



Black Country Executive Joint Committee
Dudley, Sandwell, Walsall and Wolverhampton

REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD

TO

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

ON

25 NOVEMBER 2015

A4101 PENNETT HIGH STREET

Key Decision: Yes

Forward Plan: Yes

1. PURPOSE OF REPORT

To request that the Joint Committee approves move to contracting and subsequent award of Grant Agreement by the Accountable Body for the Growth Deal (Walsall Council) for the A4101 Pensnett High Street, transport scheme from within the Local Growth Fund (LGF) Programme. The project has been identified, evaluated and recommended to proceed by the Programme Office, endorsed by the Working Group, Advisory Board and received LEP Board endorsement on 19 October 2015.

2. RECOMMENDATIONS

2.1 That the Joint Committee grants approval for the Accountable Body for the Growth Deal (Walsall Council) to proceed to a Grant Agreement with Dudley Council for £3.8million of pre-allocated Local Growth Fund (LGF) elements of the A4101 Pensnett High Street, transport scheme with delivery to commence in the 2016/17 financial year subject to the following condition included within the Grant Agreement / Offer:

2.1.1 Approval is conditional on the completion of statutory processes in particular: the Compulsory Purchase Order (CPO) necessary to acquire the 3rd party land required for delivery of the scheme.

2.2 In addition the Accountable Body (Walsall Council) are to release funds for 2016/17 that support the acquisition of the land and on completion of the statutory processes the applicants (Dudley Council) will return to the Joint Committee seeking Final Approval for the remaining funds to be released.

3. REPORT DETAIL

- 3.1 The Joint Committee received and endorsed a report on 15 June 2015 setting out the new processes to be adopted for the evaluation and approval of new projects entering the Local Growth Fund process. The LEP secretariat is currently in the transition stage from the old processes to the new arrangements as LEP Theme boards are established and membership recruited.
- 3.2 These Theme Boards are still being established, so to ensure the secretariat is still able to meet the commitments of the programme, notably achievement of the spend targets for this 2015/16 financial year, it is continuing with elements of the previous processes including drawing on the expert staff available to assess the proposed projects lifecycle the business case against the HM treasury 5 Case Model, resulting in proposals that can then move through the LEP board and onto the Joint Committee for approval.
- 3.3 The A4101 Pensnett High Street scheme has been through this process, the details of which were reported to the City Deal and Growth Deal Advisory Board on 9 November 2015. The funding is available within the LGF programme and delivery will commence during the 2016/17 period, this application is for £3.8m of grant support.
- 3.4 It is recommended that approval is granted but that the Accountable Body (Walsall Council) includes the following condition within the Grant Agreement / Offer: That approval is conditional on the completion of statutory processes in particular: the Compulsory Purchase Order (CPO) necessary to acquire the 3rd party land required for delivery of the scheme.
- 3.5 In addition the Accountable Body (Walsall Council) are to release funds for 2016/17 that support the acquisition of the land and on completion of the statutory processes the applicants (Dudley Council) will return to the Joint Committee seeking Final Approval for the remaining funds to be released.
- 3.6 It should be noted that this scheme has an allocation from the Local Transport Board (LTB) and does not require any additional funding from the competitive element of the Local Growth Fund.
- 3.7 The A4101 currently suffers from traffic congestion and vehicle delays as well offering a difficult and unattractive environment for pedestrian movements. The proposed scheme will tackle the existing pinch point by regulating conflicting vehicle movements through the introduction of new signalised junctions and by providing increased capacity by widening the High Street to two lanes in each direction on the approach to the new traffic lights. These improvements will enhance the efficiency of the transport network on this key link for all users.
- 3.8 The scheme supports a growing local economy, providing improved access to jobs for significant industrial / employment sites including Russells Hall Hospital, Pensnett Trading Estate and Brierley Hill Strategic Centre.

- 3.9 Initial public consultation was first undertaken in 2007 for the Pensnett Local Centre Regeneration Strategy. Key milestones achieved up to and including LEP Board approval are set out below:

Nov-07	Initial public consultation for the Pensnett Local Centre regeneration strategy
Oct-13	Scheme approval in principle from BC LEP / LTB
Sep-14	Further public engagement
Mar-15	Detailed scheme development started
Apr-15	Publication of CPOs for land acquisition
Apr-15	Detailed design works commenced
Oct-15	Scheme approval from BC LEP

- 3.10 A total of £6.3 million has been allocated by the Black Country LEP and Dudley Metropolitan Borough Council to invest in the A4101 Pensnett Strategic Network Access Improvement Scheme; £3.8m pre-allocated LGF (LTB) and £2.5m local contribution.

