

# FUNDING THE DELIVERY OF THE EAST WEST LINK ROAD (EWLR)

Review at July 2021



## Overview

The consideration of major planning applications within the North West Preston Strategic Location and the Cottam Strategic Site since 2012 has highlighted that the main transport corridors serving this north west area of Preston, in particular the A6 corridor and the M55/A6 junction, are operating over, or very close to, capacity. Additionally the network leading to the A6 corridor and the M55/A6 junction is made up of existing, narrow country lanes, such as Bartle Lane, Hoyles Lane, Lightfoot Lane and Tabley Lane, which are not able to support the significant increase in traffic volume expected from this planned, substantial housing growth.

The Central Lancashire Highways and Transport Masterplan (adopted in 2013) which followed identification of the strategic sites and locations in the Central Lancashire Core Strategy (adopted in 2012), proposed the Preston Western Distributor Road (PWDR) and the East West Link Road (EWLR) as the solution to mitigating the traffic impacts from significant housing growth in the North West Preston Strategic Location and the Cottam Hall Strategic Location. Until this infrastructure is complete in 2023 congestion in the area continues to reach a critical point, particularly at peak times. Some mitigation has been provided to date with infrastructure improvements to the M55 Junction 1 and the delivery of the Broughton By-pass, however the PWDR and EWLR are necessary to provide the additional capacity required on the highway network to support the substantial, planned growth in the North West Preston Strategic Location and the Cottam Strategic Site. Policy MD2 of the Preston Local Plan (adopted in 2015) states that proposals in the North West Preston Strategic Location should provide or financially support the provision of key infrastructure, including the EWLR.

## Background

The Central Lancashire Highways and Transportation Masterplan (CLHTM) of March 2013 represents Lancashire County Council's (as local highway authority) considered position of the infrastructure needed to support the delivery of Central Lancashire's development strategy. The CLHTM highlights North West Preston as a part of the local highway network that would be subject to particular pressures to support housing growth. It states *'the network in this area is already reaching a critical point in terms of the level of additional traffic that could be accommodated. In effect, the development would see high volumes of additional traffic on the already busy roads around north Preston. Access to the motorway network would involve a journey through Preston City Centre or using M55 Junction 1, which are already taking high volumes of traffic.'*

As well as presenting the PWDR, one of four major road schemes to be delivered in the period to 2026, the CLHTM states *'there is a need for a local distributor road between Lea Road and Lightfoot Green Lane'*. It states the layout of new roads serving the housing sites in this area must ensure ready and convenient access to and from the new PWDR for both local and long-distance journeys, in order to deter through traffic and locally-generated traffic from using already congested routes to the east towards the A6, Preston city centre and M55 Junction 1.

Planning permission for the PWDR and EWLR was granted in November 2018 under planning application LCC/2016/0046. The proposed EWLR will be approximately 3.4km long and 15m in width and will consist of a two lane single carriageway with an adjacent 3 metre wide combined cycle/footpath on both sides. The EWLR will run through the middle of the proposed North West Preston Strategic Location as a multi-modal transport corridor. Its role and function will be the primary road access to the strategic area, it will give easier access westwards without having to use narrow country lanes and it will provide additional capacity to the existing network to enable development within the North West Preston area to come forward without severe impact on the existing network.

## Funding the delivery of the PWDR and EWLR

The PWDR and EWLR will be delivered as a single infrastructure project as it would be illogical to approach CPO/delivery in a different way. The PWD is however a strategic piece of infrastructure to serve the needs of Central Lancashire and beyond. Its purpose is to provide greater highway capacity to support the delivery of over 5000 new homes in North West Preston and to improve access to the strategic road network from the Enterprise Zone at Warton, Westinghouse Springfields site at Salwick and access to the motorway network to avoid M55 Junction 1 which has limited capacity. The PWDR is also the first stage of a longer term aspiration to deliver a second crossing of the River Ribble, which will, in the longer term mean that the road will function as a key piece of infrastructure with County-wide significance.

Due to the strategic nature of the PWDR it was listed as one of four highway improvement infrastructure projects on the Council's original [CIL 123 list \(September 2013\)](#), which has continued to ensure that the project, as well as the others identified on the list, are funded wholly or in part by CIL and not through planning obligations.

