



<u>Committee and Date</u>	<u>Item</u>
Place Overview Committee	
10 May 2018	
	6
	<u>Public</u>

Shrewsbury North West Relief Road – Outline Business Case Refresh Update – April 2018

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Summary

This report presents the Place Overview with an update on the NWRR Outline Business Case refresh, and includes the open letter from the Leader of the Council to the Rt. Hon Chris Grayling MP, Secretary of State for Transport.

Recommendations

- A. Members are asked to consider the Outline Business Case Refresh update.

Opportunity Risk Assessment

A project of the scale and cost of the NWRR is intended to create benefits and deliver across a wide range of strategic ambitions for the Council, and also deliver more localised improvements to specific concerns currently negatively impacting Shrewsbury.

Summarised below are the range of current high level risks for the town, its economy and its environment associated with not delivering the NWRR, and also the opportunities / benefits that will accrue from the completion of the NWRR;

Risk summary – “Do Nothing” / non delivery of the NWRR;

- Traffic congestion
- Poor connectivity between the north and west of Shrewsbury for all modes of transport
- Unreliable journey times and long delays
- “Rat-running” traffic on unsuitable rural roads
- Inefficiency of the transport network, especially for buses
- Lack of network resilience
- Road accidents
- Poor air quality

- Carbon and other greenhouse gas emissions

Opportunities / benefits summary through delivery of the NWRR;

- To reduce traffic congestion
- To improve connectivity and accessibility between the north and west of Shrewsbury for all modes of transport
- To improve the reliability of journey times and reduce unforeseen delays
- To reduce the amount of traffic rat-running on unsuitable rural roads
- To improve the efficiency of Shrewsbury's transport network for all modes of transport.
- To improve the resilience of Shrewsbury's transport network.
- To enhance the benefits of the Oxon Link Road and Shrewsbury Integrated Transport Plan schemes.
- To reduce the number of people killed or seriously injured on roads in Shrewsbury.
- To improve air quality, especially in the built-up areas of Shrewsbury
- To reduce net emissions of CO2 and other greenhouse gases

Subject to a positive outcome from DfT on submission of the OBC, full Pre-Planning Consultation and Planning Applications will be prepared and submitted, at which time a full risk assessment and Opportunities appraisal will be undertaken.

Financial Assessment

The cost of constructing the NWRR within the submitted OBC is estimated to be £71,399,500. Shropshire Council is asking the Government to contribute a fixed sum of £54,406,419 from the DfT's Large Local Major Schemes Fund. Shropshire Council will provide the balance of the cost, estimated at £16,993,081, and accepts responsibility for any cost increases as a condition of the OBC submission.

Report

Background

1. The Shrewsbury North West Relief Road (NWRR) proposal has been in the public domain for many years. There have been numerous studies and evaluation exercises around the proposal throughout its lifetime, although none of these to date have proceeded to a full bid for construction costs. At the start of the 2016 year, there was therefore a wealth of study and evaluation data collated and held by the Council, although given the protracted period over which this had been gathered, its relevance to the towns' current position was in question.
2. The NWRR remains on the Councils strategic pipeline schemes list, but with the evidence base being in need of further development work. Shropshire Council submitted a bid for funding under the Department

for Transport's Local Major's Fund (LMF). This application was submitted via, and supported by, the Marches Local Enterprise Partnership. Shropshire Council was successful in being awarded £942,875 of external project development funding under the LMF, this being matched with £49,625 of Council funds.

3. A refreshed Outline Business Case (OBC), submitted to DfT December 2017, has allowed Shropshire Council to put the concept of a NWRR into a present day setting, where such initiatives as the Shrewsbury Integrated Transport Package and the Oxon Link Road are now programmed for delivery over the next 5 years.
4. The full OBC and supporting evidence, including a full consultation report is available at;

<https://www.shropshire.gov.uk/roads-and-highways/roadworks-and-road-closures/large-scale-project-works/north-west-relief-road/>

Forecast Scheme Costs

5. The cost of constructing the NWRR is estimated to be **£71,399,500**. Shropshire Council is asking the Government to contribute a fixed sum of **£54,406,419** from the DfT's Large Local Major Schemes Fund. Shropshire Council will provide the balance of the cost, estimated at **£16,993,081**, and accepts responsibility for any cost increases.

