

COUNCIL
9 NOVEMBER 2017**REPORT OF CABINET – MATTERS WHICH REQUIRE A
DECISION BY COUNCIL – CONTINUED**

(b) Local Transport Plan 4**Recommendation**

- 17. The Cabinet recommends that Council adopts the Local Transport Plan 4 (LTP4) 2018 – 2031 for Worcestershire as part of the Council's Policy Framework.**

Background

18. The County Council is required to produce a Local Transport Plan (LTP) under the Transport Act 2000. The LTP sets the strategic vision and direction of highways and transportation services. The availability of reliable and efficient transport networks plays a major role in the effectiveness of the Worcestershire economy. Evidence has shown that a good transport network is important in sustaining economic success in modern economies. Where investment in transport infrastructure and services has been inadequate, this has been shown to adversely impact on future growth and competitiveness.

19. Worcestershire has had three previous LTPs: LTP1 (2001 to 2006), LTP2 (2006 – 2011) and LTP3 (2011 to date). Since the LTP3 was put together, funding mechanisms, socio-economic aspirations, development growth and the level of evidence available to support investment in schemes have changed. Specifically, the creation of the Local Enterprise Partnership (LEP) and the introduction of the County's Strategic Economic Plan (2014) along with the new County Council Corporate Plan (2017-2022) have further emphasised the need for LTP alignment. Additionally, many schemes included in the LTP3 have now been delivered or developed since their conception. Hence the LTP3 has now been revised into the proposed LTP4, to take account of these major changes.

Consultation

20. A statutory consultation on the draft LTP4 documents was held from 19 December 2016 to 21 March 2017. In total, 358 questionnaires were completed and 130 written responses were received from a wide range of stakeholders. The results of those respondents who chose to participate can be seen in Appendix A.

21. The outcomes of the consultation were duly considered resulting in a comprehensive review and revision of the LTP4 suite of documents. The LTP4 documents now proposed for adoption are:

- The main LTP4 strategy document (Appendix B). This proposes new and emergent schemes reflecting the Infrastructure Delivery Plans (IDPs) within the county as well amendments resulting from the consultation or technical work carried out in 2017. The main document sets out an outline delivery programme which is split into three area-based transport strategies:
 - The North East Worcestershire Transport Strategy (Bromsgrove and Redditch)
 - The Wyre Forest Transport Strategy
 - The South Worcestershire Transport Strategy (Malvern Hills, Wychavon and Worcester)
- The Policies Document (Appendix C). This document has been extensively amended leading to the production of a broader policy compendium
- The Network Management Plan (Appendix D). This document has been amended leading to the production of a broader plan
- The Strategic Environmental Assessment (Appendix E) and a Habitats Regulation Assessment (Appendix F) have also been revised in light of the consultation. These are statutory documents that are necessary to support the LTP4.

22. The LTP4 documents will also support the newly adopted (October 2017) Rail Investment Strategy for Worcestershire.

23. The Cabinet has considered the draft LTP4 2018-2031 and it is now before the Council for formal adoption. As the LTP is part of the Council's Policy Framework the Overview and Scrutiny Performance Board will review the Plan at its meeting on 7 November 2017. Any comments arising from that meeting will be reported to Council. The Cabinet has also considered and adopted a complementary policy for Worcestershire's School Crossing Control.

Financial and Other Implications

24. The LTP is a high level strategy with no direct financial implications although by implication there is an aspiration to deliver as many schemes as possible. The draft LTP4 documents have been subjected to a Health Impact Assessment (Appendix G) (To follow). An Equality Impact Assessment (EIA) (Appendix H) has also been carried out on the LTP4 proposals. This assessment has identified both potential positive and negative impacts in respect of some Protected Characteristics. The strategy has been amended to include potential mitigation action. All LTP4 schemes will be subject to their own bespoke EIA screening (and, where necessary, more detailed analysis) as they are brought forward for delivery.

