### Cinderford Northern Quarter Spine Road

**AGENDA NO:**

<table>
<thead>
<tr>
<th>Cabinet Date</th>
<th>25th November 2011</th>
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</thead>
<tbody>
<tr>
<td><strong>INSERT PORTFOLIO NAME HERE</strong></td>
<td>Cllr C Fellows: Cabinet Member – Planning, Economy and Environment</td>
</tr>
<tr>
<td>Key Decision</td>
<td>Yes</td>
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<tr>
<td>Background Documents</td>
<td>Cinderford Northern Quarter Area Action Plan (AAP) Submission draft - July 2011 and the Cinderford AAP evidence base.</td>
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</tbody>
</table>
| Location/Contact for inspection of Background Documents | The Cinderford Northern Quarter AAP Submission draft can be downloaded following this link: [http://www.fdean.gov.uk/media/Assets/Cinderford-Regeneration/documents/Cind_NQ_AAP_Submission-condensed.pdf](http://www.fdean.gov.uk/media/Assets/Cinderford-Regeneration/documents/Cind_NQ_AAP_Submission-condensed.pdf)  
All documents used as evidence base for the draft AAP can be downloaded following this link: [http://www.fdean.gov.uk/nqcontent.cfm?a_id=7440&tt=graphic](http://www.fdean.gov.uk/nqcontent.cfm?a_id=7440&tt=graphic) |
| Main Consultees    | 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.  
The Cinderford Northern Quarter AAP Submission draft - July 2011 was consulted on by Forest of Dean District Council from 27 April 2011 to 8th June 2011 and was Examined in Public 18-20 October 2011. For further information, please contact the following address: e-mail ldf@fdean.gov.uk, or telephone 01594 812645 |
| Planned Dates      | See report        |
| Divisional Councillor | Cllr G Morgan   |
| Officer            | Nigel Riglar, Commissioning Director: Communities & Infrastructure |
**Purpose of Report**

To set out the background and the principles in support of the proposal to construct the Cinderford Northern Quarter Spine Road, a vital piece of new infrastructure that will launch the delivery of the Cinderford Area Action Plan.

To seek approval for the Council to make arrangements for the project management of the construction of the Cinderford Northern Quarter Spine Road on a phased approach and subject to funding.

To seek approval to delegate to nominated officers the authority to complete the necessary agreements in order to enable the Council to deliver the Cinderford Northern Quarter Spine Road.

**Recommendations**

That Cabinet:

1. resolves that the Council will be responsible for the project management arrangements for the construction of the Cinderford Northern Quarter Spine Road on a phased approach as set out in Section 1.2 of this Report subject to the availability of funding;

2. delegates to the Commissioning Director: Communities & Infrastructure, the S151 Officer and the Director Law & Administration in consultation with the Cabinet Member: Planning, Economy and Environment authority to negotiate and complete the agreements and any other necessary documentation including the submission of any planning application(s) required to bring into effect the authorisation set out in Recommendation 1 above.

**Resource Implications**

Reliable cost estimates will not become available until further work has been completed on preliminary studies and the design of the scheme. However, the council advisor, WS Atkins has provided very high level estimates which cost the project at c. £11 million. Please note that these costings have yet to be verified and agreed with the HCA.

To minimise the financial exposure of GCC, the project will be constructed in 3 phases and the costings include a 44% optimism bias and a 20% contingency (see Section 1.1). Future phases will be subject to sufficient funding being made available.

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.

**1 Background**

In 2005 the Cinderford Regeneration Board was established to provide a wider strategic direction on Cinderford regeneration matters. Supporting regeneration in Cinderford is of high priority to Gloucestershire County Council (GCC) and GCC is one of the Board’s 15 public and private sector members.
A key regeneration site in Cinderford is the Northern Quarter, a former coal mining area situated to the north of Cinderford, between Broadmoor Road, Steam Mills Road and the A4136. Supported by the Homes and Communities Agency (HCA) a mixed use development is proposed in the Northern Quarter, including housing, employment, tourism facilities and a site for an educational facility. A potential occupant for this is Gloucestershire College, Royal Forest of Dean Campus.

