

City Deal and Growth Deal Programme Board

Business Case Approval Form

1. Project Title and proposing organisation(s):

Branston Locks (**Phase 1 works**) - proposed by Staffordshire County Council

2. Decision Date:

City Deal and Growth Deal Programme Board on 23rd November 2015, for referral to the LEP Executive Group on 9th December 2015

3. Decision Summary:

- a) The City Deal and Growth Deal Programme Board is requested to consider the summary of the latest business case which was originally approved by the SSLEP in 2014 as part of the submission of the Strategic Economic Plan for Stoke-on-Trent and Staffordshire.
- b) The City Deal and Growth Deal Programme Board recommends to the LEP Executive Group that up to a maximum of £5.09m of Local Growth Deal Funding identified for 2016/17 is released to the Branston Locks project in pursuance of delivery of the phase 1 works, subject to the receipt of Growth Deal funding.

4. Is the decision exempt from being publically reported by the LEP (if so please specify the reasons why)

No

5. Options Considered:

Please note that the wider Branston Locks scheme comprises of 4 distinct phases:

- Phase 1 – **Site Access Road** (New access road from the Branston Interchange including a new canal bridge, opening up the first phases of the employment site, housing site and local centre, and linking back to Branston Road.
- Phase 2 - **Improvements to Branston Road** between Phase 1 and the site of a proposed new school, including possible improvements to the carriageway, lighting and the provision of a footpath and cycleway.
- Phase 3 – **Distributor Road** – An extension of the site access road further into the development site
- Phase 4 – **Branston Interchange** – widening of the northbound off slip and signalisation of three junctions in accordance with condition 12 of the Branston Locks Outline Planning Consent

This Business Case approval form is **specifically related to the Phase 1 works** which are proposed to benefit from Local Growth Deal funding.

A summary of options considered, including those discounted as inappropriate is included within the accompanying business case summary.

The conclusion of this being that the proposed scheme represents the best value for money and allows for the delivery of significant socio-economic and

other benefits.

Strategic Case

The proposal makes a strong contribution towards the Connected County, Sector Growth and Competitive Urban Centres priorities of the Local Enterprise Partnership's Strategic Economic Plan for Stoke-on-Trent and Staffordshire.

A Marketing Demand Study prepared by commercial property agents Jones Lang Lasalle in January 2014 identified that the site is well located, is easily accessed and will not have any barriers to development once off site access infrastructure has been addressed.

The Marketing Demand study reinforces the need to ensure a supply of good quality ready to develop premises to be able to take advantage of potential occupier investments. The Marketing Demand study also concludes that because of the high costs of enabling infrastructure to open up the site alongside other planning obligations, the pace of development of the site would be significantly reduced without assistance in the form of Local Growth Deal funding.

The Local Growth Deal Funding will provide part funding for enabling infrastructure works which satisfy planning consent "triggers" to significantly accelerate the building out of the proposed employment development, and enable residential development on the site to be built out more quickly.

The enabling works will kick start the delivery of significant employment opportunities in an excellent growth location on the key A38 corridor, and provide a significant contribution towards meeting the agreed outcomes of the Staffordshire and Stoke-on-Trent Local Growth Deal, as well as bringing forward major employment land and housing delivery allocations of the East Staffordshire Borough Council Local Plan.

The proposal will also contribute to the improved accessibility of the local area through reduced congestion, improving the reliability of journeys in the local area, as well as facilitating the delivery of a new 8 form of entry secondary school for Burton-upon-Trent.

Economic Case

The proposal represents a significant return on the Local Growth Deal investment of up to £5.09m which will incorporate:

- Estimated job creation of up to 3844 jobs
- Delivery of approximately 1 million square feet of high quality commercial floorspace
- The delivery of 2500 new houses
- Establishment of a new district centre comprising new community facilities, office space, health centre, retail provision and a new hotel
- Direct delivery of a new primary school (secured through section 106 obligations attached to the outline planning consent) and facilitates the delivery of a new 8 form of entry secondary school

An estimate of the total private sector development to be brought forward at the wider Branston Locks development is an investment of approximately £270m.

Commercial Case

The preferred procurement and delivery approach of the Local Growth Deal funded **(phase 1)** works will be through the use of Staffordshire County Council's strategic partnership with Amey via the "Infrastructure +" contract. As a reserve option the works can also be procured and delivered through the Midlands Highways Alliance framework contract of which Staffordshire County Council is a member.

