

Cabinet

27 January 2023

A426/A4071 Avon Mill/Hunters Lane Improvements, Rugby

Recommendations

That Cabinet:

1. Approve the further development of the A426/A4071 Avon Mill/Hunters Lane Improvement scheme in Rugby and authorise the Strategic Director for Communities to take all necessary steps required to progress the scheme to Outline Business Case (OBC) submission stage including:
 - (i) Finalising designs and determining land requirements;
 - (ii) Commencing negotiations with third-party landowners;
 - (iii) Negotiating terms and entering agreements for alterations to private accesses;
 - (iv) Securing all necessary statutory consents (including licences and planning permissions) and entering any necessary agreements with other regulatory bodies;
 - (v) Exercising any statutory rights of entry for the purposes of carrying out surveys, examinations or other investigations or executing works;
 - (vi) Undertaking public and wider stakeholder consultation;
 - (vii) Submission of an Outline Business Case (OBC) to the Department for Transport (DfT) in accordance with the programme outlined in Section 7 of this report.

1. Background

- 1.1 The proposed A426/A4071 Avon Mill/Hunters Lane improvement scheme is identified in the County Council's Local Transport Plan (2011-2026) and the Rugby Borough Council (RBC) Infrastructure Delivery Plan (IDP) for the then adopted Local Development Framework Core Strategy (June 2011).
- 1.2 The IDP referenced the scheme as being critical to supporting major development at Gateway Rugby on the A426 Leicester Road corridor and at the former Rugby Radio Station site at Houlton to the east of Hillmorton.
- 1.3 On 14th May 2015, Cabinet authorised the addition of the proposed scheme to the Capital Programme and the allocation of £0.617 million S.106 developer funding to enable further work to develop the scheme.

- 1.4 On 11th June 2019, Cabinet resolved to approve submission of a Strategic Outline Business Case (SOBC) to Midlands Connect for the scheme as the initial priority investment on the Major Road Network (MRN) in Warwickshire by the deadline of 5th July 2019, as set out in Recommendation 2 of the report.
- 1.5 The SOBC for the scheme was subsequently included in the Midlands Connect Regional Evidence Base submission to DfT in July 2019 as one of seven priority MRN schemes identified across the pan-Midlands area, with construction required to start on site no later than March 2025.
- 1.6 The MRN comprises the country's busiest and most economically important local authority 'A' roads which often carry a significant proportion of commercial vehicles.
- 1.7 Improving the operational performance of the Avon Mill junction which is located centrally on the A426/A4071 MRN corridor in Rugby is therefore critical to supporting the local, sub-regional and national economy
- 1.8 In June 2020, the County Council was awarded £260,000 capital grant funding by DfT for further development work on the scheme up to and including the production of an Outline Business Case (OBC).
- 1.9 This report outlines the key features of the proposed scheme and its primary objectives. It then sets out the steps required for further scheme development to enable the planning application and OBC to be submitted in 2023 in accordance with the scheme programme, and requests authority to proceed with the required statutory applications, processes and agreements for the preliminary and detailed design stages, prior to requesting tenders and subsequently awarding the works contract.

2. Scheme Description

- 2.1 A Scheme Layout Plan is shown in **Appendix 1** and comprises the elements listed below (further design work is underway to refine the scheme, so some of these may change):
 - (i) Enlargement of the existing Avon Mill Roundabout and widening of the approaches and exits;
 - (ii) Provision of a new segregated foot/cycleway and bridge located to the north of the existing road bridge with connections onto enhanced crossing facilities on A426 Leicester Road to provide safe access to Avon Valley School;
 - (iii) A new roundabout at A426 Newbold Road/Hunters Lane to replace the existing priority junction;
 - (iv) Construction of a short length of dual carriageway to connect the two roundabouts including a new bridge over the River Avon located to the south of the existing road bridge;

- (v) A new left-in/left-out access junction to provide access to the Starbucks 'Drive-Thru' which is currently under construction on the former Avon Mill Inn site and adjacent residential properties served off the proposed southbound carriageway.