Contrastingly the EWLR is not a strategic piece of infrastructure, its purpose is to provide convenient access to and from the PWDR so that traffic generated from development within NWP can avoid already congested local routes and to ensure that specific housing schemes within NWP can be delivered i.e. it is necessary to make those developments in NWP acceptable from a highway capacity perspective. Hence Section 106 contributions is, and always has been, the Council's chosen funding mechanism.

Annex 1 Highways of the LCC Infrastructure and Planning paper September 2017 states at paragraph 1.7 in seeking to make an unacceptable development acceptable, conditions or developer contributions will be used, where appropriate and include but not be limited to, minimising development related impacts such traffic congestion and providing or contributing towards capacity enhancements measures. Paragraph 1.8 further states it is likely that section 106/section 278 agreements will be used to facilitate such mitigation measures, though CIL will be expected to be the primary source of developer contributions towards capacity enhancement measures.

# Calculation of the EWLR contribution

The methodology for calculating the EWLR contribution was established in 2013 during the lead up to a public inquiry for an appeal submitted by CEG Land Promotions (Appeal APP/N2345/A/13/2196641) for 350no. dwellings on land to the north of Hoyles Lane and west of Sidgreaves Lane. Based on a £10.8 million cost ***estimate*** for the EWLR and the potential residential capacity of the North West Preston Strategic Location as set out in the Core Strategy, the rate of the contribution was calculated to be £2,738 per dwelling (including affordable housing) and contributions at that rate were secured from a number of developments.

On 1<sup>st</sup> April 2015 Regulation 123 of the Community Infrastructure Levy Regulations 2010 introduced the restriction of pooling contributions towards a single piece of infrastructure from Section 106 agreements to a maximum of five sites. On 1<sup>st</sup> September 2019 this legal restriction was lifted. Between 1<sup>st</sup> April 2015 and 1<sup>st</sup> September 2019 in excess of 25 planning applications, proposing new homes, located in the North West Preston Strategic Location were submitted to the Council. Due to the contributions previously secured (pre April 2015) and those secured during the period of legal restriction (post April 2015, pre September 2019) it was understood by the Council that contributions towards the EWLR from Section 106 agreements had reached a maximum of five sites. Consequently the legal restrictions made it impossible for the Council to seek to secure 6 or more contributions towards the EWLR from Section 106 agreements during the period of legal restriction.

Following the Public Inquiry associated with the compulsory purchase of land to construct the PWDR and EWLR, planning permission for the PWDR and the EWLR was granted in November 2018 (under planning application LCC/2016/0046). Prior to the commencement of works on site LCC confirmed to the City Council that the residual cost of completing the EWLR would be £17,189,909.55. Whilst this figure is substantially different from the original estimate, it is clear given the planning status of the EWLR and the full technical specification for the EWLR which underpins the design, this cost is now much more accurate and robust. Therefore, in September 2019 a review of the calculation for determining the rate of the EWLR contribution was undertaken and due to the substantial change between the estimated cost of the road and the residual cost of the road, the funding gap relating to Regulation 123 of the Community Infrastructure Levy Regulations 2010, and taking account of the reduced number of dwellings sharing this cost given planning permissions granted in the intervening period, the rate per dwelling was calculated to be **£6,669**.

The City Council, in consultation with the LCC, updates the calculation at periodic intervals to ensure the correct contribution per unit is being sought at any given time. The review undertaken in July 2020 derived a figure of **£6,432** per dwelling. However at this review (July 2020) a City Deal housing projection figure for the potential capacity of NWP (of 5513 units) was used in the calculation rather than the Local Plan housing allocation figure (of 5322 units). The review however did not account for all permissions in the area, therefore these were added in June 2021 and expired permissions were removed. The figure in the July 2020 review should have been **£6,539** per dwelling.

In July 2021 the third annual review of the EWLR contribution took place. At this time new planning permissions were added with recently secured financial contributions, expired permissions were removed and index linked contributions paid between July 2020 and July 2021 were included. **The review undertaken in July 2021 derived a figure of £6,592.24 per dwelling.**

## **Fluctuations in the EWLR contribution rate per dwelling**

Unless there is a radical change to the overall cost of the EWLR the rate of the EWLR contribution is unlikely to vary significantly, however it will fluctuate. The fluctuations occur for the following reasons:

1. The contributions secured prior to knowing the residual cost of the road were indexed linked, hence the indexed amounts are taken into consideration when paid;
2. The number of houses consented changes on a regular basis, taking into account new permissions but also removing planning permissions that have expired.
3. The number of dwellings approved in outline planning applications is entered into the calculation and these figures are updated once reserved matters approval is given. If the reserved matters approval reduces the number of dwellings approved the rate per dwelling slightly increases as a consequence.