In 2006, the Cinderford Regeneration Board commissioned a Business Plan for Cinderford which led to the recommendation to construct a new tree-lined avenue linking the A4136 to Valley Road, hence unlocking the development potential of the Northern Quarter area. Following further work on the transport impacts on Cinderford and amendments to the originally proposed road alignment, a new spine road between the A4136 in the vicinity of the existing Northern United junction and Broadmoor Road is proposed in the Cinderford Northern Quarter Area Action Plan (AAP) Submission draft, July 2011. An indicative road alignment can be seen in Figure 1 (subject to changes following further studies).

The objectives of the road are to:

- Create a new and better link into Cinderford and provide an alternative to Steam Mills Road for accessing Cinderford, particularly for HGV traffic wishing to access the Forest Vale Industrial Park;
- Play a vital role in providing access to the proposed new developments, hence enabling sustainable economic regeneration of the area; and
- Improve access for pedestrians, cyclists and buses.

The junctions for the new Link road are proposed to be constructed using high quality materials to allow it to fulfil its role as a gateway to the Northern Quarter and Cinderford. This will be in line with the AAP, associated design codes and GCC’s Enhanced Materials Policy.

In line with the GCCs plans to improve access to high-speed internet services in the Forest of Dean, the Council will aim to secure the provision of infrastructure for superfast broadband. GCC will encourage the utility companies to lay all utilities under the footway to ease access and to minimise potential disruption to traffic should they require maintenance.

GCC is committed to the Cinderford Northern Quarter regeneration project and the development of transport infrastructure and services in the Northern Quarter, as this will assist the delivery of the Cinderford Area Action Plan, funded through the HCA and developer contributions, forms part of GCC’s LTP3 programme for 2011-14.
Figure 1: Indicative Spine Road Alignment, as at 11/10/2011 (subject to change)
1.1 Costs and Funding:

Reliable cost estimates will not become available until further work has been completed on preliminary studies and the design of the scheme. However, Atkins has provided very high level estimates which cost the project at c. £11 million.

The HCA views Cinderford as one of its key regeneration priorities in Gloucestershire and will provide a fixed amount of funding towards the project. GCC would be responsible for any cost overruns. To minimise the financial exposure of GCC, a 44% optimism bias and a 20% contingency have been included in the costings. It is further proposed that the Road will be constructed in three phases, as indicated in Figure 1:

Phase 1: Broadmoor Road to the proposed college site.
Indicative costs: £728,000 for preliminary studies and £2.9 million for construction of phase 1

Phase 2: A4136 to the Northern United site.
Indicative costs: £2.5 million

Phase 3: The middle section of the road, linking phases 1 and 2.
Indicative costs: £4.8 million

Subject to funds being available the HCA has committed to £14.75m on the Cinderford Northern Quarter as a whole. Of this, in excess of £6m has already been spent on land acquisitions and contributions to the Cinderford AAP. Circa £3.5m is approved to be spent on the road project. In addition, the HCA is in the process of seeking a further advance on top of this purely in relation to physical infrastructure works. HCA approval for funding for the road would be required before the construction of phase 1 can commence.

It is proposed that phases 2 and 3 of the road will be funded through a combination of developer contributions from the Northern Quarter, the HCA and the public sector, the latter being subject to availability of resources at the time of construction. It is proposed that an Escrow account is set up to facilitate the collection of funds to invest in the spine road. It should be noted that, at present, no GCC capital funding has been allocated to the road. The HCA also expects to claw back some of their funding through developer contributions, should they exceed the project costs.

A legal agreement will be set up to manage the responsibilities of the HCA and GCC for this process. It is proposed that the funding agreement with the HCA will contain 2 stages: The first stage is the completion of the preliminary studies, taking the spine road project to the stage at which planning approval is sought and be ready to go to tender for construction of the scheme. The second stage is the procurement of the scheme itself, with clearly defined trigger points before the start of each construction phase, setting out clearly that each phase will only start once sufficient funds are in place. In addition, there will be a procurement gateway before commencement of each construction phase of the road.
1.2 **Timescales:**

The construction of the spine road will start the first phase of the development of the Northern Quarter. GCC has started the process of obtaining planning permission for the road by commissioning a number of preliminary surveys. These surveys will provide more detailed information on the site. This will enable more accurate plans for the route to be drawn up and may result in a change to the indicative route alignment shown in figure 1.

