

North Yorkshire County Council**Transport Economy and Environment Overview and Scrutiny Committee****26 October 2016****Highways Major Schemes List Review****Report of the Corporate Director – Business and Environmental Services****1.0 Purpose of report**

- 1.1 To update members on the process and progress of the major highway schemes review.

2.0 Background

- 2.1 For the purpose of this report and current on-going work, a major scheme is defined as a highways scheme costing in excess of £5million. This typically includes highway infrastructure such as bypasses, relief roads and larger bridges.
- 2.2 The County Council has produced a Strategic Transport Prospectus. The prospectus sets out how the County Council would like to work with the government, Transport for the North and the Northern City Regions to ensure that improved transport connections allow North Yorkshire, as England's largest county to both contribute to and share in the economic benefits of The Northern Powerhouse. The document identifies the key strategic transport priorities of the County Council, including the following schemes
- Realignment of the A59 at Kex Gill
 - Harrogate Relief Road
 - Improvements to the A64 between York and Scarborough (Highways England led)
- 2.3 Development work on these schemes is currently on going which will take the proposals through to the Department for Transport's Outline Business Case stage, allowing the County Council to bid for funding as and when it becomes available.

3.0 Historic Major Scheme Proposals

- 3.1 In addition to the major schemes outlined above, the County Council has, over the past 40 years, developed basic proposals for a wide range of major schemes. These are invariably local bypasses or diversion routes around communities. Many of these proposals have strong local support from impacted communities and as such may have local political support.

- 3.2 In addition to the proposals developed by the County Council, the major schemes list contains proposals developed by Highways England, the former Highways Agency, on roads that have since been de trunked (A65, A19)
- 3.3 In total there are 23 scheme proposals on the major schemes list. Appendix A provides a list of all 23 schemes.
- 3.4 The details of the proposals are in the main very basic. In most cases they amount to a cost estimate, supplemented by a line on a plan showing the possible route for the scheme. Many of the proposals have a preferred route formally adopted by the County Council. In these instances the County Council is obliged to declare their existence for any property and land searches.
- 3.5 There is the potential for blight on any properties which are close to or on any preferred routes of a potential scheme. If the property is directly affected there is the potential for statutory blight. This poses a financial risk to the County Council, as claims could be received from property owners for loss of value of purchase or ultimately the County Council may need to purchase the property.

4.0 Major Scheme Funding

- 4.1 There has been a significant change over the past 5 years as to how major transport schemes are funded. Previously Department for Transport (DfT) directly administered funding for these schemes, with business cases and bids being submitted by the relevant highway authority directly to DfT for approval with awards for funding managed by the DfT
- 4.2 Major transport scheme funding is now managed and administered by Local Enterprise Partnerships as part of Local Growth Deal funding. Highway Authorities, submit bids for funding to the Local Enterprise Partnership (LEP) as part of the Local Growth Deal. Transport schemes are assessed and prioritised by the LEP against other Local Growth Fund (LGF) capital schemes, such as skills capital and housing. Schemes are prioritised and assessed based on how they contribute to the overall objectives of the LEP, as set out in its Strategic Economic Plan.
- 4.3 As such there is no guarantee that transport schemes will receive funding from the LEP. Additionally given the size and value of some of these transport projects, it is likely that one transport project could potentially consume all of the available LGF allocation, as such major schemes that have been funded through LEPs across the country are between £5million to £20million in value, meaning that larger schemes are often not considered for funding through LEPs.
- 4.4 DfT has recognised that there is therefore a need for a source for highway authorities to fund larger major schemes. As such it has established the "local majors fund". This is for schemes that cost over a predetermined value based on population of the LEP area. For York, North Yorkshire & East Riding LEP this is £37million. Funding is available for scheme development

costs (production of an outline business case) and/ or for funding scheme delivery and construction.

4.5 Nationally, the total value of the Local Majors Fund is currently in the region of £475million, through to 2019. The fact that almost every highway authority across the Country has submitted an application for either business case development or delivery funding, clearly illustrates the competitive nature of major schemes funding.

4.6 The County Council has submitted a bid to the local majors fund via the YNYER LEP for funding for the development of a business case for Harrogate Relief Road. We expect to find out if we have been successful in this application, as part of the Autumn Statement in November.

5.0 Why we need to review historic major scheme proposals

5.1 There is a need to review and reassess all historic major schemes to ensure that the County Council's exposure to potential blight issues is reduced. This will help to reduce risk of additional financial burden upon the County Council for potential blight issues on proposals that have minimal or no realistic chance of being implemented in the foreseeable future.

5.2 Historically major scheme proposals were developed to address one or more specific highway issues, such as highway safety, local disruption, or environmental impacts. There has however been a significant change in emphasis on what major schemes should deliver, with schemes now very much having to make a substantial contribution to promoting and sustaining economic growth.

