

Full Council meeting 6 November 2015: Norwich Northern Distributor Road

Responses to details/questions submitted ahead of the meeting

Wensum Valley Alliance letters received via email on 4 and 5 November 2015 to all Members

1.0 Stopping at the A140

- 1.1 The points raised under the heading of 'Financial Exposure to the Council' are assuming that the Development Consent Order (DCO) can be amended within a reasonable timescale. The Wensum Valley Alliance suggests that changes brought about by the Infrastructure Act 2015 make material amendments "much simpler, cheaper and more efficient" and that the Council has not "seriously investigated this possibility".

- 1.2 This issue is discussed in paragraph 4.1(c) within the 6 November Full Council report. The merits of constructing a road scheme from the A47(T) at Postwick to the A140 at Norwich International Airport were also considered in the Examination in Public process, completed during 2014, that culminated in the making of the DCO. The Examining Authority considered this option at length in their report (in particular at paragraphs 4.20, 4.146 to 4.158, 4.179, 4.495, 6.34 to 6.36, 6.246 to 6.254, and 8.3).

The Examining Authority rejected this option (and the other alternatives that were considered), and reached the overall conclusion that "there are no reasonable practicable alternatives that would achieve the objectives sought" (paragraph 8.3).

The Secretary of State for Transport accepted this conclusion (paragraph 14 of the DCO decision).

- 1.3 The County Council has looked into the recent legislative changes and taken legal advice on the practical implications of them. The position is that the new Infrastructure Act 2015 (and associated amending regulations) does not substantially change existing provisions.

Stopping at the A140 would constitute a 'material change' to the DCO, and due to the different environmental, traffic and land impacts, the timescales and process required under the legislation (as amended) could be very similar to that for the original (or a new) NDR application.

- 1.4 The County Council would need to carry out further design and assessment work, consult on the proposals and consider the consultation responses, before submitting an application to change the DCO, then enter the acceptance, pre-examination and examination periods. Whilst potentially the Secretary of State can decide to omit the examination stage, this cannot be decided in advance and is not something the Council can rely on. In any sensible project planning it would not be reasonable to assume this step could be omitted. In a realistic scenario this process would take approximately two years to complete (but it could be considerably longer), not allowing for any

subsequent legal challenge. This would result in an earliest start date for the NDR of Autumn 2018, with completion around autumn 2020.

- 1.5 Cabinet carefully considered the option to stop the project at the A140. Details were provided in a report on 2 April 2012. *A link to this report is provided in the Full Council (6 November) report.*

The report raised a specific question for Cabinet about whether to stop the NDR at the A140 or continue to the A1067, and, further questions were raised about whether the A140 to A1067 section should be single or dual carriageway. The minutes of the meeting (*a link to these is also provided in the 6 November report*) captured the decision of Cabinet, which was:

- to submit a planning application for the NDR to the A1067
- to progress a dual carriageway NDR between the A140 and A1067 as part of the planning submission
- to deliver the construction of the NDR as a single project to A1067

2.0 Funding the NDR

- 2.1 The further financial exposure that the County Council directly faces to deliver the NDR is summarised below.

Funding Source	Total Contribution
DfT (including additional £10m and £19m towards Postwick Hub)	£96.49m
Community Infrastructure Levy (underwritten by NCC but supported by legal agreement with GNGB authorities)	£40.00m
NCC (direct funding contribution including additional £10.4m)	£30.75m
New Anglia LEP (underwritten by NCC but approved by the LEP Board)	£10.00m
Growth Point funds to facilitate accelerated housing (previous 2012/13 provision)	£ 1.71m
Total	£178.95m

- 2.2 *The provision of CIL funding is discussed in paragraph 3.10 of the Full Council report.* In view of the CIL receipts forecast over time and the provision of the legal agreement already signed by all 4 authorities that form the Greater Norwich Growth Board, the risk to the County Council in terms of

failure to service the borrowing is considered to be very low. Appendix 7a of the Joint Core Strategy identifies the NDR as priority 1 infrastructure.

- 2.3 *The issue of NDR cost increases has been discussed in the Full Council report in section 3.*
- 2.4 There is no evidence to suggest that the project costs will over-run. *The target cost contract arrangement with Balfour Beatty is discussed in section 5.2 of the Full Council report.*
- 2.5 The provision of £20.25m for 'Preparation, Risk and Contingency' is for the County Council's costs in delivering the project since 2012/13, through its statutory processes. It includes the Council's risk and contingency during the construction phase of the project.
- 2.6 Reference is also made to the Postwick Hub costs. *Members have received regular updates on the progress of Postwick Hub, most recently this is explained and considered at EDT Committee on 10 July 2015.*

3.0 NAO position with DfT

- 3.1 DfT has confirmed they were made aware of the submission to NAO on 29 October. NCC was not aware of the NAO process. DfT have confirmed they have met with NAO to discuss the case and they are awaiting the outcome of the NAO's decision based on their findings. DfT have confirmed that the additional funding is being considered as part of its 'full approval' evaluation process for the project.

