

Manchester City Council Report for Resolution

Report To: Executive – 25th July 2012

Subject: South East Manchester Multi Modal Strategy (SEMMMS) A6 to Manchester Airport Relief Road – Submission of Business Case

Report Of: The Chief Executive

Summary

This report provides an update on the progress of the A6 to Manchester Airport Relief Road (the Scheme). The scheme is being funded by the Combined Authority from the Greater Manchester Transport Fund (GMTF) with some additional third party contributions. While the majority of the Scheme lies outside the City and there is no direct City Council financial exposure to the scheme, the Department for Transport requires formal confirmation from all three affected local highway authorities (Manchester, Cheshire East and Stockport) that they support the proposals. Executive approval is therefore sought to submit the business case to the Department for Transport (DfT) in order that the Scheme can be granted programme entry status. The report also updates members on proposals for consulting on the scheme. A similar report has been presented to Stockport Council which has agreed to adopt similar resolutions. Cheshire East Council is also expected to receive a similar report shortly.

Recommendations

It is recommended that the Executive:

- 1 Approves the submission of a business case for the scheme to the Department for Transport and that the approval of the final document for submission is delegated to the Chief Executive in consultation with the Executive Member for Neighbourhood Services.
 - 2 Delegates authority to the Chief Executive, in consultation with the Executive members for Environment and Neighbourhood Services, to agree the consultation material regarding the scheme for distribution to Manchester households.
 - 3 Delegates to the Chief Executive authority to negotiate the terms of and to approve the entering into of an agreement under Section 8 of the Highways Act 1980 with Stockport and Cheshire East Councils and (if appropriate) the Greater Manchester Combined Authority to secure the efficient delivery of the scheme and to report back as necessary.
 - 4 Authorises the Chief Executive to take any further action he considers appropriate to enable the delivery of the Scheme.
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Wards Affected: ALL

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	An efficient and well functioning transport network is essential for the economic wellbeing of the City and delivery of the Greater Manchester Strategy, Third Local Transport Plan and Transport Strategy for Manchester City Centre. The SEMMMS A6 to Manchester Airport scheme has previously been agreed as a component of the schemes to be funded through the GM Transport Fund and will improve road access to Manchester Airport.
Reaching full potential in education and employment	The Scheme is forecast to have economic benefits for the City and for Greater Manchester as a whole. Employment opportunities will arise during construction and when complete the scheme is forecast to have a positive impact on the performance of the local economy and the availability of local employment opportunities.
Individual and collective self esteem – mutual respect	No direct implications.
Neighbourhoods of Choice	Design of the scheme will include complementary measures designed to minimise any adverse impacts and enhance the local environment in areas affected by it.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

There will be some revenue costs associated with project coordination and legal approvals which will either be attributable as scheme costs or will be met from existing budgets

Financial Consequences – Capital

No financial implications

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- South East Manchester Multi Model Study Final Report, (Inc. the strategy) 2001
- A6 to Manchester Airport Relief Road Business Case for Programme Entry
- Greater Manchester Transport Fund Update, Reports of the Greater Manchester Combined Authority
- City Deal: Future Transport Prioritisation, Report to the Combined Authority on 29th June 2012
- Capital Programme 2012/13 – 2014/15, Reports of the Greater Manchester Combined Authority
- Greater Manchester Local Transport Plan 3

