## CINDERFORD NORTHERN QUARTER SPINE ROAD

<table>
<thead>
<tr>
<th>Cabinet Date</th>
<th>22 July 2015</th>
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<tbody>
<tr>
<td>Fire, Planning &amp; Infrastructure</td>
<td>Cllr Will Windsor-Clive</td>
</tr>
<tr>
<td>Key Decision</td>
<td>Yes</td>
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### Background Documents

All documents related to the Cinderford Northern Quarter Spine Road can be found on the Forest of Dean District Council (FoDDC) website at:


Cinderford Northern Quarter Area Action Plan (AAP):


Hybrid Planning application (P0663/14/OUT):

- [http://publicaccess.fdean.gov.uk/online-applications/applicationDetails.do?activeTab=documents&keyVal=N4FS82HI01000](http://publicaccess.fdean.gov.uk/online-applications/applicationDetails.do?activeTab=documents&keyVal=N4FS82HI01000)

Gloucestershire County Council (GCC) Individual Cabinet Member Decision on GCC’s contribution to funding security for a Gloucestershire Infrastructure Investment Fund (GIIF) loan for the Cinderford Northern Quarter Spine Road:


### Location/Contact for inspection of Background Documents

See above

### Main Consultees

A **community consultation** (exhibition/presentation) was held in November 2013 in Cinderford. The exhibition content is still available to view from the FoDDC’s website: [http://www.fdean.gov.uk/nqcontent.cfm?a_id=7350&tt=graphic](http://www.fdean.gov.uk/nqcontent.cfm?a_id=7350&tt=graphic).

The **Cinderford Northern Quarter Area Action Plan (AAP)** Submission draft - July 2011 was consulted on by FoDDC from 27 April 2011 to 8th June 2011 and was Examined in Public 18-20 October 2011. Detailed responses to the AAP consultation can be accessed here:

Glouceshire County Council (GCC) commits to the development of transport infrastructure & services in the Northern Quarter in Cinderford in Gloucestershire’s third **Local Transport Plan (LTP3)**. LTP3 was widely consulted on between November 2009 and February 2010 and July and October 2010. Main consultees were stakeholders as well as the general public. LTP3 is a high level strategic documents and the Cinderford Northern Quarter Spine Road is not specifically mentioned in the LTP3 consultation reports. A detailed Equality Impact Assessment was undertaken for LTP3 which can be downloaded here: [http://www.gloucestershire.gov.uk/index.cfm?articleid=102114](http://www.gloucestershire.gov.uk/index.cfm?articleid=102114). GCC is currently reviewing its Local Transport Plan and undertook a series of recent consultations. The Cinderford Northern Quarter Spine Road is referred to in the consultation document which can be accessed here: [http://www.gloucestershire.gov.uk/ltp3](http://www.gloucestershire.gov.uk/ltp3).

| Planned Dates | GCC will consult on the revised Local Transport Plan in November 2015. |
| Divisional Councillor | Cllr Graham Morgan |
| Officer | Nigel Riglar, Commissioning Director: Communities and Infrastructure  
Tel: 01452 328470  
Email: nigel.riglar@gloucestershire.gov.uk  
Mark Darlow-Joy, Outcome Manager  
Tel. No: 01452 328794  
Email address: Mark.Darlow-Joy@gloucestershire.gov.uk |
| Purpose of Report | To seek approval for Gloucestershire County Council to take responsibility for the construction of phase one of the Cinderford Northern Quarter Spine Road subject to funding, successful planning permission and satisfactory contractual arrangements. GCC agrees in principle to take responsibility for the delivery of phases two and three of the road, subject to adequate funding being secured. Phases two and three will be updated as part of the MTFS or budget monitoring report.  
To seek approval to delegate to nominated officers the authority to:  
- complete the necessary agreements in order to enable the Council to deliver phase one of the Cinderford Northern Quarter Spine Road,  
- identify the funding arrangements for future phases two and three, to complete the necessary agreements in order to enable the Council to deliver phase two and three and lastly to  
- Conduct a compliant, competitive tender process for the appointment of a single contractor to provide building services for the construction of phase two and three of the Cinderford Northern Quarter Spine Road. |
| Recommendations | That Cabinet: |
1. Resolves that the Council will be responsible for the construction of phase one of the Cinderford Northern Quarter Spine Road following successful funding, planning and novation of the HCA tendered contract.

