



**CABINET**

**14 JUNE 2016**

**CORPORATE DIRECTOR FOR PLACE COMMISSIONING:  
TONY CIABURRO**

**CHIEF FINANCE OFFICER: MATT BOWMER**

**DEPUTY LEADER AND CABINET MEMBER WITH RESPONSIBILITY FOR PUBLIC  
PROTECTION: COUNCILLOR ANDRE GONZALEZ DE SAVAGE**

**CABINET MEMBER WITH RESPONSIBILITY FOR FINANCE: COUNCILLOR ROBIN  
BROWN**

<b>Subject:</b>	A43 Northampton – Kettering Improvements
<b>Recommendations:</b>	<p>That Cabinet:</p> <ol style="list-style-type: none"><li>1. Welcomes the successful completion of Phase 1a of the A43 Northampton – Kettering Improvements.</li><li>2. Agrees the revised phasing for the improvements outlined in section 6 of this report and seeks support from Northamptonshire Enterprise Partnership for this approach</li><li>3. Delegates authority to the Corporate Director for Place Commissioning in consultation with the Cabinet Member for Strategic Infrastructure, Economic Growth and Public Protection, to commence a Compulsory Purchase Order, if required, to acquire the remaining land necessary for the construction of Phase 2, as outlined in section 6 of this report.</li><li>4. Delegates authority to the Corporate Director for Place Commissioning in consultation with the Cabinet Member for Strategic Infrastructure, Economic Growth and Public Protection to appoint contractors to complete design of and construct the new Phases 1b and 2, as outlined in section 7 of this report.</li><li>5. Agrees that the council carry out a consultation into the proposed Phase 3 scheme, with the expectation that a report approving the next steps in delivering that scheme is brought to Cabinet later this year.</li><li>6. Notes the financial implications outlined in section 11 of this report for the delivery of phases 1b and 2.</li><li>7. Agrees that the County Council seeks support from the Local Enterprise Partnerships and Daventry District Council for a funding package to enable the delivery of Phase 3 of the A43 Improvements.</li></ol>

## 1. Purpose of Report

- 1.1 The purpose of this report is to provide an update on the delivery of the A43 Northampton – Kettering Improvements and to agree a revised phasing programme which will allow early delivery of sections of the road despite delays to some sections caused by extended land purchase negotiations. The delivery of this road is essential for the long-term growth of the county as part of the wider strategy for dualling the whole A43 between Northampton and the A14. It will also stimulate private sector investment, business growth and new jobs. The scheme supports proposals in the adopted West Northamptonshire Core Spatial Strategy for a Sustainable Urban Extension of 3,500 homes and related development to the North of Northampton as well as other development proposals in Northampton, Kettering and Corby. Importantly, it puts new highway infrastructure in place in advance of major housing and commercial growth.
- 1.2 The scheme is being progressed through the Northamptonshire Revolving Infrastructure Fund (NRIF) approach. This innovative approach, already used for the A45 Daventry Development Link, once again demonstrates how Northamptonshire, and the County Council, is taking a direct, pro-active lead to deliver economic prosperity and attract private sector investment, new homes and jobs through infrastructure-led growth.
- 1.3 Without the NRIF approach, and the County Council's leadership, it would not be possible to deliver the A43 improvements, and the resultant homes, private sector investment and new jobs to the north of Northampton.

## 2. How this decision contributes to the Council Plan

The Council's vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county's communities and/or safeguarding the county's communities.

This initiative specifically delivers increased wellbeing by:
<ul style="list-style-type: none"><li>• Contributing to creating safer communities</li><li>• Contributing to creating healthy communities</li><li>• Contributing to creating prosperous communities</li><li>• Getting people involved.</li></ul>
And Through:
<ul style="list-style-type: none"><li>• Ambitious Partnerships</li><li>• Use of the Asset Utilisation Strategy</li><li>• Commissioning and Market Developments</li></ul>






## 3. Background

- 3.1 Improvements to the A43 between Northampton and Kettering are a high priority scheme for the County Council, featuring in the Northamptonshire Arc and the Northamptonshire Transportation Plan. The total length of the full scheme is approximately 9.45 miles (15.13 km) of dual carriageway construction. However the scheme has been split into a number of phases in order to tackle initial congestion hotspots and in accordance with the funding available.

