share of monies available to the Council to progress the submission of a strategic business case for the continued development of the proposed ELOR project.

- 3.4 The West Yorkshire Combined Authority has established a formal process for managing the Transport Fund programme to progress stepped financing of individual projects. Submission of the business case is a programme requirement of what is termed "Gateway One Review", the first step in committing to the scheme.
- 3.5 Subsequent release of future monies from the Transport Fund is determined by a Joint Member Portfolio Board of the six participating authorities. The process of recommendation to the Board to draw down resource is based on peer reviewed evidence that a project has successfully demonstrated the requirements of a given gateway stage.
- 3.6 The East Leeds Orbital Road requires considerable funding to meet its currently estimated cost. A portion of this may be latterly recoverable through contributions from developers of housing in the East Leeds Extension, or paid for and directly delivered in advance as is anticipated where it will pass through Thorpe Park, however timely delivery of the project as a whole requires significant and immediate up-front funding. In the absence of any private sector capital advance, the scheme is at present being actively progressed as a WYTF project by the Combined Authority and the Council.
- 3.7 The Council made an initial financial commitment of £150,000 in January 2013, to fund a pre-design preliminary feasibility study into the strategic scope of ELOR. The Council's long term strategic partner for Highways & Transportation, Mouchel, was commissioned to undertake the study, which was completed in September and reported to Executive Board in October 2013.
- 3.8 The original £150,000 was subsequently back-funded into the Council through the successful application to the Combined Authority for a total of £1.3m to be drawn down in stages, initially for project development to progress ELOR to Gateway One submission.
- 3.9 Ongoing progress toward Gateway One is currently on programme for a January 2015 review submission.
- 3.10 The present programme for the ELOR is attached to this report. The ongoing programme assumes that the Council, together with the Combined Authority, will continue to lead development of the road scheme.
- 3.11 The stage currently being progressed, in line with the Combined Authority's Gateway One development approval, forms the strategic business case and the expected justification for advancement of the East Leeds Orbital Road. The outcome of findings demonstrated in the business case will determine if further funding to the Council from the Transport Fund for continued development of the project will be approved and forthcoming.

- 3.12 Should the Gateway One Review be successful and the Council and Combined Authority continue to lead on progressing ELOR the current programme (see attached Appendix A) would result in the road opening in November 2020:
- Gateway One (Development Approval) submission – January 2015
 - Gateway Two (Procurement Approval) submission – June 2017
 - Gateway Three (Implementation Approval) submission – November 2017
- 3.13 The stages required in advance of a successful Gateway Two Review include securing detailed planning approval, any subsequent Public Inquiry and any required Compulsory Purchase Order procedures. These three significant statutory processes distinctly reduce the opportunity of any significant time savings during the period from January 2015 until June 2017.
- 3.14 The land required for the delivery of the road cannot be confirmed until its alignment is fixed. Discussions have been held with all landowners in the East Leeds Extension about the intention to progress the ELOR project; there is an appreciation from owners of the allocated housing land in the area and a broad understanding of the need for ELOR to support its release and development.
- 3.15 There is understandable concern amongst these owners that the implications of the road project and housing plans need to be fully understood before their position in committing or selling land for the road can be confirmed. Much of the land is either owned or under option to major development interests, where the concerns relate predominately to the appropriate apportionment and equalisation of costs and values in bringing the road forward and how the ELOR alignment – and its land-take – will impact on the scope and viability of development.
- 3.16 Some of the land owners are however owner-occupiers and whilst sharing an interest to ultimately secure the same fair land value in the development of both the road infrastructure and the housing, achieving certainty about the future of their homes will also be a central concern.
- 3.17 The potential requirement for compulsory purchase in facilitating the ELOR project has been noted by Executive Board, though there is no current resolution to use such powers. This will need to be revisited once the ELOR alignment is further designed in outline and consulted upon and will be subject to the ability of all parties to agree a mechanism through which infrastructure costs and uplifts in land value can be appropriately distributed amongst all land owners in the East Leeds Extension, to the extent that the necessary land can be acquired or dedicated by negotiation. This fair apportionment of value will also need to include those landowners that may own land on which only the road and no (or limited) housing can be delivered.
- 3.18 These land discussions will need to be resolved prior to Gateway 2 approval and it is therefore prudent to allow for potential compulsory procedures in the programme as the slowest route through which land could be secured.