## **Contributions ‘in kind’ to the EWLR**

In addition to securing financial contributions towards the delivery of the EWLR, the Council has also accepted the transfer of land in lieu of financial contributions. This has occurred under the following planning applications:

Application number:	Location and developer:	Notes:
06/2012/0822	North of Lightfoot Lane Redrow Homes Ltd	Developer constructing part of EWLR running through their site.
06/2013/0140	West of Sandy Lane Wainhomes	Transfer of land for construction of EWLR
06/2014/0442	Sandyforth Lane/Lightfoot Lane David Wilson Homes	Transfer of land for construction of EWLR and roundabout on Tom Benson Way

06/2016/0219	North Maxy House Farm, Sandy Lane Wainhomes	Transfer of land for construction of EWLR
06/2018/0592	Sandyforth Lane/Lightfoot Lane David Wilson Homes	Transfer of land for construction of EWLR. Uplift of 23 dwellings beyond 06/2014/0442 permission, pooling restrictions prevented financial contribution for uplift.
06/2019/0565	Sandyforth Lane/Lightfoot Lane David Wilson Homes	Transfer of land for construction of EWLR. Uplift of 42 dwellings beyond 06/2014/0442 permission, pooling restrictions prevented financial contribution for uplift.
06/2020/0050	East of Tabley Lane (part of 06/2012/0822 site) Redrow Homes Ltd	Developer constructing part of EWLR running through their site. No uplift in dwellings beyond 06/2012/0822 permission.

#### Appendices

Appendix A - A breakdown of the third annual review of the EWLR contribution carried out in July 2021.

Appendix B - Undetermined planning applications within the North West Preston Strategic Location expected to financially contribute to the cost of the EWLR.

## Appendix A

### Number of dwellings approved within North West Preston (MD2)

Site/Location	Planning reference number	Status of permission	Dwellings approved	Financial contribution secured
<b>Outline applications</b>				
Lawton House Farm	06/2020/0195	Not implemented to date	4	
Land north Tabley Lane	06/2019/1275	Not implemented, REM expected	200	£1,284,600.00
Land at Tabley Lane	06/2017/1435	Not implemented, REM submitted	175	
Bridge House, Tabley Lane	06/2018/0728	Not implemented, REM submitted	58	
<b>Reserved matters approvals</b>				
North of Eastway (Story Homes)	(06/2013/0349 outline) 06/2015/0968 REM	Extant and commenced on-site	300	
Land off Eastway (Barrett Homes)	(06/2013/0195 outline) 06/2016/0504 REM	Extant and commenced on-site	140	
Maxy House Farm - Phase 1 (Wainhomes)	(06/2013/0140 outline) 06/2014/0598 REM	Extant and commenced on-site	162	
Maxy House Farm - Phase 2 (Bellway)	(06/2013/0140 outline) 06/2014/0598 REM & 06/2015/0610 REM	Extant and commenced on-site	136	
Haydock Grange - Phase 1	(06/2011/0473 outline) & 06/2013/0865 REM & 06/2016/1035	Extant and commenced on-site	205	
Haydock Grange - Phase 2	(06/2011/0473 outline) & 06/2017/1384 REM	Extant and commenced on-site	245	
Lightfoot Lane - Phase 1a (Redrow)	(06/2012/0822 & 06/2014/0352 outline) & 06/2014/0353 REM	Extant and commenced on-site	21	
Lightfoot Lane - Phase 2 (Redrow)	(06/2012/0822 & 06/2014/0352 outline) & 06/2015/0282 REM & 06/2015/0833 REM	Extant and commenced on-site	169	
Lightfoot Green Lane (Charles Church)	(06/2012/0094 & 06/2015/0688 outline) 06/2015/0546 REM	Extant and commenced on-site	125	£443,188.95