Supporting Information

- Appendix A: LTP4 Consultation Report
- Appendix B: LTP4 Main Document
- Appendix C: LTP4 Policies Document

- Appendix D: LTP4 Network Management Plan
- Appendix E: LTP4 Strategic Environmental Assessment
- Appendix F: LTP Habitats Regulation Assessment
- Appendix G: LTP4 Health Impact Assessment – to follow
- Appendix H: LTP4 Equality Impact Assessment

All the above appendices are available electronically at <http://worcestershire.moderngov.co.uk/ieListDocuments.aspx?CId=129&MId=1659&Ver=4>.

(c) Pershore Infrastructure Improvements

Recommendation

- 25. The Cabinet recommends Council to agree the addition of £11.6 million to the Capital Programme with £6 million being provisionally secured through Worcestershire Local Enterprise Partnership and local district council and developer contribution for the purpose of completing the Pershore Infrastructure Improvement scheme.**

Background

26. The Council has deployed resources available to it to progress the Pershore Infrastructure Improvement scheme as far as it can. The Worcestershire Enterprise Partnership (WLEP) has provisionally allocated £5 million, subject to final business case approval, and there is circa £1 million of local contributions allocated to deliver the scheme. The Cabinet has agreed a number of recommendations which will enable the scheme to continue to be progressed to the best advantage to the Council, but with appropriate safeguards in terms of financial control and accountability. Council approval is now sought to secure the addition of £11.6 million for the scheme to the Capital Programme.

27. The delivery of the Pershore Infrastructure Improvement scheme is a priority for the Council, the WLEP, Chamber of Commerce, Members of Parliament and the Worcestershire District Authorities. The scheme is aligned with agreed priorities, in particular in terms of supporting economic growth in Worcestershire and is included within the current Local Transport Plan (LTP3) 2011-2026, the Worcestershire Strategic Economic Plan (SEP), the Worcester Transport Strategy (WTS), the South Worcestershire Development Plan (SWDP) and associated Infrastructure Delivery Plan (SWIDP).

28. The scope of the scheme is threefold and includes:
- The provision of a Northern Link Road that connects the employment sites of the Keytec Business Park with the A44
 - The provision of capacity enhancements at Pinvin crossroads to alleviate existing and projected congestion in the area
 - Upgrading of the Wyre Road/Station Road Junction.

29. Once delivered, the Pershore Infrastructure Improvement scheme would support the growth of Worcestershire's economy, improve access, support the delivery of planned growth and employment growth and improve the environment.

Business Case and Funding

30. A Business Case has been approved by the Worcestershire Local Transport Body. The Local Transport Body's Summary Report concludes that the strategic case is sound and represents very high value for money.

31. The overall cost of the scheme is estimated at £11.6 million. The current funding sources for the scheme include £5 million from WLEP and £1 million of third party contributions, of which the developer contribution is dependent on a housing development, much of which will be completed before the scheme is constructed. This leaves a funding gap of circa £5.6 million required in 2019/20 to: a) make good any negative cash flow implications for ongoing project costs; and b) provide certainty in order to appoint a contractor. It is recommended that the Council funds the gap of £5.6 million and adds the full project amount of £11.6 million to the Capital Programme.

32. The project team would continue to work with key parties, including Wychavon District Council, to pursue further funding opportunities to mitigate financial exposure, to reduce the need for financing the identified gap and apply for other possible sources of funding such as the Homes and Community Agency Housing Infrastructure Fund.

33. Should it not be possible to acquire the necessary land for the scheme through negotiation, the Council would have to make a Compulsory Purchase Order (CPO) for the scheme (the land requirements are highlighted in the report to Cabinet Appendix C). Environmental and social assessments were being undertaken and the health implications of the proposals were also being identified.

Timescales

34. In order to be able to complete the scheme by Spring 2020, adherence to the following timeline is critical:

- Contractor appointed Spring 2018
- Commence CPO process if required by Spring 2018 and complete by Autumn 2019
- Secure Planning Permission Spring 2018
- Final Business Case submitted Autumn 2018
- Construction Starts Autumn 2018
- Construction Completion Spring 2020.