Consultation Programme

6. Full Public and stakeholder consultation was undertaken as part of the OBC preparation. Comprehensive feedback from this is available at the above link. In summary, the following key events were held;
7. A preview of the exhibition material for Shropshire Councillors and Parish and Town Councillors was held at the Shirehall on Tuesday 17th October 2017 from 10am to 1pm.
8. The following public exhibitions were also undertaken:
 - Shirehall, Shrewsbury Tuesday 17th October 2017, 5pm until 8pm
 - The Darwin Shopping Centre, Shrewsbury Friday 20th October 2017, 2pm to 5pm
 - The Darwin Shopping Centre, Shrewsbury Saturday 21st October 2017, 10am to 5pm

- Grange Youth Centre, Mount Pleasant Road, Shrewsbury Monday 23rd October 2017, 2pm to 8pm
- Baschurch Village Hall, Eyton Lane Tuesday 24th October 2017, 4pm until 8pm
- Oxon Church Community Hall, Welshpool Road, Wednesday 25th October 2017, 2pm to 8pm

Next Steps

9. It had been consistently communicated from DfT to Shropshire Council through liaison meetings in 2017, that the requirement to submit the completed OBC had been accelerated to a Dec 2017 deadline as opposed to the initial April 2018 date. This was understood to be based on an announcement on successful bids to be made at, or around, the time of the 2018 Spring Statement.
10. The delivery case and programme as submitted is predicated on this understanding, with preparatory works intended to commence in April 2018. Without this early start, it is considered that the requirements of the 5 year completion under the LLMF funding programme could not otherwise be met.
11. Shropshire Council undertook to work at financial risk to the value of £190k between the Dec 2017 submission date and the Spring Statement in order to continue to meet the programme requirements. Council Members considered this as part of the Cabinet Paper in Dec 2017.
12. It is, given the current uncertainty from DfT as to the date of any announcement, unlikely that the Council will agree to continue to fund further preparatory works in such a way. If this is the case, the OBC as submitted will require change in terms of programme and financial profiling. Ultimately, given the seasonal nature of much of the preparatory works required (environmental surveys etc.), this could lead to a 1 year delay in completion.
13. Cllr Peter Nutting has recently written to Chris Grayling explaining further as to the disappointment in a lack of announcement through DfT, and also as to the wider impact on the planned growth in housing and employment development in the town that this will have. A copy of this letter is included at appendix 1.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet 13th December 2017 – Shrewsbury North West Relief Road – Submission of Outline Business Case to DfT

Cabinet Member (Portfolio Holder)

Cllr Steve Davenport

Local Member

All

Appendices

Appendix 1 – Open Letter to Rt Hon Chris Grayling MP, Secretary of State for Transport

Appendix 1

Rt Hon Chris Grayling MP.
Secretary of State for Transport
House of Commons,
London,
SW1A 0AA

Shropshire Council
Shirehall
Abbey Foregate
Shrewsbury
Shropshire
SY2 6ND

Date: 27th March 2018

Dear Mr Grayling,

Shrewsbury North West Relief Road: Unlocking Potential for Sustainable Growth and Town Centre Regeneration

The Shrewsbury North West Relief Road (NWRR) will provide a new, single carriageway road linking the northern and western parts of Shrewsbury. It is the missing link in the County's strategic highways infrastructure plan and will provide a new bridge over the River Severn and its flood plain, a new bridge over the Shrewsbury-Chester railway line and will complete a longstanding and important ambition to provide strategic highways infrastructure that will unlock growth potential and underpin the ambition to deliver significant regeneration within the historic County town.

It will connect to existing roads with new roundabouts both on the Local Highway network and the Strategic Road Network at the A5. The end points of the NWRR have been determined by the existing Battlefield Link Road in the north, and the planned Oxon Link Road in the west. These roads were designed as precursors of a NWRR, and each provides access to important employment and development areas. The Oxon Link Road is included in the Marches LEP's £75 million Growth Deal and will be delivered by 2021 as part of the proposed western Sustainable Urban Extension (SUE).