Land rear 122-152 Hoyles Lane	(06/2014/0987 & 06/2016/0013 outline) 06/2017/0004	Complete	48	£137,551.20
North of Maxy House Farm - Phase 1	(06/2016/0219 outline) & 06/2017/0366	Extant and commenced on-site	213	
Land north of D'urton Lane (Laurus Partnership Homes)	(06/2017/0831 outline) & 06/2019/0908 REM	Extant and commenced on-site	250	
<b>Full applications</b>				
North of Eastway (Story Homes)	06/2019/1037	Extant and commenced on-site	29	
Hoyles Lane (Morris Homes)	06/2015/0530	Extant and commenced on-site	350	£958,300.00
Haydock Grange, Hoyles Lane	06/2017/1385	Not implemented to date	20	£133,376.00
Lightfoot Green Lane (Charles Church)	06/2017/1038	Extant and commenced on-site	12	
Sandyforth Lane - Phase 1 (David Wilson Homes)	06/2014/0442	Extant and commenced on-site	194	
Sandyforth Lane - Phase 2 (David Wilson Homes)	06/2018/0592	Extant and commenced on-site	23	
Sandyforth Lane - Phase 3 (David Wilson Homes)	06/2019/0565	Extant and commenced on-site	42	
D'urton Lane (Persimmon Homes)	06/2015/0769	Extant and commenced on-site	112	
Land to rear of 248 Lightfoot Lane (Westchurch Homes)	06/2019/1114	Extant and commenced on-site	89	£593,541.00
Woodlands Barn, Bartle Lane	06/2016/0579	Extant and commenced on-site	7	
Woodlands Barn, Bartle Lane	06/2016/0580	Extant and commenced on-site	3	
Glenroyd, 250 Lightfoot Lane	06/2018/0584	Extant and commenced on-site	2	
The Laurels, 146 Lightfoot Lane	06/2018/0911	Complete	1	
Nog Tow, Tabley Lane	06/2018/1069	Extant and commenced on-site	8	
Abbotts Lodge, 141 Lightfoot Lane	06/2019/0272	Complete	2	
Woodlands Barn, Bartle Lane	06/2020/0452	Complete	1	
Tabley Lane (Redrow)	06/2020/0050	Not implemented to date	36	
Sandy Lane (Wainhomes)	06/2018/0688	Not implemented, expires 7 October 2021	36	
Land adjacent Brookfield Farm (Pringle Homes)	06/2016/0002 & 06/2018/0578		13	

Hoyles Lane (Morris Homes)	06/2018/1414 (only a net increase of 5 dwellings)		5	
<b>TOTAL</b>			<b>3436</b>	
<b>Balance from City Deal projection (5513)</b>			<b>2069</b>	

Amount secured				£3,550,557.15
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Cost of EWLR (takes in account costs associated with DWH, Redrow and Wainhomes)				£17,189,909.55
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Remaining Cost				£13,639,352.40
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Contribution per dwelling remaining in NW Preston				£6,592.24
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**Expired permissions removed**

Site/Location	Planning reference number		Dwellings approved	Financial contribution secured
Lawton House Farm	06/2017/1229		14	

## Appendix B

### Undetermined applications in NWP (MD2)

Application no.	Date submitted	Location	Applicant/Developer	Previous approval on site	Uplift of dwellings	Number of dwellings
06/2018/0705	29/06/2018	Hoyles lane	Morris Homes	Yes - 06/2015/0530 - 530 dwellings	Yes	48 dwellings
06/2020/1197	02/11/2020	West of Sandy Lane	Wainhomes/Breck Homes	Yes - 06/2018/0688. Contribution necessary but LPA understood a contribution would be a breach of pooling restrictions at the time of the permission. This application would result in a new permission and the contribution is necessary to make the development accepted now that the pooling restrictions have been lifted.	N/A	51 dwellings
06/2021/0169	10/02/2021	West of Sandy Lane	Breck Homes	No	N/A	2 dwellings
06/2020/1344	12/01/2021	South of Bartle Lane (NWPSL)	Hollins Homes	No	N/A	195 dwellings
06/2020/1421	17/12/2020	Tabley Lane	Bloor Homes/Taylor Wimpey	No	N/A	500 dwellings
06/2021/0794	24/05/2021	Tabley Lane	Community Gateway Association	Yes - 06/2017/1435. Contribution necessary but LPA understood a contribution would be a breach of pooling restrictions at the time of the permission. Outline permission accounted for in the EWLR contribution calculation, if the REM is granted it will result in no change.	N/A	175 dwellings