In order to reduce the potential overheads involved in site set up costs and other preliminaries, the clients for works phases 2, 3 and 4 have been given the opportunity to incorporate their further works requirements as additional elements into the same contract.

Financial Case

The Phase 1 works are currently estimated to cost approximately £ 6.45m. This will be funded through a contribution from the Local Growth Deal allocation(up to a maximum of £5.09m), with any additional costs above and beyond £5.09m being contributed by the developer (Nurton Developments).

Phase 1 is the Site Access Road from Branston Interchange, including a new canal bridge, which opens up access to the employment site, housing centre and local centre and links back to the existing Branston Road.

As part of the Site Implementation Agreement Nurton Developments will be committed to the delivery of the phase 3 and phase 4 works, which also form part of the private sector contribution of the project. Phase 3 is the site distributor road, an extension of the site access road further into the development site. Phase 4 – Branston Interchange – is the widening of the northbound off slip road and signalisation of three junctions.

Staffordshire County Council will contribute 100% of the costs of the phase 2 works which will facilitate the development of the proposed 8 form of entry secondary school. This includes possible improvements to the carriageway, lighting and footpath and cycle path provision between Phase 1 and the proposed new school.

Management Case

The project is managed in accordance with the *PRINCE2TM* methodology, with everyday project management undertaken by two project engineers reporting to a project group chaired by the Senior Responsible Owner. An initial quantified cost project risk register is available on request.

Issues which cannot be dealt with at project level are escalated where appropriate to the Senior Responsible Owner, and thereafter through Staffordshire County Council's Economic Growth Programme Governance mechanisms.

The progress of the project will be reported to the City Deal and Growth Deal Programme Board on a regular basis at its scheduled meetings.

6. Consultation Process

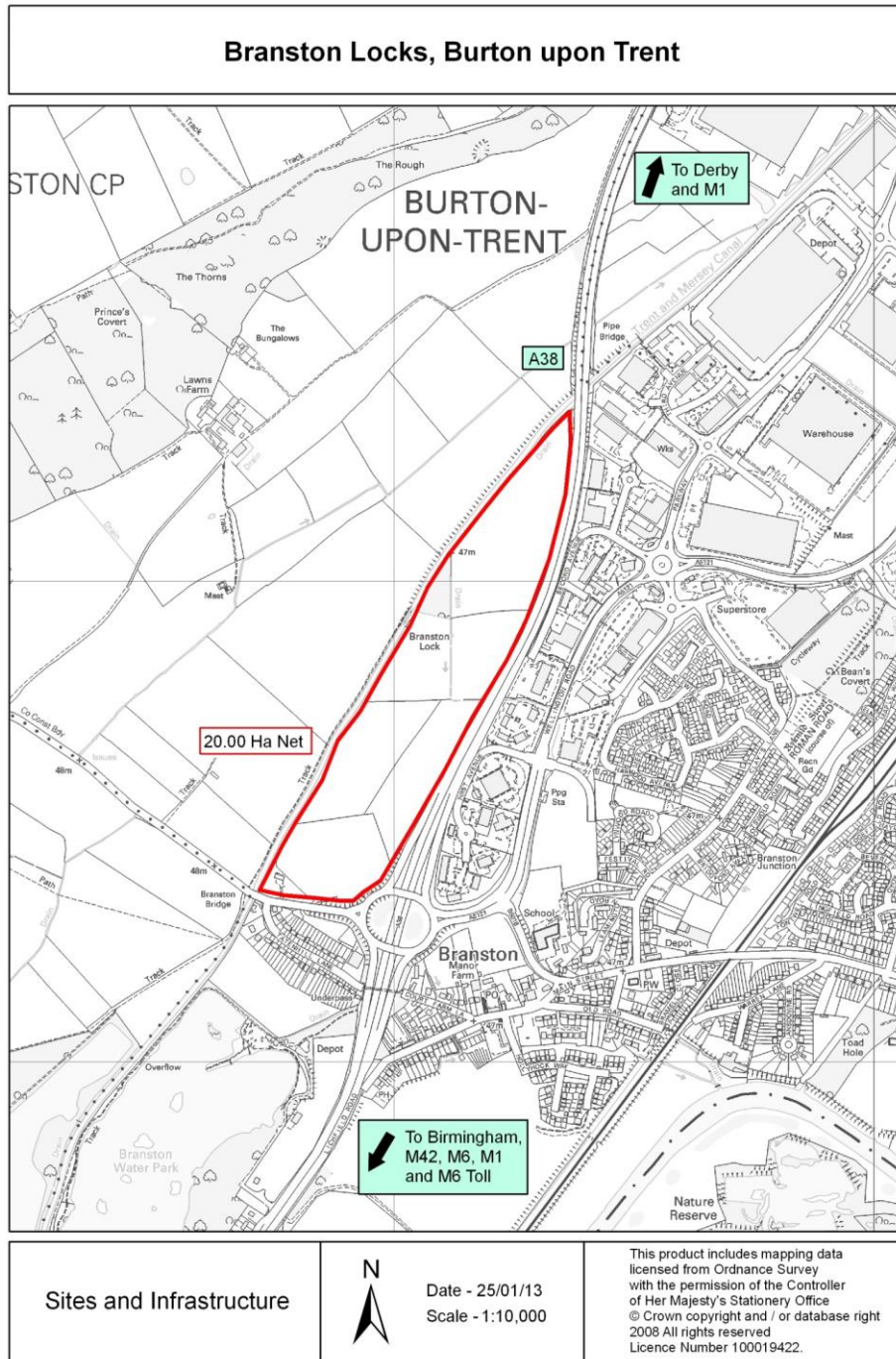
Staffordshire County Council's Cabinet authorised the delivery of the project, and when appropriate, the principle of entering into a contract with the site