3. Scheme Objectives

- 3.1 In accordance with DfT requirements for all MRN proposals, the scheme seeks to support all road users by promoting Active Travel opportunities and improving journey times for bus users and will also make a positive contribution towards achieving Net Zero targets by reducing carbon emissions, as outlined below:
 - (i) **Promoting Active Travel opportunities by upgrading facilities for pedestrians and cyclists** - the proposed segregated foot/cycleway and bridge and enhanced crossing facilities on A426 Leicester Road will provide a key 'missing link' in Rugby's cycle network, giving pedestrians and cyclists better access to the town centre and reducing severance.
 - (ii) **Supporting local Climate Emergencies and Net-Zero targets** – the County Council declared a Climate Emergency on 25th July 2019. The carbon impacts of the scheme have been assessed initially through a high-level calculation of the Carbon Dioxide Equivalent (CO₂e) value resulting from vehicle emissions generated by traffic within the area. The results show a slight reduction in carbon emissions with the scheme in place relative to the 'without scheme' scenario, due to reduced congestion and shorter travel distances resulting from a lower propensity for traffic to divert away from major routes. The proposed foot/cycleway and bridge will also make walking and cycling more attractive and encourage a shift away from private car for short local journeys which will also help to reduce carbon impacts.
 - (iii) **Improving Bus Journey Times and Reliability** – Avon Mill roundabout has been identified as a key congestion hotspot by Stagecoach Midlands, the principal local bus operator in Rugby. Scheme assessment work indicates that the proposals would reduce congestion thereby improving bus journey times for services passing through the junction and across the wider network.
 - (iv) **Supporting Housing Delivery, Economic Growth and Rebalancing** - assessment work shows that the scheme would significantly reduce queues and delays on the approaches to Avon Mill roundabout under forecast conditions and thus help to facilitate significant planned residential, employment and retail growth in RBC's adopted Local Plan 2011-2031. This comprises over 12,000 new homes, 100 hectares of employment land and 8,000 m² of retail space.
 - (v) **Improving Network Resilience** - closure of the existing A426 River Avon bridge for maintenance or due to an unforeseen incident would have potentially widespread adverse environmental impacts, as traffic would divert onto less suitable routes. The scheme provides a second road bridge and a new foot/cycleway and bridge thus significantly improving the resilience of the

local road network. The proposals also improve network resilience for the wider Strategic Road Network (SRN) managed by National Highways, as the A426/A4071 forms a diversionary route between the M45/A45 south-west of Rugby and the M1/M6/A5 to the north when there is an incident or planned works on the SRN.

- (vi) **Improving Road Safety** – assessment work shows that the scheme would reduce the propensity for traffic to ‘rat-run’ via the congested Mill Road Tunnel, Murray Road and surrounding residential streets, thus improving road safety and reducing community impacts (e.g. noise, air quality, severance etc.). Walking and cycling journeys will also be made safer via provision of the proposed segregated foot/cycleway and bridge and enhanced crossing facilities on A426 Leicester Road.

4. Scheme Development

- 4.1 The scheme will be the subject of a planning application made to the County Council as planning authority, by virtue of Regulation 3 of the Town and Country Planning Act, as the scheme footprint diverges from the adopted highway boundary at the new road bridge and proposed foot/cycle bridge across the River Avon, and also at other locations.
- 4.2 The preparation of the planning application will include consideration of the environmental impacts of the proposed construction and specifically at the bridge site, and in order to prepare for this a series of environmental and ecological surveys will be commissioned.
- 4.3 Early engagement with some affected landowners has taken place in order to complete topographical surveys and scheme delivery will require parcels of third-party land to be acquired.
- 4.4 Subject to approval of the recommendation outlined in this report by Cabinet, the project team propose to build on this initial engagement and commence negotiations with third-party landowners with a view to securing the required land by voluntary agreement.
- 4.5 A separate report will be brought forward to Cabinet seeking authorisation to acquire the required land, subject to approval of the Full Business Case (FBC) and funding award by DfT.
- 4.6 It is proposed that a Compulsory Purchase Order under section 250 of the Highways Act 1980 is also prepared to run in parallel with negotiations for land acquisition to reduce the risk of delays in scheme delivery.
- 4.7 A further report will be brought to Cabinet to request permission to bring forward the Compulsory Purchase Order when the work to develop the initial alignment envelope has been completed.

4.8 As the scheme design is progressed, statutory processes such as side road orders and agreements, such as with the Environment Agency around the flood plain and Natural England in respect of any protected species, may also be required.

5. Financial Implications

5.1 The total scheme cost estimate at the time of the SOBC submission to Government (July 2019) of £22.311 million.

5.2 This has recently been uplifted to reflect recent large increases in the rate of inflation and is currently estimated at £23.585 million with proposed contributions as follows:

- (i) **Central Government Contribution** (Department for Transport) - £17.873 million (76% of total);
- (ii) **County Council Contribution** (Capital Investment Fund - CIF) - £4 million – (not yet approved - subject to a future Cabinet/Council report) (17% of total);
- (iii) **S.106 Developer Contributions** - £1.712 million (7% of total).

5.3 The scheme cost estimate will be completely refreshed before it is included in the OBC submission and based on a more refined and detailed understanding of the scheme design. The design has evolved since the original cost estimate was included in the July 2019 SOBC submission.

5.4 Following OBC submission which is currently programmed for Q2 2023/24, the DfT contribution towards the scheme will be fixed and the County Council would be responsible for managing any further cost increases.