1 Background

- 1.1 The South East Manchester Multi Modal Strategy (SEMMMS) 2001 was developed following a study into the traffic issues in the South East Manchester area. The study considered a number of previously proposed trunk road schemes and recommended that a reduced size road be built as part of a multi modal strategy - the SEMMMS Relief Road.
- 1.2 The Strategy was accepted by the local authorities involved in the study Cheshire (now Cheshire East), Derbyshire, Stockport, Tameside, Manchester City Council and the Greater Manchester Passenger Transport Authority (now Greater Manchester Combined Authority). The Strategy was also supported by the Association of Greater Manchester Authorities (AGMA) and approved by the Government.
- 1.3 Since 2001 the relevant authorities have worked together to implement the overarching Strategy including packages of small scale highway improvements, behavioural change initiatives, public realm improvements and public transport priority and improvement schemes.
- 1.4 Cheshire East, Manchester and Stockport Councils, with Stockport Council taking the lead, developed an outline scheme for the proposed SEMMMS Relief Road. This scheme included the A6 (M) Stockport North South Bypass, the A555 Manchester Airport Link Road West (MALRW) and A555/A523 Poynton Bypass.
- 1.5 In 2003 this overarching scheme was formally launched and local councils approached the public for feedback on the plans. This feedback from two public consultations formed part of a bid to the Department for Transport (DfT) which was submitted in July 2004. In 2004 of the 11559 respondents to the consultation:
 - 91.6% thought that the scheme was needed to bring traffic relief to the local communities and businesses;
 - 87.4% agreed with the principle of the road scheme as recommended by SEMMMS;
 - 87.6% in broad terms thought that the proposed route was in the right corridor
- 1.6 Discussions with DfT Officers continued between 2004 and 2008 when it was agreed that the overarching scheme should be developed and funded in phases with the first phase being the A6 to Manchester Airport Relief Road (the current Scheme).
- 1.7 Since 2009, work has progressed on developing the details of the Scheme. This work has included detailed design, development of a traffic model, environmental surveys, environmental assessments, a transport assessment and the production of a detailed business case for submission to the DfT. The various documents required by the DfT to support the submission of the business case are now complete.

2 Finance

- 2.1 In November 2008 the Government offered £165m towards this first phase if the remainder of the funding for the Scheme could be identified. In July 2009 Greater Manchester Integrated Transport Authority created its Transport Fund and identified the match funding required for the Scheme comprising a combination of Regional Funding Allocation, Local Transport Plan funding and a contribution from the Airport.

Work then continued towards the development of a Major Scheme Business Case for submission to DfT.

- 2.2 In 2010 following the Comprehensive Spending Review the previous Government offer of £165m and the Regional Funding Allocation were removed. However as the Scheme had been identified as a priority for Greater Manchester it was agreed that work would continue on the Scheme preparation and discussions continued to be held with the Government to identify ways that the Scheme could be financed.
- 2.3 In May 2011 the Greater Manchester Combined Authority agreed to release funding of £3.3m to Stockport Council for the Scheme preparatory costs to be incurred in 2010/11 and 2011/12. Further funding was approved for works to integrate the Metrolink Airport Extension with the Scheme and undertake some of the Scheme works in advance of the main Scheme. Manchester Airport Group as part of their delivery of Airport City infrastructure works will construct and fund improvements to the Terminal 1/3 junction and the new highway link from the Terminal 2 junction to the interface of the Metrolink element as their contribution to the overall Scheme.
- 2.4 In November 2011 the Coalition Government's National Infrastructure Plan identified the A6 to Manchester Airport Relief Road as a priority for delivery and reinstated the Government contribution of £165m towards the Scheme.
- 2.5 In March 2012 a "Deal for Manchester" was announced and the Government's Budget statement identified the 'Earn Back' model which subject to DfT's agreement, has the potential to provide the Combined Authority with the mechanism needed to fully fund the Scheme and its wider infrastructure plan for Greater Manchester. Detailed discussions are continuing with Government officials in respect of the detailed arrangements for the Earn Back model. At its June meeting the Combined Authority noted the potential offered by the Earn Back model to deliver both previously identified Greater Manchester Transport Fund (GMTF) priorities that have already demonstrated their strong Gross Value Added (GVA) potential and deliverability, and further priorities that will be developed. In particular the meeting agreed that prioritised further scheme development should be undertaken in parallel on the SEMMMS scheme, and the Trafford Park Metrolink proposal, reflecting the relatively advanced nature of both proposals, their strong funding/revenue offer and well-articulated economic potential
- 2.6 At this stage, therefore, the business case will state that the funding is subject to the final approval of the Combined Authority to allocate resources from the Earn Back model to the Scheme. Under the terms of the proposed Section 8 agreement referred to below, Stockport Council as lead highway authority for the scheme will be responsible for coordinating the funding arrangements with the Combined Authority.

