
Meeting: Executive

Date: 7 December 2010

Subject: Growth Area Fund (GAF) 3 Programme and the A5-M1 Link Road

Report of: Cllr Tom Nicols, Portfolio Holder for Sustainable Development

Summary: The report proposes that £5 million of Growth Area Fund (GAF) money be made available to the Highways Agency as part of a local contribution to develop the A5-M1 link.

Advising Officer: Gary Alderson, Director of Sustainable Communities

Contact Officer: Paul Cook, Head of Transport Strategy and Countryside Services

Public/Exempt: Public

Wards Affected: All southern wards

Function of: Executive

Key Decision Yes

**Reason for urgency/
exemption from call-in
(if appropriate)** N/A

CORPORATE IMPLICATIONS

Council Priorities:

The A5-M1 will play a key role in delivering economic growth in the area. A recently completed study showed that the scheme would bring in benefits of £629 million, of which £263 million would be benefits to businesses.

The scheme is also essential to reducing congestion and improving quality of life in Dunstable and Houghton Regis. The scheme will include the facility to put in a local highway connection into Junction 11A. With this connection, Central Bedfordshire will be able to introduce measures which will remove heavy goods vehicles from the local road network, bring benefits to villages in the area.

Financial:

The Growth Area Fund (GAF) came about following a submission by the old South Bedfordshire District Council and Luton Borough Council of a programme of development. This programme contained a large number of schemes including the A5-M1 link. Following the submission of this programme, GAF money was awarded by government. The amount of money awarded, though significant, did not come to the total value of all schemes submitted within the programme. Discretion as to how the money is allocated therefore lies with Luton and Central Bedfordshire Councils.

In accordance with this, it is proposed that GAF money to the value of £5 million be contributed towards the cost of the scheme.

Legal:

Developer contributions to the scheme will be a condition and the subject of an agreement pursuant to section 278 of the Highways Act 1980 between the developer and the Department for Transport. A typical agreement will contain clauses committing the developer to provide the funding for the scheme subject to planning permissions being granted. Since the granting of planning permissions is within the remit of Central Bedfordshire, it is important that the Council is not part of this section 278 agreement, so as not to be seen to have agreed planning permission prematurely.

Risk Management:

Providing GAF money for the scheme will enable the A5-M1 link to progress to the point of a public inquiry and a little beyond. However, final decisions on the full funding of the scheme will rest with the secretary of State for Transport. Making GAF money available now does not therefore guarantee that the scheme will be delivered.

However, in a letter from the Roads Minister to Andrew Selous, MP, the Minister does commit to starting the scheme by 2014, provided that all agreements are in place.

Staffing (including Trades Unions):

There are no implications on staffing arising as a direct result of this report

Equalities/Human Rights:

There are no implications on staffing arising as a direct result of this report

Community Safety:

There are no implications on staffing arising as a direct result of this report

Sustainability:

The A5-M1 link forms an essential part of the growth agenda for southern Central Bedfordshire. Without it, it is unlikely that this growth can be delivered sustainably. The scheme is a Highways Agency scheme and a full Environmental appraisal for the scheme has been carried out and can be found here.

http://www.highways.gov.uk/roads/documents/D110843_ES_NTS_Final_low_res.pdf

Summary of Overview and Scrutiny Comments:

- This report has not been submitted to Overview and Scrutiny committee.

RECOMMENDATION(S):

- 1. that the Executive**
 - (a) Note the report.**
 - (b) Agree to make £5 million of GAF money available to the Highways Agency to develop the A5-M1 link scheme as set out in this report.**
 - (c) Endorse the work being carried out by Central Bedfordshire Council in facilitating the delivery of a local contribution towards the A5-M1 link.**
- 2 That Executive delegate to the Director of Sustainable Communities, in consultation with the Portfolio Holder for Sustainable Development, authority to finalise agreements with the Highways Agency and the Department for Transport.**

Reason for Recommendation(s): So that the A5-M1 link can be progressed.

Background

1. The A5-M1 link is a key road which will need to be built in order to facilitate development north of Houghton Regis as proposed in the draft Luton and South Bedfordshire Core Strategy and to help address issues of congestion, economic development and quality of life in and around Dunstable and Houghton Regis.
2. The scheme is a priority for delivery. Originally proposed to be built in 2016, the scheme was brought forward to be commenced in 2011, so as to maximise value for money by building the scheme at the same time as the M1 was widened.
3. GAF money was made available for the scheme to pay for the interest on the borrowing incurred by bringing the scheme forward. This was agreed by the old County Council and continued by Central Bedfordshire as an inherited scheme.
4. Subsequently, DfT decided not to widen the M1, but instead to introduce hard shoulder running. To facilitate this, DfT put together a package of funding which reduced the amount of GAF money required to £5 million. The use of GAF money for this purpose was endorsed by Executive in January 2010.
5. Following the election of the new government, all highway schemes not yet under construction were put under review. At this point, an offer was made to the government by Central Bedfordshire to facilitate funding towards the scheme by helping to identify some £50 million to be used as a local contribution.

6. In October, government announced that the A5-M1 scheme would be part of the programme, with construction beginning in 2014, subject to £50 million of local funding being made available. DfT made it clear that the key reason for this decision was the provision of a local contribution, which, once secured, would significantly improve the value for money to the government of the scheme.
7. Securing the developer funding will require an agreement between the Highways Agency and the developers and discussions on this are continuing, but £5 million is proposed to come from GAF money. In order to achieve this, Executive need to agree the use of the money for this purpose.

Use of GAF money to contribute to the delivery of the A5-M1 scheme

8. A key part of the timetable for delivery of the scheme is the reinstatement of the Public Inquiry for the scheme. This must be held before the scheme can be built and needs to be funded. Central Bedfordshire Council have made it clear that the Inquiry needs to take place as quickly as possible in order to allow the Local Development framework to be taken forward. The Highways Agency are of the view that, as a result of the delay to the Inquiry and the changing of the start date for the scheme, a significant amount of work will need to be carried out. The Department for Transport have committed to holding the public inquiry as soon as possible and no later than the end of 2012, subject to a suitable agreement with the developer being reached.
9. In order for this to happen, some of the local funding for the scheme needs to be made available both to facilitate this work and to pay for the Inquiry. DfT are asking that we make the GAF money available to the Highways Agency for this purpose and for work in preparing the scheme which follows on after this.
10. DfT are asking that we make GAF money available to them from April 2011. Although in theory GAF expires in March 2011, there is nothing in the agreement to prevent the money being carried over, but it is important to have identified the reasons for this and to have earmarked the money for a specific purpose.
11. DfT have made it clear that the improvements to Junction 11A will make it possible for Central Bedfordshire to put in a future connection to Woodside in Dunstable. Preliminary design of diversion routes for affected electricity, gas and water supply apparatus also allows for this future road connection.

Conclusion and Next Steps

12. The A5-M1 link is vital to Central Bedfordshire. Its delivery will enable the delivery of significant housing and will promote quality of life and economic benefits to a large part of the local population.
13. Given current constraints on central government funding, it is vital that local contributions towards schemes are maximised.
14. By continuing the discussions with developers and with central government and by making GAF money available now, the likelihood of delivering the A5-M1 link to the specified timetable will be significantly increased.

Appendices:

Letter from the Roads Minister to Andrew Selous, MP

Background Papers: (open to public inspection)

None

Location of papers: (Insert location where papers are held)