It is estimated that the construction of phase 1 will start in 2013 and completion is envisaged for early 2014. The indicative timeline below shows the broad dates envisaged for each step in delivering the road, subject to changes and the availability of funding.

- Planning and design:
  - Early 2012: Environmental Impact Assessment (EIA) Scoping Report is finalised, identifying the content and extent of the Environmental Information to be submitted.
  - Late 2012 / early 2013: All relevant studies, assessments and surveys are completed (e.g. Bat Surveys, Transport Assessment, EIA, Topographical survey, etc.)
  - Consultations and collation of planning documents will be undertaken between now and late 2012 / early 2013
  - Early 2013: Submit planning application
  - Spring 2013: review planning application and gain planning consent

- Construction Phase 1:
  - Early – mid 2013: Detailed Designs and Tendering
  - Mid 2013 – Late 2013: Construction

- Construction Phase 2 (subject to funding becoming available):
  - Mid 2013 – end 2013: Detailed Designs and Tendering
  - Early - mid 2014: Construction

- Construction Phase 3 (subject to funding becoming available):
  - Mid 2014 – end 2014: Detailed Designs and Tendering
  - Early - mid 2015: Construction

2 **Options**

1. GCC makes arrangements to project manage the delivery of the Cinderford Northern Quarter spine road on a phased basis and subject to funding, underlining its commitment to regeneration in Cinderford.

2. GCC does not take on the project management 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.

3 **Risk Assessment**
The following risks have been identified, should GCC take on the project management of the road:

3.1 Liability for Cost Overruns:
The HCA have made clear that the funding they will make available for the construction of the road is a fixed sum. GCC would therefore be responsible for any 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. In addition, a risk allowance of 20% and optimism bias of 44% has been included in the costings.

3.2 Funding availability expiring before project can be completed
There is a risk that HCA funding approval may expire before the completion of phase 1. It needs to be ensured that the funding is secured before the construction of phase 1 and following phases can commence.

3.3 Increased financial risk to GCC by committing to more than one high cost project
The financial risk to GCC will increase should it take on the responsibility for the potential cost overruns of more than one high cost scheme such as the Cinderford spine road and the Elmbridge transport major scheme bid.

3.4 Pooling of S106 contributions
Pooled S106 contributions are restricted via CIL regulation 123 which means that it will not be possible to pool more than five S106 contributions after 6th April 2014.

3.5 Failure to complete all phases
While the phased approach will reduce the overall financial risk GCC will be exposed to, there is also a considerable risk that funding is not secured to enable all three sections of the road to be completed. While it is the aim of all parties involved to complete the whole route and the HCA is funding preliminary surveys for the whole route, failure to complete all three phases could result in additional traffic on the surrounding road network. This could potentially lead to capacity issues at junctions in the vicinity of the Northern Quarter. In addition, accessibility for the Northern United site and the site proposed for educational use would be reduced and it may become more difficult to serve these sites by public transport.

3.6 Former mining area
The road will cross a former mining area with old mine shafts and contamination. The preliminary studies required as part of the planning application process will review information on the location of these mine shafts.
3.7 **Environmental Impact**

As part of the planning application process, an EIA will be undertaken. The EIA will also cover heritage and other archaeological impacts. Ahead of the planning application, GCC will be required to consult with Natural England and obtain their approval to the scope of the EIA and any additional survey work needed to support this process. If the route shown in Figure 1 cannot be followed because of environmental issues as described above, then an alternative route alignment will need to be found.

3.8 **Land ownership**

Some of the land needed to construct the road is privately owned and needs to be purchased by either the HCA or Forest of Dean District Council. The costs of land acquisition and demolition are currently not included in the cost estimates for the road. If acquisition of the privately owned land is not possible in advance of the planning application stage, a compulsory purchase order to acquire the private land may be necessary which would lead to significant delays to the proposed time schedule. The Forest of Dean District Council and the HCA are currently progressing land acquisition affecting Phase 1.

4 **Officer Advice**

As a key partner, 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 and numerous uncertainties which will only become apparent as the scheme progresses. That said, the proposed mitigation measures (such as the phased approach, the risk allowance of 20% and an optimism bias of 44% on costings) are deemed sufficient for GCC to agree to project manage the delivery of the spine road. If approved, GCC will formalise agreements with the HCA through a legal agreement and will provide regular updates on the progress of the project at Environment Lead Cabinet Member meetings.