In December 2017 Shropshire Council submitted a scheme Outline Business Case (OBC) under the Department for Transport's Large Local Majors funding programme. A summary of the OBC is set out below and the full submission can be viewed at

<https://www.shropshire.gov.uk/roads-and-highways/roadworks-and-road-closures/large-scale-project-works/north-west-relief-road/>

The OBC for the NWRR follows published Department for Transport (DfT) guidance, including Web-based Transport Analysis Guidance (WebTAG) and supports a funding request to the Department for Transport from Shropshire Council and the Marches Local Enterprise Partnership (LEP). It explains why

the scheme should receive support, and provides a clear audit trail for the purposes of public accountability. It also explains how and why Shropshire Council has decided to put the scheme forward in its current form, and at the present time. It shows that the proposals are based on a careful consideration of options, a robust appraisal of costs and benefits, and a clear plan for delivering the scheme.

Links between the north and west of Shrewsbury are presently very poor. The most direct route passes close to the historic town centre through the “river loop” and consists entirely of single carriageway including residential and shopping streets. Congestion on these routes causes delays, pollution and makes journeys unreliable. Other problems arise directly from this fundamental weakness in Shrewsbury’s transport network. Noise, visual intrusion and poor air quality affect people in residential areas and the town centre, as well as people walking and cycling. Accident rates are higher on roads not designed to modern standards. Journeys to work and for business can be slow and unreliable, adding to the cost of transport (including public transport) and discouraging investment. As Shrewsbury continues to develop and grow, these problems are expected to get worse.

The NWRR will provide a new, high standard, direct route between the north and west of Shrewsbury, offering big time savings for road users. For example, a peak hour journey from A5 Churncote to A49 Battlefield would take about 6 minutes using the NWRR, instead of about 20 minutes through the town centre or 15 minutes on the bypass. Traffic will therefore transfer from the existing routes, reducing congestion and making them more efficient. These benefits will be experienced over a wider geographic area, including the outer bypasses and rural lanes, as well as the roads leading into and through the town centre. The NWRR will also help to reduce accidents and carbon emissions, and will improve air quality in areas where people shop, work and live. It will give Shrewsbury a more efficient and resilient road network and support the town’s continued growth and economic development.

The cost of constructing the NWRR is estimated to be £71,399,500. Shropshire Council is asking the Government to contribute a fixed sum of £54,406,419 from the DfT’s Large Local Major Schemes Fund. Shropshire Council will provide the balance of the cost, estimated at £16,993,081, and accepts responsibility for any cost increases during the delivery phase.

During the period of the OBC preparation, the deadline for submission was brought forward considerably by DfT from March 31st 2018 to 22nd December 2017. This was understood to be to allow the consideration of the LLMF submissions in advance of the 2018 Spring Statement. The challenge in accelerating the submission, in particular the onerous requirements for traffic modelling work, was considerable, but Shropshire Council and its consultants WSP were successful in doing so.

It has been extremely disappointing therefore that there was no funding allocation announcement forthcoming either as part of, or at the same time as, the 2018 Spring Statement. The delay in this announcement beyond April

2018 now presents considerable challenges to the successful delivery of the NWRR scheme by Shropshire Council as follows;

- In order to meet the prescribed LLMF spend timetable and profile, the NWRR programme has been designed to move through design, planning and construction at some pace. This is achievable, but the success of the submitted programme is predicated on (in line with earlier DfT advice) being “in delivery” from 1st April 2018. There are considerable amounts of preparatory work (including Environmental Survey work and Ground Survey work that are seasonally specific and restricted, and as such, to not undertake these within 2018 would add a further 12 months delay to the planned delivery programme. If this is the case then there is no way that the NWRR can make this time up in line with the rest of the submitted programme for the LLMF spend programme. The Council would effectively be in construction (the most expensive element of the scheme) beyond the final year, 2021/22 under which it believes that LLMF funding is available.
- In order to meet the previously circulated programme timetables, Shropshire Council has agreed through its Cabinet to work “at risk” in order to bridge the gap between the December 2017 submission and the expected April announcement. This is currently at a level of £190k of Council revenue spend. The permission to do so was agreed through the Councils Cabinet in December 2017. There is now a concern that, due to any further delay in funding announcements, there will be a need to continue this “at risk” working in order to stay on the submitted NWRR programme. Given the current pressures on Council funds at this time, there is a risk that Members will not agree to such further work. At this stage, the Council may be forced to consider the withdrawal of the OBC and funding bid, as there is no way that the required programme for delivery could be met.
- Given the local, and strategic significance of this piece of infrastructure, and the overwhelming support that the proposal has amongst the local business community, Local MP, Shropshire Council Members, Shrewsbury Town Council, The Marches LEP, and the local population, this is clearly not something that Shropshire Council would consider lightly, however it may be an unfortunate necessity. There is currently a chance to deliver a transformational piece of infrastructure at a cost that is at an historic all-time low and In line with the planned growth ambitions for Shrewsbury.

