



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	30 SEPTEMBER 2010
REPORT OF THE:	HEAD OF ECONOMY AND HOUSING JULIAN RUDD CORPORATE DIRECTOR (s151) PAUL CRESSWELL
TITLE OF REPORT:	A64 BRAMBLING FIELDS JUNCTION UPGRADE
WARDS AFFECTED:	MALTON AND NORTON AND ADJACENT WARDS

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To update Members on the project to upgrade the A64 Brambling Fields Junction and to seek additional funding to cover an anticipated increase in scheme costs as a result of required design changes.

2.0 RECOMMENDATIONS

- 2.1 That Council is recommended to:

- (i) include in the Council's capital programme an increase of £420K in this Council's agreed contribution to the Brambling Fields junction upgrade to give a maximum Ryedale District Council contribution of £2.37m - subject to the agreed contribution from NYCC to be financed either:
 - a. from the Borrowing approval for the Vivis Lane junction scheme in the event that the County Council withdraw their support on the 28 September; or
 - b. from the Council's unallocated capital resources.
- (ii) endorse the seeking of appropriate developer contributions towards the entire Ryedale District Council costs and appropriate North Yorkshire County Council costs incurred through the Brambling Fields scheme. However, the situation will be reviewed once the specified level of developer contributions (as detailed within this report) has being received towards the local authority contributions; and
- (iii) consider a further report regarding the conclusions of the detailed design stage, including the public consultation, before proceeding to formal legal agreement to implement upgrading of the A64 Brambling Fields junction.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 Following this Council's commitment in September 2009 to jointly fund (with North Yorkshire County Council) the A64 Brambling Fields Junction upgrade there has been a detailed design process taking place. This has required changes to the original scheme design in order to achieve the necessary level of safety. This process of scheme refinement is consistent with the planned approach that was outlined to this Committee on 30 July 2010. The financial impact of these design changes together with ecological mitigation costs is a projected increase of £840K in scheme costs. These costs must be borne by the two local authorities if the project is to proceed. However, it is anticipated that these additional costs can be recouped over a period of years through the collection of developer contributions.
- 3.2 The strong justification for undertaking this junction upgrade, in terms of removing through traffic (including heavy commercial vehicles) from the historic town centre of Malton and its Air Quality Management Area to improve environmental and air quality and to reduce congestion, remains as previously outlined to Members. The infrastructure improvement will also provide road capacity for new development within the towns that will help meet local housing and economic needs in line with the emerging Ryedale Local Development Framework.

4.0 SIGNIFICANT RISKS

- 4.1 The final cost of the scheme has not been finalised nor has the risk sharing for potential overspends. It is important that the Council minimises its exposure to unbudgeted costs. Further investigations and option appraisals will be undertaken on this basis and updated information supplied to members when the detailed design exercise is completed. At that stage a further report will set out anticipated costs, risks and the process for sharing risk with North Yorkshire County Council. Only at that stage will the Council take a final decision to jointly proceed with North Yorkshire County Council to construct the junction upgrade via a S278 legal agreement with the Highways Agency. However the S278 agreement will require the two local authorities to commit to meeting total scheme costs. For this reason the current detailed design process includes several value engineering stages and other measures to minimise and to accurately estimate the costs in advance of signing the legal agreement.
- 4.2 There is the risk that the borrowing is not affordable and that cuts to services will be required in order to meet the borrowing costs. This is mitigated through the Council's efficiency plans and existing financial management controls.
- 4.3 Given the reduction in available funding that is being experienced at North Yorkshire County Council for this type of project (see section 8) there is a significant risk to this project if this Council were to decide not to share the additional costs with NYCC or to otherwise reduce/cap its commitment to the project.

5.0 BACKGROUND AND INTRODUCTION

- 5.1 The absence of an opportunity for eastbound traffic to leave the A64 at the Brambling Fields junction (north east of Norton) has long been seen as a major contributing factor to traffic congestion and associated problems in the centre of Malton and Norton, in particular at the Butcher Corner junction. The current design of the A64 Brambling Fields junction does not allow traffic from the York direction to