2. Subject to appropriate funding and a review of planning and legal obligations for phase two and three of the Cinderford Northern Quarter Spine Road, resolves in principle that the Council takes on responsibility of the project delivery of phases two and three.

3. Delegates to the Commissioning Director: Communities & Infrastructure in consultation with the S151 Officer and the Head of Legal Services authority to negotiate and complete the agreements and any other necessary documentation including the funding arrangements required to bring into effect the authorisation set out in Recommendations 1 and 2 above.

4. Authorises the Commissioning Director: Communities and Infrastructure to:
   a) conduct a compliant competitive tender process for the award of a contract to a single supplier for design and build services for the construction of the Northern Quarter Spine Road.
   b) upon conclusion of the competitive tender process, and in consultation with the Cabinet Member for Highways and Flood, enter into a contract with the preferred provider evaluated as offering the Council best value for money for delivery of the services. In the event that the preferred provider for the contract is either unable or unwilling to enter into that contract with the Council then the officer is authorised to enter into such contract with the next willing highest placed suitably qualified provider.
   c) Add the phase one project estimated at £2.73m to the 2015/16 Highways Capital Programme showing the grant funding available from the Growth Fund when approval from the LEP Board for change of use has been given.

**Reasons for recommendations**
The Cinderford Northern Quarter is a key regeneration priority for GCC and GCC is a member of the Cinderford Regeneration Board. GCC has been asked to take responsibility for the construction of the Northern Quarter Spine Road, unlocking development opportunities in the Northern Quarter. Should GCC decide not to construct the Spine Road, an alternative organisation, able to deliver large scale transport infrastructure would have to be found. This could impair the development of the Northern Quarter and the overall regeneration of Cinderford.

**Resource Implications**
The estimated £2.73m capital costs for phase one is expected to be funded from the Growth Fund grant once approval has been given by the LEP Board and grant provider to use it on phase 1 of the scheme instead of phase 2. However GCC will be responsible for any cost overruns as well as future maintenance costs, which will be contained within GCC’s existing Highway revenue and capital budgets.
| Up to a maximum of £30,000 revenue costs could be claimed for the due diligence report and admin fees regarding the Growth Fund and GIIF Funding which will be found from the existing Highways revenue budgets. |
1. Background

The County Council has been actively involved in Cinderford’s regeneration for many years. There has been both officer and Member representation on the Cinderford Regeneration Board since its inception in November 2005. The aim of the Board is to secure sustainable regeneration and economic development opportunities, whilst balancing the need to safeguard the area’s natural setting. The principle of a major mixed use (education-led) redevelopment of the Northern Quarter has been established in the Forest of Dean’s adopted development plan. The vision, as stated in the adopted 2012 Area Action Plan (see below), is that:

“The Northern Quarter will become an attractive destination for local people in Cinderford and surrounding communities. It will make the most of the beautiful landscape and will set high standards for design and sustainability. Set within a green campus environment, the Northern Quarter will feature a range of new facilities including an educational facility. The development will also bring wider benefits to the area including a new road that will reduce traffic impact on Steam Mills and Newtown”.

The County Council, with other key partners such as Forest of Dean District Council, Homes and Communities Agency, Forestry Commission and Gloucestershire College, has consistently and actively supported and enabled the proposals and continues to do so. A key aspect of the successful regeneration of the Cinderford Northern Quarter area is an enabling spine road through the heart of the proposed mixed use development, which is the key topic of this report. An indicative road alignment can be seen in Figure 1.