Supporting Information

Further details are available on-line with the 2 November Cabinet agenda at <http://worcestershire.moderngov.co.uk/ieListDocuments.aspx?CId=131&MId=1666&Ver=4>

(d) New Capital Investment – A4440 Worcester Southern Link Road Phase 4 Carrington Bridge to Powick

Recommendation

35. **The Cabinet recommends that Council approves the addition of £62 million to the Capital Programme for A4440 Worcester Southern Link Phase 4 Carrington Bridge to Powick and that the cash limits are updated accordingly.**
36. The Council has received notification from the Department for Transport that it has been awarded a grant of £54.5 million as a contribution to fund Phase 4 of the Worcester A4440 Southern Link Road (SLR) dualling from Carrington Bridge to Powick. Further funding of £7.5 million is expected from a combination of S106 monies and third party contributions which will take the total investment to £62 million.
37. This much-needed funding will complement the existing A4440 Southern Link Road Phase 3 works currently underway, and is an integral part of the strategy to drive the delivery of the economic growth ambitions of the Worcestershire Strategic Economic Plan and the Local Development Plans.
38. Strategically, the scheme addresses the key national priorities as follows:
- **Congestion Relief:** Improvements to the A4440 Worcester SLR will reduce the negative effects of congestion and improve accessibility and journey times across south Worcestershire
 - **Economic Growth:** The scheme will support economic growth by releasing an additional 15 ha of employment land. In addition, it will relieve Worcester City congestion enabling an additional 2- 3,000 jobs in the City over time and a repositioning of the City as the leading Cathedral City it is
 - **Housing Growth:** The recently adopted South Worcestershire Development Plan identifies the sites upon which 28,000 houses are to be built. A significant number of these sites are predicated upon the completion of the dualling of the A4440 between the M5 and the Powick roundabout. The scheme underpins the South Worcestershire Development Plan growth, provides the encouragement to the market to commit to the development, and directly brings forward the development programme for 3,000 new homes.

(e) 100% Business Rates Retention – Pilot

Recommendation

39. **The Cabinet recommends that Council endorses the submission to participate in the pilot for 100% Business Rates Retention.**

40. Since April 2013 the Business Rates Retention System enables local government to retain a 50% 'local share' of business rates income. The other 50% 'central share' is retained by central Government and then redistributed to Councils as Revenue Support Grant and other grants. For the County Council, the 50% local share is worth around £60 million per year – this represents around 18% of the Council's total funding in the current financial year.

41. In October 2015, central Government announced that, by the end of the current Parliament, local government will keep 100% of the income raised through business rates and will take on new responsibilities to be funded from this additional income as central Government grants are phased out. These proposals will enhance the Council's ambition to be self-sufficient and will mean that it relies less on central Government as a source of funding.

42. The Council responded to the consultation on 100% Business Rates Retention last year and DCLG has now issued a prospectus requesting submissions from local authorities to participate in a one year 2018/19 pilot for 100% Business Rates Retention. This is in line with the previously published timetable which provides for implementation of the scheme by the end of this parliament. The submission to DCLG was required by 27 October 2017.

43. A key objective of a pilot would be to promote financial sustainability and coherent decision making across functional economic areas and invest some of the additional retained income to encourage further growth. Two-tier areas are being encouraged to apply and district councils within Worcestershire have indicated their wish to participate in the pilot.

44. The key changes that would occur through participation in the pilot would be:

- An authority receives an increase to its local share of business rates revenues. The value of this increase is then taken off the authority's Top Up grant/added to the authority's Tariff payment
- Revenue Support Grant and Rural Services Delivery Grant are no longer paid. Instead, the Grant is replaced by increased Top Up grant or reduced tariff payments
- The authority/pilot area then receives all growth (and decline, to a point) in business rates compared to the 50% of growth that is currently retained.

45. Therefore, whilst authorities within the pilot area have the opportunity to receive higher income through retaining all business rates growth, there is exposure to a greater level of risk in replacing specific grant income with variable business rates income.

46. The Council is asked to endorse the submission made by the Interim Chief Financial Officer to participate in the pilot for 100% Business Rates Retention. The submission would if accepted lead to an additional £3.5 million of the available £5.7million for the County Council with the remainder split between the district councils.

Contact Points

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Nichola Garner, Committee and Appellate Officer

Tel: 01905 846626

Email: ngarner2@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda and background papers for the meeting of the Cabinet held on 2 November 2017.

Worcestershire Business Rates Pilot Business Case