leave the A64 to gain access to Norton or to the B1248 to East Yorkshire and routes running south from Norton. Consequently this traffic cannot currently use the A64 to by-pass the centre of Malton and Norton via the Brambling Fields junction and Scarborough Road on the eastern side of Norton. The provision of a new 'off-slip' from the A64 at the Brambling Fields junction, in conjunction with complimentary traffic management measures in Malton town centre, would allow and encourage through traffic to use the by-pass route, including a significant amount of heavy goods vehicles. The traffic using Butcher Corner will then be mostly that with a town centre or local destination. This will help address air quality problems that have led to the declaration of an Air Quality Management Area around the Butcher Corner junction in Malton and will allow pedestrian facilities to be improved for shoppers and pedestrians to the benefit of the local economy. Furthermore these changes will provide some capacity in the local highway network for traffic generated by future development that is required to meet housing and economic needs. This means that developer contributions towards the cost of the junction upgrade can be appropriately sought from developers at Malton and Norton.

- 5.2 North Yorkshire County Council's Malton & Norton Transportation Strategy confirmed in 2004/5 that the upgrading of the Brambling Fields junction in combination with complimentary traffic management measures in the centre of the towns was the number one priority in addressing local transport problems. Consequently this Council funded a 2006 Report into the options for upgrading the junction. This work was then developed and refined into a Preliminary Design Report that was completed in mid-2009 on behalf of the Highways Agency, with the funding split between North Yorkshire and Ryedale Councils.
- 5.3 The Preliminary Design Report, which was reported to the 30 July 2009 meeting of this Committee, proposed a design of new eastbound slip off the A64 to a new t-junction with the existing road over the top of the A64 (which would become two-way), together with a new roundabout on the B1248 (Scarborough Road) on the Norton side of the bridge. In addition some work to realign the top of the eastbound on-slip was also required. To accompany this proposal, Jacobs, on behalf of North Yorkshire County Council, began preparation of traffic management measures within Malton and Norton that are an essential component of encouraging through traffic to use the A64 – Brambling Fields – Scarborough Rd route as opposed to passing through Butcher Corner.
- 5.4 The Preliminary Design Report indicated a maximum cost for the improvements to the Brambling Fields junction as designed, including contingencies, fees and other related sums. Negotiations with the Highways Agency resulted in a net figure of £4.8m to be met by Ryedale District Council and North Yorkshire County Council (NYCC) to achieve the junction upgrade as designed.
- 5.5 NYCC, which had earmarked £800K of Integrated Transport Capital Programme funding for the project, then received a share (totalling £18m) of the regional transport funding (known as the Regional Funding Allocation or RFA). The County allocated £2m of this to this project, giving an overall contribution of £2.8m (excluding the cost of the complimentary traffic management measures in Malton and Norton, which NYCC also resolved to fund through the uplift from the Regional Transport Fund).
- 5.6 Ryedale District Council on 3 September 2009 resolved (Minute 28) 'That the recommendations of the Policy & Resources Committee as submitted be approved and that the Council:

- (a) include in the Council's capital programme a scheme for the Brambling Fields junction upgrade with a maximum contribution of £1.95m - subject to the agreed contribution from NYCC - to support the implementation of the junction upgrade, with funding to be dispensed over the period 2009-12;
- (b) endorses the use of developer contribution agreed towards Brambling Fields to meet any shortfall in scheme costs, and thereafter that such contributions should be received by the District Council but be redistributed equally between NYCC and RDC to pay back their contributions, and that this situation be reviewed following the agreed level of developer contributions being received towards the joint local authority contribution; and
- (c) endorses the taking forward of the Preliminary Design Report to public consultation stage, alongside proposed traffic management measures, and subsequently consider responses and scheme amendments before proceeding to formal legal agreement."

5.7 It can be seen that an important element of the funding for the Brambling Fields project is that the District Council seeks to recoup, via appropriate developer contributions, all of its investment in the project and the element of the County Council's contribution that is to be taken from the RFA (£2m based on the figures above). The report considered by Council in September 2009 clarified that developer contributions received thereafter be shared 50-50 with the County Council and that progress be reviewed once each Authority had recouped £1m of its investment.

5.8 Council on 3 September 2009 also resolved that this Authority "includes in the Council's capital programme £500K as a maximum contribution towards the improvement of the A170/Vivis Lane junction at Pickering." However, following the granting of planning permission (at appeal) for a new supermarket on the adjacent former Coalyard site at Pickering the future of this project has become uncertain. On 28 September 2010 the County Council's Executive is considering its approach to the junction upgrade (with an officer recommendation to withdraw the scheme) and Members will be verbally updated at the 30 September P&R meeting. The Vivis Lane project is also in the Council's capital programme to be financed by borrowing. In the event that the County Council Executive approve the officer recommendation, the funding released could be used to finance the additional cost of the Brambling Fields scheme.