Phases and costs:

The total cost of the road is currently estimated to be £8.59M. It is proposed, to deliver the road in 3 phases with each phase estimated at:

- Phase 1 (Broadmoor Road to Cinderford Brook) will provide access to the education campus.
  - Cost: £2.73M
- Phase 2 (Cinderford Brook up to the bend before Northern United) will unlock the land for the planned hotel, office use and residential developments.
  - Cost: £3.98M
- Phase 3 (Northern United bend to the junction with the A4136) will provide the link through to the A4136 and access further sites for office as well as industrial use.
  - Cost: £1.88M.

Funding:

Funding for the scheme is through a loan being provided by the Gloucestershire Infrastructure Investment Fund (GIIF) and a grant from the Single Local Growth Fund. The following provides a summary of the current position regarding the funding available to enable the first phase of the scheme to proceed. Officers
anticipate that phases two and three will be the subject to a further bidding process.

GIIF: On the 18th of March 2014, Gloucestershire’s Local Enterprise Partnership (LEP) Board gave a conditional approval to the Forest of Dean District Council’s (FoDDC) application for £3.5M loan financing from the GIIF for the second phase of the road. GIIF is a revolving loan fund and is to be repaid over a 5 year period through a combination of s106 highway contributions and land disposals. GCC has formally underwritten £700K (20%) of the GIIF funding.

The application made to the GIIF was for the second phase of the road. GCC will request a change of use for the GIIF loan to be used to fund the construction of phase 1. An admin fee of up to £15,000 will be required to obtain the GIIF loan which will be funded from existing revenue budgets within Highways.

A detailed list of the conditions under which the GIIF funding would be released were summarised in the GCC Individual Cabinet Member Decision report seeking approval to underwrite a proportion of the loan:

Single Local Growth Fund: The project has also received in principle approval for £3.8M grant funding from Single Local Growth Fund (round 1) but will have to go through a business case and due diligence process before final funding approval can be given. Again, the application was based on the second phase of the road therefore a request for change of use for the grant to cover the construction of phase 1 will be made to the LEP Board. There is a due diligence fee liability for the project to pay for the grant funding which is based on actual costs incurred and capped at £15,000. This revenue cost will be funded from within existing Highway revenue budgets.

Timescales:
construction start is planned for November 2015 with the first phase of the spine road completed in July/August 2016.

Phase 2 could be tendered as a distinct phase or combined with Phase 3. If this is a distinct phase, Phase 2 works could start in July/August 2016 and finish about 40 weeks later, i.e. Spring 2017.

As with the other two phases, timing of phase 3 is heavily dependent on the significant ecological restrictions of the site, in particular upon the success of two new artificial bat roosts to draw bats away from the Northern United roost site. The earliest period the roosts may be being used in sufficient numbers to comply with planning approval is winter 2016/17 indicating a potential demolition & site clearance of the Northern United site during May 2017. Any construction works are likely to be licensed only outside the bat hibernation periods (i.e. May to Sept) and are currently estimated to take about 20 weeks.
Planning:

In February 2015, FoDDC Planning Committee granted planning approval to a hybrid planning application (P0663/14/OUT) comprising demolition of existing buildings and structures and mixed use development and associated infrastructure and works to include:

- Full details of new highway infrastructure and improvements including a new link road between the A4136 and Broadmoor Road,
- Full details of a new education campus, and
- Outline application for up to 195 dwellings; a hotel, up to 18,800 sq.m. for employment uses and a non-residential institutional use

The Legal Challenge period ceased in April 2015 with two challenges received during this period. (Please see below under land ownership risks).

A Section 106 Agreement was made, in February 2015, between GCC (1), Secretary of State for Environment Food and Rural Affairs (2) Forest of Dean District Council (3) and the Homes and Communities Agency (HCA) (4). It covers the mitigation measures required to the site (by reference to a detailed schedule of mitigation works and covenants about who is responsible for these works), education contributions and affordable housing provision.