3 Development of the Scheme

- 3.1 Work has continued, in consultation with representatives from Cheshire East Council and Stockport Council as the two other highway authorities involved, to develop the details of the Scheme including the vertical and horizontal alignment, drainage requirements, lighting, signage and highway structures. The proposed route for the scheme as a whole is shown in appendix A. Work has also continued on the Environmental Assessment process.

4 Business Case

- 4.1 The business case complies with the most recent DfT guidance (interim) and is consistent with the Greater Manchester approach to developing major infrastructure schemes. It contains a detailed appraisal of the Scheme and considers its objectives and its economic and environmental impacts. The business case identifies the key benefits of the Scheme including;
- A Benefit Cost Ratio (BCR) of 4.6 (with 44% Optimism Bias).
 - Wider economic benefits further enhancing the BCR
 - Up to 5,450 new jobs stemming from the improved connectivity between labour and business markets.
 - Increased economic activity (Gross Value Added) of £2.4 billion over the next 60 years.
 - Improving access to Manchester Airport and the adjacent Enterprise Zone.
 - Overall scheme cost of £290m.
- 4.2 The business case acts as the bid and justification for funding of the Scheme and will be assessed by the DfT to ensure the Scheme is consistent with national policy drivers and provides value for money in order for the Scheme to be awarded DfT Programme Entry status. It will be a requirement that a further final version of the business case is submitted to the DfT after consultation and planning approval.
- 4.3 The scheme is being funded by the Combined Authority from the Greater Manchester Transport Fund with some additional third party contributions. While the majority of the Scheme lies outside the City and there is no direct City Council financial exposure to the scheme, the Department for Transport requires formal confirmation from all three affected local highway authorities (Manchester, Cheshire East and Stockport) that they support the proposals. Executive approval is therefore sought to submit the business case to the Department for Transport (DfT) in order that the Scheme can be granted programme entry status.
- 4.4 It is therefore recommended that the Executive approves the submission of the business case for Programme Entry to the DfT and that the approval of the final document for submission is delegated to the Chief Executive in consultation with the Executive Member for Neighbourhood Services. Stockport Council resolved to submit the business case in June and Cheshire East Council is expected to formally consider the matter shortly.

5 Consultation

- 5.1 It is currently the intention to undertake a further more detailed round of public consultation, commencing in September, to inform the communities along its alignment of the latest proposals. City Council officers are working with Stockport and Cheshire East colleagues on developing the detail of the consultation materials that will be produced. Briefings are being arranged for local members in advance of this consultation exercise which will focus, as far as the City is concerned, on the section of the route to the east of Shadow Moss Road and on the detailed requirements for any mitigation measures within the City.
- 5.2 The Executive is requested to agree to delegate authority to agree the detail of the consultation material regarding the scheme for distribution to Manchester households

to the Chief Executive in consultation with the Executive Members for Environment and Neighbourhood Services.

6 Next Steps

- 6.1 The A6 to Manchester Airport Relief Road project team are continuing to develop the scheme and will bring further reports on land issues and the submission of a planning application for the scheme at the appropriate time.
- 6.2 In order that the Scheme is progressed and to mitigate programme risk it is proposed that a Section 8 agreement is agreed between the three authorities involved with the scheme. This will provide a legal agreement for the delegation of powers as appropriate to Stockport Council, the lead highway authority for the scheme, from Manchester City Council and Cheshire East and is being drafted between the three authorities. The Greater Manchester Combined Authority will also need to be a party to this agreement or a linked agreement. The Executive is therefore recommended to delegate to the Chief Executive authority to negotiate the terms of an agreement under Section 8 of the Highways Act with Stockport and Cheshire East Councils and (if appropriate) the Greater Manchester Combined Authority to secure the efficient delivery of the scheme and to report back as necessary.

7 Recommendations

It is recommended that the Executive:

- 1 Approves the submission of a business case for the scheme to the Department for Transport and that the approval of the final document for submission is delegated to the Chief Executive in consultation with the Executive Member for Neighbourhood Services.
 - 2 Delegates authority to the Chief Executive, in consultation with the Executive Members for Environment and Neighbourhood Services, to agree the detail of the consultation material regarding the scheme for distribution to Manchester households.
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