6.0 POLICY CONTEXT

6.1 The project to upgrade the Brambling Fields junction will have a direct significant beneficial impact on at least three of the Council's five strategic aims. Removal of through traffic from the centre of Malton will help create a cleaner environment and support the making of more local journeys via sustainable means of transport. The project will create conditions for economic success and facilitate residential development at Malton and Norton that meets housing needs. Accompanying changes to the Butcher Corner junction, which has a poor accident record, will also increase safety for local communities. Furthermore, the project is an important element of the development strategy within the emerging Ryedale LDF in that it supports new development that is close to the best public transport facilities and highest level of jobs, shops and services within Ryedale.

7.0 CONSULTATION

- 7.1 Consultation with the local public in 2004/5 (via NYCC's Malton and Norton Transportation Strategy) established an upgrade of the Brambling Fields junction to provide all movements as the most popular measure to improve the local transport network.
- 7.2 A consultation with local people, including a two-day exhibition, is to take place during October / November 2010 regarding the design of the proposed Brambling Fields junction upgrade and complimentary traffic management measures within Malton and Norton. The consultation will also seek views on the County Council's Service Centre transportation Strategy for Malton and Norton and surrounding area.

8.0 REPORT DETAILS

Design and Cost Changes

- 8.1 The design of the junction upgrade has continued to be refined through the current detailed design stage. This has included safety audits and other analysis of the proposals. These have led to a change in the design to incorporate a new roundabout (instead of a t-junction) where the new off-slip will meet the existing Scarborough Road that crosses over the A64. This measure improves safety however it does increase the amount of excavation and paving involved in the scheme. The safety audits have also led to inclusion of a costly lighting scheme. These changes, together with a small number of mitigation measures to address ecological issues, have increased the overall scheme costs by £840K and this must be shared between this Authority and North Yorkshire County Council if the project is to progress.
- 8.2 Your officers continue to work with the consultants involved to seek measures to minimise project costs and it is possible that additional cost-saving measures may be achieved.
- 8.3 NYCC has been informed that it will now receive £4.54m less of the RFA allocation than it was previously allocated (approximately a 25% reduction). The NYCC Executive will consider this issue on 28 September and funding reductions and withdrawals are recommended for several major projects around the County as a result of this. NYCC officers have recommended a £420K increase in funding for the Brambling Fields project despite major reductions elsewhere (although a £250K reduction is proposed to a separate £1m allocation previously made towards transport projects within Malton and Norton). The officer report specifically requests that Ryedale District Council be requested to similarly increase its contribution by £420K. In this funding climate the risk to funding for the Brambling Fields project is likely to be very high should this Authority reduce commitment to the scheme and it is very unlikely that alternative funding would become available for several years.

Developer Contributions and Recouping of Costs

- 8.4 A consistent element of this project has been that the District Council's costs and the RFA element of the County Council's costs (currently £2m but expected to rise to £2.42m) should be recouped through developer contributions. This reflects that the project will release road capacity for new development within Malton and Norton. The County Council has stated its desire to re-use funding from the RFA, where possible, for other highway projects. As outlined above it was agreed in September 2009 that contributions would thereafter be split equally between the two Councils

and that the situation would be reviewed once each Authority has recouped £1m of its investment.

- 8.5 At this stage only £100K has been received through contributions. However development is underway on a further three schemes that mean a total of almost £500K is expected to have been received by the end of the current financial year (20010/2011).
- 8.6 In addition, other applications have been approved that if implemented would provide a further £150K. There are also current applications that are soon to be considered that would, if approved (as is expected to be the officer recommendation) and implemented, lead to a further £670K towards Brambling Fields.
- 8.7 The sum of the above potential contributions is around £1.3m. Whilst this is not yet certain (and it would be received over a period of years as the development's were built out) this and the proposed LDF approach for Malton and Norton suggest that it will possible to recoup £2m of Brambling Fields project costs within 5 to 7 years and the overall local authority investment within 15 to 18 years. The Council's share of the developer contributions is not yet shown in the Council's capital programme. The revision to the Capital Programme as part of the setting of the budget 2011/2012 will consider this issue.
- 8.8 In view of the above it is considered that the District Council should continue to share contributions received with NYCC and that this Council should seek to recoup all of its investment in the project together with that element of the NYCC contribution drawn from the RFA. Given the increased scheme costs it is recommended that the situation should be reviewed after £3m (as opposed to £2m) of local authority investment has been recouped.