3.2 The initial improvements are closely linked to delivery of the Northampton North Sustainable Urban Extension which is identified in the West Northamptonshire Joint Core Strategy as delivering 3,500 houses and associated employment. The site is split into two areas. The southern site, known as Overstone Leys, will deliver 2,000 houses and obtained outline planning permission (and detailed permission for an initial phase of 200 houses) in August 2015. The north site, known as Roundhill, will deliver a further 1,500 houses and is expected to submit a planning application later this year.

3.3 The following phases have been proposed to date:

- Phase 1a – Improvements to the Round Spinney roundabout were delivered in 2014/5 using £2.055m from the Government's Local Pinch Point Fund, with the remaining costs for the £3.425m scheme secured through developer contributions from the Overstone Leys development.
- Phase 1b – A new 1.56km dual carriageway linking the Round Spinney roundabout with a slightly relocated Moulton roundabout, and tying back in to the existing single carriageway A43 to the north of that point. This scheme also includes a re-aligned road between Moulton and Overstone.
- Phase 2 – The extension of dualling for a further 2.6km from the Moulton roundabout to the Holcot Lane roundabout. £5.5m of Growth Deal funding has been secured towards the A43 Phase 2 scheme and it is expected that scheme will be delivered through the Northamptonshire Revolving Infrastructure Fund, with discussions ongoing with the developer of Roundhill regarding contributions to the scheme.

3.4 Further phases will extend the dualling from the Holcot Lane roundabout through to the A14 at Kettering.

#### **4. A43 Phase 1b – Round Spinney to Moulton**

4.1 Around 20,000 vehicles use the A43 each day and significant traffic congestion occurs along the route. Congestion is particularly acute during the morning peak hour period for traffic heading south towards Northampton. The journey from the Holcot Lane roundabout southbound to the Round Spinney roundabout in particular experiences significant congestion

4.2 In June 2014, Cabinet approved an amended route for Phase 1b and the appointment of Balfour Beatty Civil Engineering Ltd as contractors to further develop the design and construct the scheme. Since that time a considerable amount of further work has been undertaken to progress the scheme. The design for the scheme has been progressed and planning permission for the scheme was granted by the County Council's Development Control Committee on 4<sup>th</sup> August 2015.

4.3 Negotiations with landowners have reached the stage where agreement in principle has been reached to purchase most of the land required. However, negotiations with two landowners have not progressed, and it has been necessary to commence work on a Compulsory Purchase Order to acquire the necessary land. Should this order be contested, the need for a public inquiry will delay a construction start to at least May 2017.

## **5. A43 Phase 2 – Moulton to Holcot/Sywell**

- 5.1 Initial design work on this further dualling scheme has been progressing with the intention that construction would start in 2017/18. Because the scheme is largely an on-line dualling of an existing single carriageway road, fewer statutory powers are required to enable construction to take place. Agreement in principle has been reached with the developers at Overstone Leys and Roundhill to provide most of the land required for the scheme.
- 5.2 In order to preserve the function of the A43 as a strategic inter-urban link, discussions have been ongoing with the developers at Overstone Leys and Roundhill to agree a location for a single new roundabout (referred to hereafter as the Overstone Grange roundabout) on this section to serve their two developments. Agreement has now been reached with both developers to locate the roundabout at the location permitted by the outline planning permission for the Overstone Leys development. The two developers are keen that this roundabout is built as soon as possible. It is also intended that this roundabout, will in future, provide the junction with the proposed Northampton Northern Orbital Route on which consultation has recently been undertaken, and on which a report will be brought to Cabinet later this year.
- 5.3 The existing Holcot Lane roundabout is too small to accommodate a dual carriageway, and will require enlargement as part of the scheme. Because of the presence of properties on the western (Holcot) arm, it will be necessary to acquire some land to the east of the existing A43 to enable the roundabout to be rebuilt. It is understood that this land is under the control of the Roundhill developers.

## **6. Proposed alternative approach**

- 6.1 Until all the necessary land is secured, it is not possible to progress the Phase 1b scheme between the Round Spinney and Moulton roundabouts. Equally, it will be difficult to secure firm financial commitments from the developer of Roundhill towards the Phase 2 scheme until such time as they have secured planning permission for their development.
- 6.2 However, there are no obvious constraints to constructing the new link between Moulton and Overstone, and the associated new roundabout north of Moulton which formed part of the Phase 1b, or with undertaking the Phase 2 dualling from that roundabout as far as a new Overstone Grange roundabout.
- 6.3 Since making a start on the improvements is a high priority, and significant funding has already been secured, some of which is time-constrained, it is proposed to re-phase the improvements as follows:
- The revised Phase 1b – would only consist of the proposed dualling between the Round Spinney and relocated Moulton roundabouts, but not of any work at either of those points.
  - Phase 2 – would comprise construction of the new Moulton and Overstone Grange roundabouts, and dualling of the A43 between those two points; together with the new link between Moulton and Overstone.
  - Phase 3 would consist of the extension of the dualling from the Overstone Grange roundabout to the Holcot Lane roundabout.