- 3.11 Drawdown of LGF Funding is to commence in the 2016/17 financial year.

4. FINANCIAL IMPLICATIONS

- 4.1 The applicant's own funds have been agreed and approved by the Council and the financial case for the scheme, including the £2.5m local contribution has been approved by the Councils Section 151 Officer.
- 4.2 Funding is granted on the condition that the Accountable Body (Walsall Council) includes the following condition within the Grant Agreement / Offer: That approval is conditional on the completion of statutory processes in particular: the Compulsory Purchase Order (CPO) necessary to acquire the 3rd party land required for delivery of the scheme.
- 4.3 In addition the Accountable Body (Walsall Council) are to release funds for 2016/17 that support the acquisition of the land and on completion of the statutory processes the applicants (Dudley Council) will return to the Joint Committee seeking Final Approval for the remaining funds to be released.

5. LEGAL IMPLICATIONS

- 5.1 Dudley Council carries out its functions to provide, improve and maintain highways under Sections 24, 41 and 62 of the Highways Act 1980 and exercises traffic regulatory powers under Section 1 of the Road Traffic Regulation Act 1984.

- 5.2 Pedestrian crossings are provided under powers contained in Section 23 of the Road Traffic Regulation Act 1984, subject to regulations laid down by the Secretary of State for Transport.
- 5.3 Powers to acquire land either by agreement or compulsorily for the construction or improvement of highways are contained in Sections 238 and 239 of the Highways Act 1980. Furthermore the acquisition for highway purposes of rights over land by agreement or by compulsion are dealt with under Part 12 of the Highways Act 1980.
- 5.4 The Growth Deal has standard Grant Agreement templates in place which will be utilised by the Accountable Body (Walsall Council), and include all conditions passed onto the LEP by Government, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from Government or approved by the LEP Board or the Joint Committee.

6. RISK MANAGEMENT

- 6.1 A risk assessment and management plan has been prepared for the scheme and is included in the Full Business Case. The key risk to the project relates to the successful completion of the statutory processes within scheme programme timescales. In particular this relates to the Compulsory Purchase Order (CPO) process. In this regard the CPO process has already commenced with early engagement with all affected third party land owners.
- 6.2 Attempts will be made to acquire all property by negotiation in advance of the CPO and a number of properties have already been acquired by the Council following recent successful negotiation with land owners. The further top 5 risks and associated mitigation are outlined below;

Utilities risk – potential conflicts between the scheme and underground utilities. Liaison with statutory undertakers is on-going with cost estimates updated as scheme design progresses.

Structural risk – potential physical/structural issues on site where the scheme is to be delivered. Detailed site survey work including ground investigation is carried out as part of the detailed design.

Construction Budget risk – The construction of the physical asset is not completed to budget. Robust governance and project management structures, including formal monitoring and review procedures are identified in the Business Case. Any cost over-runs will be managed by Dudley Council.

Procurement risk – procurement of services may be delayed or challenged. Robust procurement and tendering processes are set out in the Business Case.

Regulation risk – The traffic regulation orders required for the scheme are not supported. Engagement with local residents and stakeholders regarding the design and development of the scheme is on-going.

7. EQUALITY IMPLICATIONS

- 7.1 The area immediately surrounding the A4101 High Street, Pensnett scheme falls within the 10% most deprived wards in the borough as classified by the Index of multiple deprivation. The scheme aims and objectives seek to safeguard and facilitate growth in jobs and economic activity in the area.
- 7.2 The scheme proposals comply with Dudley Council's Equality and Diversity Policy and also seek to introduce measures to assist vulnerable road users.

8. CONSULTATION

- 8.1 A number of consultation events have been carried out during the development of the scheme to date. The most recent being in September/October 2014, which involved;
- a letter drop to all residents and businesses within half a mile of Pensnett High Street (4000 letters) informing them of the scheme and inviting feedback via either questionnaires or attendance at a local consultation event
 - a consultation event/exhibition for 2 days at the Dell Stadium in September 2014
 - a website set up to provide up-to-date information and receive/respond to questions via email
 - Press releases, Local Community Forum presentations and ward member briefing sessions
- 8.2 As the scheme requires the acquisition of third party land outside the highway boundary, initial contact with land owners of physically affected property was made in September 2014 to ensure correct procedures relating to the Compulsory Purchase Order (CPO) process were followed. Negotiations with property owners is ongoing and the Council have already acquired a number of properties via negotiation.

Back Ground papers

Revised Process for Evaluation of Local Growth Fund bids - Joint Committee Paper 17th June 2015

The Black Country Strategic Economic Plan (SEP)

A4101 Pensnett High Street Full Business Case

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