9.0 IMPLICATIONS

9.1 Financial

Members should be aware that £100k has been spent by the Council as its share of its design costs of the scheme. This report seeks to increase the allocation for this project within the Council's capital programme from £1.95m to £2.37m. The 3 September 2009 meeting of Council, at which the £1.95m contribution was agreed, resolved that 'the revised capital programme and prudential indicators as submitted be approved with the requirement to borrow to finance the capital programme'. There are three options for the financing of the scheme:

- (i) Utilise existing uncommitted capital funds, which presently total approximately £1.7m;
- (ii) Utilise the existing borrowing provision allocated to the Vivis Land Junction alterations in the event that the County Council withdraw their support for the scheme; and
- (iii) Consider additional borrowing. The Council's current contribution towards this scheme (£1.95m) is financed through borrowing. Additional borrowing must take into account a number of issues as part of the Prudential Code, most importantly that of affordability. Given the predictions for Government Revenue Support Grant over the period of the next spending review, the Corporate Director (s151) does not consider that additional borrowing at this time is affordable.

9.2 Legal

The formal legal commitment to this project will be made when Members take the

final decision (expected to be early in 2011) to enter into a S278 agreement in partnership with NYCC, with the Highways Agency to construct the junction upgrade.

- 9.3 The proposed scheme will improve safety within Malton and Norton for road users and pedestrians. The limited ecological impacts of the proposal will be fully mitigated as part of the scheme.

10.0 NEXT STEPS

- 10.1 Provided that Ryedale District Council and North Yorkshire County Council agree to share the additional scheme costs that are outlined within this report, a public and stakeholder consultation and exhibition regarding the Brambling Fields Junction upgrade and complimentary traffic management measures in Malton and Norton town centres will take place in October / November 2010. This will also seek views on North Yorkshire County Council's Service Centre Transportation Strategy for Malton and Norton and their hinterland. Comments will then be reported back to both authorities, together with results of further detailed surveys and value engineering processes, and any refinements to scheme will be outlined, including updating of the detailed design and anticipated cost. This is expected to occur in December 2010 / January 2011 alongside submission of a planning application for the junction upgrade. The Councils would then need to resolve to enter into a legal agreement with the Highways Agency (under S278 of the Highways Act 1980), who would then procure and deliver the project (NB this is considered the most reliable and efficient method of delivery). The anticipated timetable is:

- If no Statutory Objections were received to draft Orders, a Contractor could be appointed in Summer 2010.
- Site works could then begin in Autumn 2011.
- If Statutory Objections were received to draft Orders, then a Public Inquiry would need to be held. This is likely to delay the start of works by approximately 12 months.
- Construction is likely to take 4 to 6 months.

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Background Papers:

- 'Capital Programme Revision' report and minutes, 30 July 2009 P&R Committee 2009 and Full Council 3 September 2009

Background Papers are available for inspection at:
<http://democracy.ryedale.gov.uk/uuCoverPage.aspx?bcr=1>

BRAMBLING FIELDS JUNCTION UPGRADE - RISK MATRIX – ANNEX A

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Cost of delivering scheme rises and RDC is exposed to unbudgeted expenses.	Impact on RDC budgets and services and other RDC projects	4	D	Further investigations and option appraisals will be undertaken to verify and minimise costs. Updated information will be supplied to members when the detailed design exercise is completed. A further report will then set out anticipated costs, risks and the process for sharing risk with North Yorkshire County Council. Only at that stage will the Council take a final decision to jointly proceed with North Yorkshire County Council to construct the junction upgrade via a S278 legal agreement with the Highways Agency	2	B
Borrowing is not affordable	Impacts on RDC services	3	D	Via the Council's efficiency plans and existing financial management controls.	2	A
RDC decides not to share the additional costs with NYCC or reduces commitment to the project.	Withdrawal or reduction of funding by NYCC and support from the Highways Agency. Loss of scheme, with major impacts on the Ryedale LDF and none of the scheme benefits.	4	E	Maintain strong commitment to project and sharing of reasonable costs	2	A