- 3.19 Any possible opportunity to bring forward the current programmed opening date of 2020 could therefore be most readily achieved after Public Inquiry in 2017. There would be potential time efficiencies through the construction procurement strategy, which would be considered in detail as part of the Gateway Two process.
- 3.20 The current programme affords three years for construction of the road and junctions. In contrast to the statutory processes highlighted above, early informal discussions with Contractors indicate it is likely that some potential efficiency during this as yet indicative construction phase may be forthcoming.
- 3.21 Informal dialogue with contractors has suggested that albeit constructed as one expansive contract, component parts of the proposed road should be considered as discrete individual links and junctions. The links are comparatively self-contained and should ground and access conditions permit, prompt construction progress could potentially be maximised by the distinct nature of each individual section of ELOR. Though this approach would need to be balanced in detail with any possible methodology cost based increase, it would offer some potential time benefits.
- 3.22 In addition the possibility exists to construct junctions concurrent with progressing individual links. It is feasible that, given the overall length of ELOR, two junctions could be progressed simultaneously, potentially shortening the current programmed construction phase offering a significant time saving on the planned opening date of late 2020.
- 3.23 To optimise the effectiveness of the East Leeds Orbital Road and improve the wider free flowing capacity of the A6120 ring road also requires significant improvements to existing junctions at A61/A6120, King La/A6120 and King Lane/Stonegate Rd roundabout.
- 3.24 Likewise the junction of A6120 Ring Road and Roundhay Park Lane requires similar improvement.
- 3.25 Should phasing of funds be available from the Combined Authority works in relation to these junctions in advance and in accommodation of the wider East Leeds Orbital Route these junction improvements can be progressed prior to the construction of ELOR, potentially as early as 2015/16.
- 3.26 The Council entered into its second successive strategic partnership contract with Mouchel in September 2008. The contract has now been extended until September 2015. A copy of the Delegated Decision Notice and accompanying report are attached as Appendix B.
- 3.27 With regard to the East Leeds Orbital Road Mouchel are specifically and only commissioned to undertake work in forming the strategic business case and submission of Gateway One documents.

- 3.28 On a successful outcome of Gateway One review by the Combined Authority in early 2015, consideration will then be given to the continued employment of Mouchel in relation to ELOR and in view of the partnership contract expiration date of September 2015. The Combined Authority as director and administrator of the Transport Fund could potentially offer an alternative technical supplier to deliver on the next stage of ELOR. In essence a consultant could be appointed directly by the Combined Authority under their own framework and direction, in conjunction with the Council.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The East Leeds Regeneration Board continues to hold discussions relating to the matters addressed in this report. The Board has Member representatives from each of the East Leeds wards, each of the Council's political groups, the MPs for Leeds East and Elmet & Rothwell, as well as representatives from the HCA and the Combined Authority.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are no specific EDCI implications arising from this report, as it responds to queries raised by Board Members.

4.3 Council Policies and City Priorities

- 4.3.1 The ELE and ELOR are included within the allocations and policies of the Unitary Development Plan. The ELE will be retained as a housing allocation in the Local Development Framework.
- 4.3.2 The delivery of this housing and the related infrastructure relate very strongly to the Vision for Leeds to 2030, which states that the city will be prosperous and sustainable, with a strong local economy driving sustainable economic growth and sufficient housing to meet the needs of the community.
- 4.3.3 The Leeds City Council Business Plan to 2015 includes the aspiration to provide clear, accountable civic leadership that unites public, private and third sector partners to deliver better outcomes for people in Leeds. This report sets out further details on how the Council can play this role in relation to delivery of the ELE.
- 4.3.4 The Business Plan also has specific priorities for City Development to create the environment for partnership working, to identify strategies to support the delivery of new housing and to create a safe and efficient transport network, all of which would be progressed through the ELE/ELOR. The approaches set out in this report will also assist in delivering the Council's Child Friendly City aspirations by enabling a co-ordinated approach to the provision of new homes, open spaces, schools, transport and traffic to ensure the needs of children and young people are considered in the very early stages of planning.

4.4 Resources and Value for Money

- 4.4.1 There are no specific resource implications related to this report, which presents information for discussion by the Scrutiny Board.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no specific legal implications related to this report, which presents information for discussion by the Scrutiny Board.

4.6 Risk Management

- 4.6.1 There are no specific risks related to this report.

5 Conclusions

- 5.1 The report presents a response to three specific queries raised by Scrutiny Board members at the meeting of 25th February 2014.
- 5.2 The potential to speed up the programme for delivery of ELOR has been considered in the context of the current finance available from the Combined Authority to undertake the work, and the requirement to obtain future resources in line with the formal Gateway Review process of the Transport Fund.
- 5.3 Successful progression through the Combined Authority Gateway One review will provide an opportunity to the Combined Authority and Council to appraise any potential advantages of an alternative method of procuring technical services to progress through subsequent Gateway stages.
- 5.4 Should the Combined Authority and Council continue to lead on development of ELOR the likelihood of securing time savings on the programme between Gateway One and June 2017 is highly unlikely. This programmed period containing the statutory processes and Gateway Two submission required offers little in the way of realistically accelerating progress during this phase.
- 5.5 Dependent upon in-depth investigation and emerging procurement strategy during the detailed process of Gateway Two submission it is conceivable that some savings could be made on the current indicative construction programme.
- 5.6 However currently the present programme remains on track for construction of ELOR to commence after completion of statutory process and by 2018.

Recommendations

- 5.1 Scrutiny Board is asked to note the report and consider the responses to its previous queries.

6 Background documents¹

6.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.