Unlocking Potential for Sustainable Growth

Shropshire has an up to date and adopted local plan but is bringing forward an early review to provide a clear strategy for the period 2016 -2036. Having considered the strategic direction for growth Shrewsbury will form a major part of the Councils strategy to deliver housing and employment sites over the

plan period and certainty over the NWRR project will greatly support this ambition.

There are two areas that have been actively promoted for development that are located between the proposed route of the NWRR and the built form of the town (first two areas in the table below). There is a further area of land that would be located between the proposed route of the NWRR that has not been actively promoted but may be technically developable land (third area in the table below). However this is likely to be subject to a number of constraints (see notes).

There is therefore approximately 80-95ha of land with the potential for development with an approximate capacity of between 1,800 and 2,150 dwellings and between 16ha and 19ha of employment land.

Town Centre Regeneration

In addition to employment and housing land likely to come forward as a result of the NWRR significant regeneration and redevelopment benefits would also follow. The town is home to the world's first Iron Framed building in Ditherington Flax Mill which is now a key regeneration project being delivered on the Northern Corridor approach to the town centre and the largest project currently being undertaken by Historic England.

In addition the mediaeval heart of the town centre is compromised significantly by existing cross town roads, poor quality commercial development and a failure to capitalise on key assets including the many historic buildings and river frontage.

Construction of the NWRR would provide the missing link to the County's strategic highways infrastructure, it would create an opportunity to redistribute traffic, redevelop the river front and key parts of the town centre, to reinforce sustainable travel patterns through cycling, pedestrian links and park and ride bus services.

Implementation of the NWRR would also facilitate the delivery broad regeneration within the town centre releasing opportunity for integrated transport solutions and key regeneration objectives identified in the Shrewsbury Big Town Plan, a joint masterplan initiative led by Shropshire Council, Shrewsbury Town Council and the Shrewsbury Business Improvement District (BID). It would therefore provide a comprehensive solution to deliver sustainable economic growth in this leading market town within the Marches LEP and support growth opportunities beyond and throughout the region.

We hope we have conveyed in this letter the critical delivery timescales and management of risks and the importance of this key infrastructure to unlocking considerable housing and employment opportunities for Shrewsbury, Shropshire and the West Midlands. We would therefore urge you to consider an early, and favourable announcement, through the Secretary of

State as regards construction funding for the Shrewsbury North West Relief Road. If we can provide any further information please do not hesitate to get in touch.

Yours sincerely

Location	Status	Size	Approximate Residential Capacity	Approximate Employment Land Capacity.	Notes
Land to the south of the proposed route of the NWR, east of the railway line and west of Ellesmere Road	Actively Promoted	60ha	1,300 dwellings*	12ha	a proposed wetland habitat will be provided in this area approximately 1ha in size).
Land to the south of the River Severn, east of the railway line and west of Ellesmere Road	Actively Promoted	20ha	500 dwellings	4ha	considerations are a key constraint to development west of Ellesmere Road (as noted within the SAMDev Plan, which states: “The Council recognises that land off Ellesmere Road could be a potential long term direction for growth for the town, but considers that such growth should be linked with the delivery of the Relief Road. The scope for significant developments in that area is particularly affected by the need for the road as, cumulatively, development would have adverse traffic impacts on this major approach to the town centre”).
Land south of the proposed	Not Promoted	10-15ha	250 - 350 dwellings	2-3ha	This area has not been actively promoted and would be separated

route of the north west relief road, west of Berwick Road and east of the River Severn					from the built form of the settlement by agricultural fields/an extensive area of flood risk to the east and the River Severn/an extensive area of flood risk to the west and south. The topography of the site may be challenging in places and it is adjacent to the Registered Park. The site is however technically developable land.
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