6.4 This revised phasing is shown in Appendix 1.

6.5 Because the focus to date has been on progressing the existing Phase 1b, there is some work to be done before construction of Phase 2, as identified above, is progressed, including completion of land purchase negotiations and formulation of a business case. Cabinet has already agreed delegated authority for a Compulsory Purchase Order for the existing Phase 1b scheme in June 2014. This report therefore seeks such powers for the remaining parts of the new Phase 2, so that they exist for both the new Phase 1b and Phase 2. However, it is expected that land negotiations for Phase 2 will be satisfactorily concluded in order to enable a start of construction works before the end of 2016. The financial implications for the revised Phase 1b and Phase 2 are set out in section 13 of this report. Support from Northamptonshire Enterprise Partnership (NEP) will also be needed to enable this approach as the responsible LEP for the Northamptonshire Local Growth Deal and associated Local Growth Fund which is contributing to the delivery of the scheme.

6.6 It is expected that construction of the revised Phase 1b would start as soon as possible after the Compulsory Purchase powers are secured. Should a public inquiry be required, it is expected that this would be no earlier than May 2017.

6.7 Because of the need to acquire third-party land, it is proposed that a public consultation is held into the Phase 3 scheme, including the proposed relocation of the Holcot Lane roundabout, in expectation of a report to agree a preferred route for the new roundabout brought to Cabinet later this year. At that stage, Cabinet would be asked to agree any necessary Compulsory Purchase powers for Phase 3. Progress of Phase 3 to construction will be dependent on the granting of (outline) planning permission for the Roundhill development by Daventry District Council and the satisfactory conclusion of funding and land purchase/highway dedication for the road.

## **7. Procurement**

7.1 Cabinet agreed in June 2014 the appointment of Balfour Beatty Civil Engineering Ltd, through the Midlands Highways Alliance framework, to develop the design and construct the original Phase 1b scheme. In consultation with LGSS Procurement, consideration is currently being given to the best way forward, within the appropriate procurement rules, to appoint contractors to the proposed new phases 1b and 2; in particular, whether Balfour Beatty's existing appointment can transfer to one or both of these phases, or whether it is necessary to run new tender competition(s). Because the need for a further report to Cabinet could delay the start of the scheme, approval is sought for delegated authority to the Corporate Director for Place Commissioning to award any new or revised contracts in consultation with the Cabinet Member for Strategic Infrastructure, Economic Growth and Public Protection

## **8. Consultation and Scrutiny**

8.1 Extensive public consultation has been undertaken as part of the development of the A43 Phase 1b scheme and the associated planning application. The planning permission for the Phase 1b included all the works included in the new Phase 2, and consequently no further consultation is necessary for that scheme.

8.2 However, the proposed Phase 3 includes works that have not been the subject of recent public consultation, and it is therefore recommended that a public consultation is carried out as the next step forward in delivering that element of the wider A43 scheme.

## **9. Equality Screening**

An Equalities Impact Assessment has been completed and does not at present identify any potential positive or negative implications. The Assessment can be found here: <http://www.northamptonshire.gov.uk/en/councilservices/Council/equalities/Pages/egceia.aspx>

## **10. Alternative Options Considered**

10.1 Various alternative options were considered at earlier stages of scheme development. Details of these were reported to Cabinet in June 2014.

## **11. Financial Implications**

11.1 The A43 Phases 1b, 2 and 3 (as proposed) have previously been estimated at a total cost of £38m. The level of detailed work undertaken in relation to these costings vary between Phases 1b & 2, with work on Phase 1b being much further progressed to a detailed level.

11.2 Funding secured to date for the scheme comprises of:

- £8.9m original Phase 1b plus £5.5m for original Phase 2 from the Local Growth Fund – a total of £14.4m
- A contribution from the developer via a S106 agreement. It has been calculated that £6.9m is available for Phase 1b.

11.3 Due to the new organisation of the scheme stages and in line with the original plans it is considered appropriate to use these funding contributions towards new Phases 1b & 2, with no allocation towards the new Phase 3.