5 **Consultation Feedback**

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 consulted on between November 2009 and February 2010 and July and October 2010. The proposed spine road has also been consulted on by Forest of Dean District Council as part of their AAP process from 27 April 2011 to 8th June 2011 and at the Examination in Public 18-20 October 2011.

6 **Performance Management/Follow-up**

Regular update on the progress of the project will be made to Environment Lead Cabinet Member meetings.
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<tr>
<th><strong>Report Title</strong></th>
<th>Cinderford Northern Quarter Spine Road</th>
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<tbody>
<tr>
<td><strong>Statutory Authority</strong></td>
<td>Gloucestershire County Council, if approval is given for GCC to project manage the delivery of the Cinderford Northern Quarter spine road.</td>
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<tr>
<td><strong>Relevant County Council policy</strong></td>
<td>GCC commits to supporting regeneration in Cinderford in Local Transport Plan 3. Cinderford Northern Quarter development transport infrastructure &amp; services is scheduled in the planned LTP3 programme for 2011-2014.</td>
</tr>
<tr>
<td><strong>Resource Implications</strong></td>
<td>Reliable cost estimates will not become available until further work has been completed on preliminary studies and the design of the scheme. However, the council advisor, WS Atkins has provided very high level estimates which cost the project at c. £11 million. Please note that these costings have yet to be verified and agreed with the HCA. To minimise the financial exposure of GCC, the project will be constructed in 3 phases and the costings include a 44% optimism bias and a 20% contingency (see Section 1.1). Future phases will be subject to sufficient funding being made available. 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.</td>
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<tr>
<td><strong>Sustainability checklist:</strong></td>
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<tr>
<td><strong>Decision Making and Involvement</strong></td>
<td>This issue was discussed at the Environment Cabinet Member meeting in August 2011.</td>
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<td><strong>Economy and Employment</strong></td>
<td>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.</td>
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<tr>
<td><strong>Caring for people</strong></td>
<td>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 the relocation from the ageing campus at Five Acres in Coleford to the Cinderford Northern Quarter site, providing education opportunities and employment for local people.</td>
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<tr>
<td>Built Environment</td>
<td>The proposed junctions of the new spine road will be constructed using high quality materials and public realm to allow it to fulfil its role as a gateway to the Northern Quarter and Cinderford. It will therefore have a positive impact on the built environment in the Cinderford Northern Quarter.</td>
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<tr>
<td>Landscape</td>
<td>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 Area Action Plan (AAP) Submission draft (July 2011) and any future planning application will be subject to an EIA. GCC will be required to consult with Natural England and obtain their approval to the scope of the EIA and any additional survey work needed ahead of the planning application process.</td>
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<tr>
<td>Education and Information</td>
<td>The spine road will provide vital access to the proposed educational facility in the Northern Quarter.</td>
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<tr>
<td>Tackling Climate Change</td>
<td>The construction of the spine road will enable development of the Northern Quarter in Cinderford. The site is currently mostly undeveloped and the proposed development will therefore lead to additional trips made to the site, including associated CO2 emissions. However, there will be enhanced public transport provision to the site.</td>
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<tr>
<td>Equality Impact Assessment (EIA)</td>
<td>An Equality Impact Assessment is currently being prepared and a draft version is available on request.</td>
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<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>
</tr>
<tr>
<td>Consultation Arrangements</td>
<td>GCC commits to the development of transport infrastructure &amp; services in the Northern Quarter in Cinderford in Gloucestershire’s third Local Transport Plan (LTP3). LTP3 was consulted on between November 2009 and February 2010 and July and October 2010. The Cinderford Northern Quarter Area Action Plan (AAP) Submission draft - July 2011 was consulted on from 27 April 2011 to 8th June 2011 and Examined in Public 18-20 October 2011. For further information, please contact the following address: e-mail <a href="mailto:ldf@fdean.gov.uk">ldf@fdean.gov.uk</a>, or telephone 01594 812645. Any future planning application will be subject to the normal, statutory consultation arrangements.</td>
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