The programme and implementation responsibility of the Cinderford Northern Quarter Area Action Plan (AAP) is held jointly by the HCA and FODDC. Having brought the project to the point where planning permission is granted and ready for delivery (subject to the outcome of the two legal challenges), the HCA has asked GCC to take over the project management of the road. FODDC will continue to lead on the overall regeneration ambitions for the Northern Quarter and the wider Cinderford Regeneration Programme.
2. Options

2.1. Option 1 would be for GCC to take on responsibility for the construction of the Cinderford Northern Quarter spine road on a phased basis and subject to funding, successful planning permission, procurement for phase two and three and an agreed date to novate the construction contract from HCA regarding phase one, underlining its commitment to regeneration in Cinderford.

Each phase of the project would be reviewed individually and only taken forward after the delegated officers are satisfied that sufficient funding, planning and acceptable risks to the authority were in place.

2.2. Option 2 would be for GCC not to take on responsibility for the construction of the Cinderford Northern Quarter spine road. This could result in considerable delays and increased costs for the delivery of the spine road and would therefore impair the development of the Northern Quarter and the overall regeneration of Cinderford.

The County risks reputational damage in failing to support the regeneration opportunity for Cinderford. The delivery of a potential further education college would effectively be thwarted along with the adjacent mixed use employment and homes being halted too.
3. Risk Assessment

Financial risks:
When GCC takes over the project management of the road, it will be liable for cost overruns that may occur.

The proposed phased approach to the construction of the road aims to help mitigate this risk by breaking the overall costs down into smaller segments; only allowing the project to proceed once funding for the next phase is secured.

FoDDC intends to use the Growth Fund (£3.8M) grant funding to repay the GIIF loan funding. Please note that the overall arrangement for how the repayment arrangements will work is still to be resolved; this is particularly related to how the Section 106 contributions/CIL, initially intended to enable recovery and repayment of the GIIF, will be collected by FoDDC. If the GIIF fund is to be repaid through the Growth Fund, any future land sales and S106 contributions (and/or CIL) are likely to be ring fenced for future Phase 2 & 3 delivery.

There is a risk that both the GIIF loan and the Growth Fund grant change of use to phase 1 construction of the road is declined.

Ecological risks:
It is known that there are protected species and species of national and local importance in the Cinderford Northern Quarter area, including a significant lesser horseshoe bat colony and great crested newts. In line with legislative requirements relating to protected species, mitigation requirements will have to be implemented and established prior to start of construction. This can have significant implications for both the costs as well as the delivery timescales of the Spine Road.

GCC will continue to work closely with Natural England to ensure that the mitigation requirements are fulfilled and the impact on cost and timescales is minimised.

The HCA have secured the licence for relocating the Great Crested Newts and have undertaken to ensure that the Phase 1 highway works site for construction will be safe from any protected species.

The HCA also contributed £1M to FoDDC in s106 and legal undertakings towards a 20 year programme of ecological mitigation management and monitoring for Phase 1 spine road over a 20 year period. There will be a similar long term requirement for Phases 2 and 3 of the spine road and further ecological survey work will be needed to update the Environmental Statement that accompanied the HCA’s successful planning application.

Land ownership risks
The Forestry Commission (FC), FoDDC, HCA and GCC are the landowners for the entire highway scheme. GCC will need to enter into construction licenses and consequently a highways dedication agreement to create a Highway, all of which has been agreed in principle.
The 106 agreement (associated with the Hybrid Planning approval) confirms commitment to the management of the land.

Interest in mines in the Forest of Dean is subject to the rights of the free miners. A free miner of coal or iron has the right to require a grant to himself of specified veins of coal or iron known as a ‘gale’. As part of the overall legal arrangements to taking over the delivery of the road, GCC will need assurance that there are no future liability regarding such rights, if such assurance is not available GCC will seek that the HCA underwrites associated risks.