developer (Nurton Developments) during its meeting on 18th November 2015.

The site benefits from outline planning permission granted in April 2015 – ESBC reference – P/2012/01467

7. Geographical Area(s) of proposal(s):

The project is located between Branston and Tatenhill to the south west of Burton-upon-Trent (see location plan of proposed employment site, which forms a part of the wider Branston Locks development below)



8. Community Impact Assessment :

Key Issues:

The project will provide an overall positive benefit for the local community with the development of new employment opportunities close to areas of recognised deprivation, and the provision of new community facilities. It will also improve local highways and transport linkages to the south west of Burton-upon-Trent through the provision of new high quality infrastructure to the A38 and facilitates the introduction of new public transport services.

The project will indirectly facilitate improved education infrastructure through the development of a new primary school on site and a planned 8 form of entry secondary school to the south west of the site.

Resource and VFM Analysis:

The phase 1 project will be funded through a combination of Local Growth Deal Funding (up to a maximum total of £5.09m) and a contribution from the private sector developer (Nurton Developments) – any additional project costs above and beyond £5.09m will be funded entirely by the private sector developer. At present this is estimated to amount to approximately £1.356m.

Phases 3 and 4 of the project will be funded entirely by the private sector developer. At present the estimated budget costs for these works are approximately £2.4m, and these will be refined further as detailed designs for the scheme are progressed further.

Phase 2 will be funded entirely by Staffordshire County Council.

The preferred delivery option for the project will be through the strategic partnership “Infrastructure +” contract between Staffordshire County Council and Amey allowing for the flexible and timely allocation of resource. As a reserve option the delivery could also be procured through the Midlands Highways Alliance framework contract.

Risk Analysis:

Please also see Management Case section in part 5.

All risks will be considered, mitigated against and escalated to executive level wherever appropriate in accordance with the *PRINCE2™* methodology.

An initial quantified cost project risk register has been prepared and is regularly updated and is available on request from the project manager.

Legal Analysis:

The delivery of the project will be subject to the signing of a Site Implementation Agreement between Staffordshire County Council and the site developers (Nurton Developments) setting out the commitments of both parties in relation to the delivery of the scheme.

9. Implementation:

A full project programme has been prepared and is available on request. Key milestones include:

- Outline planning permission granted – April 2015
- Initial costed scheme design – October 2015
- Design Freeze – February 2016
- Target Cost Submission – February 2016
- Reserved Matters Planning Submission – February 2016
- Reserved Matters Planning Approvals – March 2016
- Canals and Rivers Trust Approvals – March 2016
- Site Implementation Agreement signed – March 2016
- Target cost review – March/April 2016
- Appointment of Contractor - April 2016
- Commence works – May 2016

Construction works are anticipated to last for a period of 12 to 15 months

10. Report Author's name and contact details:

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11. Decision Details:

For official use only – details of date considered by City Deal and Growth Deal Programme Board and any additional information for decision record