4.0 Crushed Rock

- 4.1 Our reference made in the full council report (6 November) to crushed rock is there to illustrate one of the changes that has impacted on the pricing between 2013 and 2015. In 2013 the budget pricing included a reduction for material supply due to the potential to generate a range of suitable materials from Coltishall airfield. Site testing had been completed to assess and confirm this potential. This was subsequently discounted as a possibility.

5.0 A11 comparison

- 5.1 Postwick Hub is exclusive of the NDR project as it is already being constructed and it is therefore not appropriate to include this when comparing project costs.

6.0 Joint Core Strategy

- 6.1 Not providing the NDR west of the A140 will undermine the Local Plan (the JCS plus Site Allocations DPD) and the sustainable delivery of much needed economic and housing growth. The JCS Policy 9 also includes a requirement for 2,000 dwellings on unspecified smaller sites in the Broadland part of the Norwich Policy area.

- 6.2 Most of these 2,000 dwellings are coming forward in the area affected by the NDR west of the A140. In particular, Broadland District Council's Site Allocations Development Plan Document, which is reaching the final stages of its examination process, allocates land for a total of at around 1,500 dwellings on the A1067 corridor (200 dwellings in Drayton which have permission, 300 dwellings and B1 employment on part of the Hellesdon Hospital site and 800-1,000 dwellings on the golf club). The policies require the 2 larger sites totalling 1,000-1,300 dwellings to be phased with delivery of the NDR.
- 6.3 The Norwich International Airport (NIA) area is specifically identified in the JCS as a strategic employment location. NIA is the focus but clearly the wider area including the existing airport industrial estates, contributes to the strategic importance of this location for employment. In addition to the very significant amount of employment in this area, planned expansion includes 40ha with planning permission for an Aeropark and a further 35ha is being allocated for more general employment. The NDR west of the A140 will significantly enhance access for businesses and for workers and customers from the west and northwest to the airport area. Similarly, access from these villages and suburbs will be enhanced to the employment areas further east on the NDR.
- 6.4 As part of the overall spatial strategy, the JCS includes a Bus Rapid Transit route on the A1067 corridor. This is to serve the existing population as well as new growth. Implementation of this scheme will be dependent on the NDR west of the A140.

7.0 Land Compensation Act (1973)

- 7.1 Details were provided in the previous Full Council report. These are repeated here to set out the potential future implications for the Council.

"Under Part 1 of the Act compensation can be sought by people who own and also occupy certain property that has been reduced in value by physical factors caused by the use of a new or altered road but have not had any land acquired for the scheme itself. The physical factors are noise, vibration, smell, fumes, smoke and artificial lighting and the discharge on to the property of any solid or liquid substance. Other factors such as the loss of view or privacy cannot be included in the claim for compensation.

The DfT process specifically requires that the application for funding excludes any budget allowance for potential Part 1 claims and so they are not included in the budget figures. The NDR scheme has been designed to minimise the impact of physical factors where possible. For example extensive earth bunding is proposed along the route. A low noise road surface is proposed and new road lighting has been kept to a minimum.

Claims can be made after the road has been open to traffic for 1 year and must be settled within the six years following the first claim day. Details will not be known until any claims are made. It is expected that future Highways

capital budget may need to absorb any costs which could be up to £1m per annum from 2018/19 to 2024/25 if received.”

Questions raised by Cllr Kemp (via email to Wendy Thomson)

Each question raised is set out with a response:

1. Is the statement made below, in the letter Councillors received today, true? “The National Audit Office are investigating the £10m from the DfT, so it cannot currently be guaranteed” If so, why weren't Councillors told? Who will make up the shortfall if the DfT cannot pay? More cuts from our highways budget?

Response as per section 3 above.

2. Why is the BB contract based on estimates and not fixed-price? How is exposure to such a massive financial risk justifiable for this Council? What provision in the risk register has been made for future increased costs?

Response as per para 2.4 above.

3. Why have fewer precise figures been given in the new briefing for the increased costs than for the last EGM? Why is this Council being asked to vote for even more money, an extra £0.5 m?

The Full Council report sets out the issues relating to provision of a comparison in paragraphs 3.2 and 3.3. The additional £0.5m funding is discussed in paragraph 3.7.

4. I queried the supra- inflationary increases on 2 December, now officers claim they could indeed have “misled” councillors on the viability of construction cost increases.

The Full Council report at paragraph 2.1 covers this point.

5. So who can vote on Friday based on the sparsity of information officers have provided? How much does the provision of the new extra expense “crushed rock” cost? Why was this and the true extent of archaeological investigations not quantified in 2013? Isn't this going to lead to another challenge?

It is considered that there is sufficient detail in the report for Members to take a decision on whether or not to agree the extra funding for the project and whether to instruct the works with Balfour Beatty. However, Members are also made aware of alternatives and options in section 4 of the report.

The reference made in the full council report (6 November) to crushed rock is discussed in section 4 above. The change in scope of the project, including the scope of the archaeology, are discussed in paragraph 3.1 of the Full Council report.