5.3 As a result of this there is a need to ensure that proposed major schemes demonstrate a significant economic benefit in terms of;

- supporting new housing and employment growth (linked to local plan development across the County),
- improving connectivity between major economic centres,
- providing improved cross boundary links
- contributing towards delivery of the LEP's Strategic Economic Plan.

5.4 Given the level of competition for local majors funding, it is important that the County Council utilises resources on major scheme proposals that have a realistic potential for funding.

6.0 Major Schemes List Review – Initial Officer Assessment

6.1 Officers have carried out a review of the historic major schemes list. This involved carrying out a review to identify which proposals meet SEP objectives and the overall contribution to economic growth.

6.2 The review process includes carrying out an outline value for money assessment of each scheme, alongside an assessment against 3 key strategic criteria.

- Does the scheme provide significant benefits to more than one district council area (including cross boundary links)

- Does the scheme allow delivery of significant new large new business and /or housing (1500+ properties) developments?
- Does the scheme provide a direct benefit to 10% or more of the population of North Yorkshire (e.g. Harrogate/Scarborough)

6.3 Meeting any one of these 3 criteria will provide a good initial indication of the scheme's likelihood of being competitive in the wider major schemes funding environment.

6.4 It is proposed that those schemes that provide a good value for money assessment and also meet one or more of the key strategic criteria will be retained and may be taken forward to a further development stage, where more detailed planning and investigation may take place (subject to available development funding).

6.5 Two options exist for those schemes which do not have a good value for money and do not meet the above criteria. These are as follows:-

- Remove the proposal completely from the major schemes reserve list
- Retain the scheme on a low priority reserve list

6.6 The approach outlined will make the reserve list of schemes easier to manage and allow us to focus resources on schemes that have a realistic opportunity for funding.

7.0 Major Schemes List Review – Member and Partner Input

7.1 Following on from the initial officer based assessment, local Members have been invited to comment on the proposals within their area. This process involves reviewing the results of the officer assessment and helping to determine if low priority schemes that do not meet the criteria in section 2 should be removed or should remain on the low priority reserve list.

7.2 At this point in time Member engagement has not been fully completed, with meetings still required with several Members.

7.3 Alongside Member engagement, local planning authorities have been asked to provide informal feedback on the proposals within their area. This helps to ensure that links to local plans and other local economic development opportunities are fully considered. This process is on-going.

8.0 Next Steps

8.1 It is proposed to update BES Executive Members on the outputs of the review in early 2017. This would include a summary of the results, details of any local Member and planning authority comments to date together with a list of those schemes recommended to be taken forward for potential further development and those schemes that were not deemed suitable at this stage.

8.2 Once discussions with local Members and Planning Authorities have been completed, a final decision will be made by the County Council Executive, which would confirm the categorisation of each scheme on the major schemes reserve list (development, low priority reserve list or removed).

It is currently envisaged that a final decision will be made in the second half of 2017.

9.0 Financial Implications

9.1 No significant financial implications have been identified as a result of the recommendations of this report. There will be financial implications should any schemes be recommended for further investigation or development.

10.0 Equalities Implications

10.1 No significant equalities implications have been identified as a result of the recommendations of this report. Further consideration will be given to whether an Equalities Impact Assessment is considered appropriate prior to any schemes being removed from the list.

11.0 Legal Implications

11.1 No significant legal implications have been identified as a result of the recommendations of this report. Removal of any of the proposed schemes, would remove statutory and non- statutory blight from impacted properties on or close to the route proposals. Aside from this there are no other identified legal implications at this stage in the process. Members will be updated in future reports outlining what schemes will be taken forward for development together with any related legal implications.

12.0 Recommendation

12.1 That members note the update on the major schemes review process.

DAVID BOWE
Corporate Director – Business and Environmental Services

Author of Report: James Gilroy

Background Documents:

Current list of historic major schemes proposals included within the major schemes list review process.

ID	Scheme
1	A19 Shipton by Beningbrough Bypass;
2	A167 Northallerton Bypass (Eastern);
3	A63 Hambleton Bypass;
4	A661 Spofforth Bypass;
5	A167 Northallerton Bypass (Western and Southern)
6	A684 Ainderby/Morton Bypass;
7	B1248 Malton and Norton Southern Bypass;
8	A171 Burniston/Cloughton Bypass;
9	A6108 Skeeby Bypass;
10	A170 Pickering, Middleton, Aislaby Bypass;
11	A63 Monk Fryston Bypass;
12	A19 Burn Bypass;
13	A61 Wormald Green Diversion;
14	A170 Sutton-under-Whitstonecliffe Bypass;
15	A167 Great Smeaton Bypass;
16	A684 West Witton Bypass;
17	A61 Carlton Miniott Bypass;
18	A1039 Muston Bypass;
19	A174 Hinderwell Bypass;
20	Kildwick Level Crossing Diversion;
21	A65 Gargrave Bypass;
22	A65 Long Preston Bypass;
23	A65 Village Bypass Schemes (2001 assessment)