Risks from legal challenges to the planning approval
Two legal challenges were made to judicially review and quash the Forest of Dean District Council decision made in February 2015 to grant planning permission referred to in the background to this report. The claims relate to the way the District Council considered the mitigation measures concerning the effect the development would have on the integrity of the Special Area of Conservation in making their decision to grant planning permission. On 23rd June 2015 the Planning Court decided that both applications for permission to apply for Judicial Review had been refused.

To date, FoDDC has been successful in defending all legal challenges in the High Court and Court of Appeal to the FoDDC Core Strategy, the Cinderford AAP, the Masterplan and Design Code and the HCA Outline Planning approvals at Northern United & Forest Vale.

Geological risks
The road will cross a former mining area with old mine shafts and contamination. Extensive ground investigation work took place in Autumn 2013 and Spring 2014. These investigations provided the information needed to inform the detailed design of the proposed new road and college developments. Further detailed investigation will be required for Phases 2 and 3. The cost of these investigations is included in the previously stated scheme costs.

Construction, Contract Risk
The HCA tendered the construction of Phase 1 at the end of 2014 and there has been agreement to extend the tender submission. There is a risk that with the changing market conditions the tenderers may not wish to continue to hold their prices, should all the tenderers withdraw their prices prior to award the tender process will have to be abandoned. This would result in a retendering exercise, not a difficulty in itself, but may delay the start of construction and incur additional costs.

The HCA intend to award the Phase 1 contract and subsequently novate the contract to GCC. To enable the HCA to award the contract there is a requirement for a contract to be deliverable. Thus the requirement for the HCA to ensure that the site is ecologically safe to construct on. The risk being the failure to award if all the tenderers decline to honour their tenders. The need to re-tender could fall upon GCC and consequently the pressure on the HCA to make the site ecologically safe will have been removed. This could leave the responsibility of the ecological risks
with GCC if the HCA do not fulfil their commitment in making the site ecologically safe. Should this be the case the County Council will need to assess the deliverability of phase 1 and will seek member approval for a revised delivery proposal.

Risks from local opposition
In the past, the project has faced local opposition from specific individuals and interest groups against the development of the Northern Quarter. This is also reflected in the legal challenges against the planning application.

GCC will need to put a strategy in place to deal with local opposition from specific interest groups.

Risks to the education facility planned for the Northern Quarter
A key intention of the Spine Road is to release land to enable access to a £15M investment from Gloucestershire College which is seeking to build a new state of the art vocational and sixth form college and community hub. The college received planning permission through the same hybrid planning application (P0663/14/OUT) as the Spine Road. Delivery of the new college campus depends on all of the funding being secured by Gloucestershire College. Should difficulties with the new college campus arise, this could have significant implications for the Spine Road:

- GIIF funding is linked to education led regeneration. It needs to be investigated whether this funding would still be available without the college.
- The planning application is linked to an education campus. Impacts on the planning approval for the road would need to be investigated.
- The FoDDC Area Action Plan also speaks of an education led regeneration. There is therefore a risk that the Plan could be challenged, should the College Campus not be delivered.

4. Officer Advice

As a key partner and Board member, GCC has actively supported the regeneration of Cinderford for numerous years. The proposed spine road is considered to be a vital infrastructure requirement to enable the future delivery of the mixed use development at the Northern Quarter site including the proposed college. Clearly, as set out in this report, there are risks associated with the project. However, the proposed mitigation measures (such as the phased approach and funding assurity at each phase) are deemed sufficient for GCC to agree to take on responsibility for the construction of the spine road, subject to funding.

5. Equalities considerations

Overall it is estimated that the effect on any protected group will be neutral. A Due Regard Statement was completed and is to be published together with this report.

6. Consultation feedback

See section on main consultees at the beginning of the document.
7. **Performance Management/Follow-up**

Regular updates on the progress of the project will be given at Lead Cabinet Member meetings.