11.4 The costs for new Phases 1b & 2 are estimated at £26m. With the secured funding above of £21.3m this leaves an initial funding gap of £4.7m, plus the cost of borrowing. This equates to approx 80% of the funding for this part of the scheme already secured.

11.5 Potential sources of financing and areas to be explored for closing the potential £6.7m gap, (including the £2m estimated borrowing costs,) and creating the funding bridge for new Phases 1b and 2 include:

- Further work on costs and value engineering of the scheme to reduce the current forecast cost. If a 5% reduction was achieved this would contribute approx. £1.5m
- New Homes Bonus (NHB) received in relation to the 2,000 homes with outline planning permission at Overstone Leys. Based on proposals in the NHB consultation document it is expected that this development could create NHB revenues in the order of £8m. However, the County Council is only the recipient of 20% (£1.6m) of this funding with the remaining 80% or £6.4m going directly to the local planning authority (Daventry District Council - DDC). Agreement would therefore be needed with DDC

to prioritise this scheme and allocate part of their development related incomes towards it.

- Business Rates uplift/increases due to business expansion . Again only 20% of this is received directly by NCC
- Further government funding direct or through the LEP.

11.6 The costs for Phase 3 of the scheme, including dual carriageway and roundabout improvements/expansion at Holcot Lane, are currently forecast at £12m. However a funding strategy and business case need to be developed to enable the delivery of this phase. This will involve the NRIF approach and it is envisaged will include a mixture of Local Growth Fund grant, developer funding and other potential development-related income streams linked to the 1,500 homes at Roundhill.

11.7 The expectation is that complete funding packages for Phases 1b and 2 will be considered by Capital Investment Board, and approved by Cabinet via the Monthly Capital Reports, in line with the timescales for delivery of the phases. Similar approvals for Phase 3 will be sought at a later date.

## 12. Risk and Business Continuity Management

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
Landowners may not sell the land required for Phase 2 by negotiation	Landowners have an interest in the scheme being delivered, and negotiations to date have been positive. Authority for CPO sought as fall-back.	Green
Secure the necessary funding for the Scheme	Work with relevant parties to secure appropriate funding agreements.	Amber

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
No construction would start until land purchase issues are resolved	Red
Associated development would be delayed	Red

## 13. List of Appendices

Appendix 1: Plan of proposed phasing

Author:	Name: Chris Wragg Team: Northamptonshire Highways
Contact details:	Tel: 01604 364411 Email: cwragg@northamptonshire.gov.uk
Background Papers:	Cabinet Report 10 <sup>th</sup> June 2014 – Agenda No 09
Does the report propose a key decision is taken?	YES

If yes, is the decision in the Forward Plan?	YES
Will further decisions be required? If so, please outline the timetable here	YES – approval of capital funding through Monthly Capital Report in phases later in 2016. Report to approve Phase 3 – Early 2017
Does the report include delegated decisions? If so, please outline the timetable here	YES – authority to seek delegated powers to Compulsory Purchase Orders (CPO).  Publish CPO October 2017 if negotiated land purchase not successful  YES – authority to award new or revised contracts for Phase 1b and 2, if required. (August 2017)
Is this report proposing an amendment to the budget and/or policy framework?	NO
Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Capital Investment Board (CIB)	YES Name of SFM: Rosemary Pallot  NO – to be cleared once this approach has been approved, as detailed above
Has the report been cleared by the relevant Director?	YES Name of Director: Tony Ciaburro
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Councillors Andre Gonzalez de Savage and Robin Brown
Has the relevant scrutiny committee been consulted?	NO Scrutiny Committee: Environment, Development & Transport
Has the report been cleared by Legal Services?	YES Name of solicitor: Debbie Carter-Hughes  Solicitor's comments:
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Liam Beasley
Have any property issues been cleared by Property and Asset Management?	YES Name of officer: Susan Carmichael/Rob Scott
Are there any community safety implications?	Yes . The A43 is a collision red route and the redesign of the road will provide an opportunity to address safety issues.
Are there any environmental implications:	Environmental implications have already been considered in the extant planning permission for Phase 1b.
Are there any Health & Safety Implications:	NO None apparent with this report. Health and Safety implications will be an important consideration in constructing the new roads.

Are there any Human Resources Implications:	NO
Are there any human rights implications:	NO. None apparent
Constituency Interest:	Boothville and Parklands: Councillor Mike Hallam Earls Barton: Councillor Paul Bell Moulton: Councillor Judith Shephard Talavera: Dennis Meredith