5.5 To reduce the risk of potential cost overruns, the revised OBC estimate will include robust allowances for contingency and recent large increases in inflation, particularly the increased cost of construction and materials.

5.6 Furthermore, detailed site investigations and surveys are also proposed prior to OBC submission to inform the updated cost estimate and give greater confidence that it is likely to be representative of outturn costs.

5.7 Examples of the type of investigations and surveys which will be undertaken to inform the revised OBC cost estimate include environmental and ecological surveys, flood modelling, archaeological investigations and requirements for utility diversions.

5.8 The steps required to progress the scheme to OBC submission stage set out under the recommendation in this report can be funded from within existing allocations and S.106 monies that have already been received for the scheme.

- 5.9 The potential DfT contribution for individual MRN schemes shortlisted by Midlands Connect and subsequently approved by DfT following submission of compelling business case evidence will normally be between £20 million and £50 million although the lower threshold will not be applied rigidly.
- 5.10 The current DfT funding ask is £17.873 million which is below the lower threshold. If there is a significant increase in the total scheme cost estimate at OBC submission stage, it is proposed to increase the DfT funding ask to meet any projected cost increases which are not covered by the local contribution, subject to this being acceptable to DfT.
- 5.11 There is also a requirement that the local authority or third-party contribution for MRN schemes should represent at least 15% of total scheme costs.
- 5.12 The local contribution currently comprises a £4 million funding ask from the County Council's Capital Investment Fund (CIF) and S.106 developer contributions totalling £1.712 million. In combination, these local contributions currently represent 24% of total scheme costs.
- 5.13 The scheme was added to the CIF Pipeline following endorsement by Corporate Board on 14th December 2022. It is proposed to submit a full CIF bid to Technical Panel in early 2023, with subsequent reports to Cabinet and Full Council by the end of Summer 2023, seeking authorisation to add the £4 million additional CIF funding to the Capital Programme, prior to submission of the OBC to DfT in early Autumn 2023.
- 5.14 S.106 contributions totalling £1.712 million have been received from major developments located on the A426/A4071 MRN corridor including Gateway Rugby, Malpass Farm, Elliott's Field Retail Park (Phase 2) and Coton Park East (Phases 1 and 2).
- 5.15 Further S.106 contributions totalling £0.9 million are due to be received from the developer of the former Rugby Radio Station site at Houlton. The S.106 agreement indicates that payment is due in three equal instalments which are triggered upon completion of 1,530, 1,850 and 2,230 dwellings.
- 5.16 Due to uncertainties over the likely rate of future housing completions at Houlton and associated receipt of S.106 payments, this funding has not been included in the current scheme cost profile.
- 5.17 However, the latest information from RBC suggests that if recent rates of housing completions at Houlton are sustained over the next 3-4 years, some of this funding could become available to either offset any unanticipated increases in scheme costs following OBC submission to DfT, or reduce the CIF requirement.

6. Environmental Implications

- 6.1 The scheme is forecast to improve air quality and reduce carbon emissions by reducing congestion, discouraging 'rat-running', improving bus journey times and providing improved infrastructure for walking and cycling thereby facilitating sustainable travel.
- 6.2 In considering the requirement for an Environmental Impact Assessment (EIA) to accompany the planning application, the scheme has been reviewed against the EIA Regulations 2017.
- 6.3 An EIA screening will be submitted to consider whether the proposal will have a significant environmental effect by virtue of its nature, size or location.
- 6.4 An assessment of whole life carbon costs is due to be undertaken as part of further scheme development work for the OBC submission which will include a Carbon Management Plan in accordance with the latest DfT guidance for MRN schemes.

7. Timescales associated with the decision and next steps

- 7.1 Key project milestones are currently as follows:

Key Milestones	Current Programme
Strategic Outline Business Case	July 2019
Outline Business Case	Q2 2023/24
Commence Detailed Design	Q4 2021/22
Planning Application Decision	Q3 2023/24
Tender Process Commences	Q3 2023/24
Full Business Case	Q4 2023/24
Start of Works	Q2 2024/25
Completion of Works	Q4 2025/26

Appendices

1. Appendix 1 – Scheme Layout Plan

Background Papers

None

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The report was circulated to the following members prior to publication:

Local Members: Cllrs Brown, Butlin, Dahmash, Feeney, Kaur, Roberts, Roodhouse, Simpson-Vince, Timms, Warwick.

Other Members: Cllrs Seccombe, Redford, Baxter-Payne, Bell, Chilvers, Clark, Crump, D'Arcy, Fradgley, Holland, Humphreys, Jenns, Morgan, Pandher, Sinclair, Singh, Watson, Wright.