Regular updates on progress will also be reported back through the cross party Highways Advisory Group.
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<tr>
<th>Report Title</th>
<th>Cinderford Northern Quarter Spine Road</th>
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| **Statutory Authority** | Planning Act 2008  
Highways Act 1980  
Traffic Management Act 2004 |
| **Relevant County Council policy** | GCC commits to supporting regeneration in Cinderford in Local Transport Plan 3. Cinderford Northern Quarter development transport infrastructure & services is scheduled in the planned LTP3 programme for 2011-2014. |
| **Resource Implications** | GCC will be responsible for any cost overruns as well as future maintenance costs, which will be contained within GCC’s existing Highway revenue and capital budgets. This report outlines the current cost estimates. |
| **Sustainability checklist:** | |
| Partnerships | Regeneration in Cinderford is led by the Cinderford Regeneration Board. The steering group for the partnership project also includes the Homes and Communities Agency, Forest of Dean District Council, Gloucestershire County Council, Gloucestershire College and the Forestry Commission. |
| Decision Making and Involvement | The Cinderford Regeneration Board and Forest of Dean District Council set the overall strategy for the regeneration of the Cinderford Northern Quarter. The County Council’s Local Transport Plan sets the vision for future transport schemes in the County. |
| Economy and Employment | The spine road will enable the sustainable economic regeneration of the Northern Quarter site in Cinderford which will create employment opportunities and stimulate the economy in Cinderford. |
| Caring for people | The new spine road will increase accessibility to the Northern Quarter and once complete, enable better public transport access to the Northern Quarter Development. It will also support a £15M investment from Gloucestershire College which is seeking to build a new state of the art vocational and sixth form college and community hub, providing education opportunities and employment for local people. |
| Social Value | The new spine road will unlock development in the Northern Quarter and therefore benefit local residents, people who work in or visit Cinderford as well as potential future students of the planned education facility. |
| Built Environment | A Cinderford Northern Quarter Masterplan and Design Code was produced in July 2013 to support the Cinderford Northern Quarter Area Action Plan (AAP). The Design Code sets out specific design guidance on certain elements of the Masterplan, such as street widths,
<table>
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<tr>
<th>Natural Environment’ including Ecology (Biodiversity)</th>
<th>block types, building types and materials. The impact on the built environment should therefore be positive. The Northern Quarter development and the spine road will impact on the current landscape of the Northern Quarter. This is discussed in detail in the Cinderford Northern Quarter AAP. The spine road will provide vital access to the proposed vocational and sixth form college and community hub in the Northern Quarter.</th>
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<tr>
<td>Education and Information</td>
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<tr>
<td>Tackling Climate Change</td>
<td>Carbon Emissions Implications? Negative Vulnerable to climate change? Maybe</td>
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<tr>
<td>Due Regard Statement</td>
<td>Has a Due Regard Statement been completed? Yes Yes - considerations included in main body of report A copy of the full Due Regard Statement can be accessed on GLOSTEXT via <a href="http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1">http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1</a> Alternatively a hard copy is available for inspection from Jo Moore, Democratic Services Unit, e-mail: <a href="mailto:jo.moore@gloucestershire.gov.uk">jo.moore@gloucestershire.gov.uk</a>.</td>
</tr>
<tr>
<td>Human rights Implications</td>
<td>It is not envisaged that the Northern Quarter spine road will have any significant human rights implications.</td>
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and the Cinderford Northern Quarter Spine Road is not specifically mentioned in the LTP3 consultation reports. A detailed Equality Impact Assessment was undertaken for LTP3 which can be downloaded here: http://www.gloucestershire.gov.uk/index.cfm?articleid=102114. GCC is currently reviewing its Local Transport Plan and undertook a series of recent consultations. The Cinderford Northern Quarter Spine Road is referred to in the consultation document which can be accessed here: http://www.gloucestershire.gov.uk/ltp3