

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	25 JANUARY 2021	11
USE OF SECTION 106 MONIES – M55-HEYHOUSES LINK ROAD			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The council currently holds £125,000 paid in accordance with a Section 106 agreement relating to land east of Cropper Road, Westby with Plumpton. The money was secured in order to: *'be used towards improving accessibility of the Development'*. Detailed design work of the M55-Heyhouses link is being carried out by a consultant engineering company and it is proposed to use the contribution currently held by Fylde Council to finance the design and the overseeing of design work by Lancashire County Council by way of a funded budget increase to the scheme for this purpose within the current approved Capital Programme. The Head of Governance has confirmed that the use of the monies in this manner would accord with the provisions of the agreement.

RECOMMENDATIONS

- To approve a funded budget increase in the sum of £125,000 for 2020/21 to the M55 Link Road (design works) scheme that is within the current approved Capital Programme, to be met in full from S106 developer contributions for delivery of the link road currently held by the Council for this purpose in the same sum; and
- To note that the developer contribution is intended to provide funding for the design of the link road and consequently to approve that the payment in the total sum of £125,000 may be made to the appointed consultant engineering company and to Lancashire County Council in accordance with their respective costs.

SUMMARY OF PREVIOUS DECISIONS

Planning Committee 20 January 2021 RESOLVED:

- To request that the Finance and Democracy Committee approve a funded budget increase in the sum of £125,000 for 2020/21 to the M55 Link Road (design works) scheme that is within the current approved Capital Programme, to be met in full from S106 developer contributions for delivery of the link road currently held by the Council for this purpose in the same sum; and
- To note that the developer contribution is intended to provide funding for the design of the link road and consequently to approve that, on the assumption that the increase in the scheme funding is approved by the Finance and Democracy Committee, the payment in the total sum of £125,000 may be made to the appointed consultant engineering company and to Lancashire County Council in accordance with their respective costs.

Council 18 March 2020 RESOLVED:

In the event that it was not possible to secure additional external funding, including contributions through section 106 agreements, to:

- Commit up to £1m of Business Rate growth from the Blackpool Enterprise Zone as a further contribution towards the accelerated construction of the M55-Heyhouses Link Road;
- Approve the transfer into the M55 Link Road Reserve of current and future Business Rate growth receipts

arising from the Blackpool Airport Enterprise Zone to a maximum sum of £1m;

3. Approve that in the event that less than £1m of Business Rate growth has accumulated by the time that the funds are required by Lancashire County Council to deliver the road, that any shortfall would be met from the Funding Volatility Reserve.

Council 25 March 2019 RESOLVED:

to approve a fully funded addition to the capital programme in 2019/20 of £1,000,000 fully funded from the M55 Link Road Reserve that was created in 2016/17 and to authorise the payment of £1,000,000 to Lancashire County Council towards the construction of the accelerated M55 link road based on Heads of Terms as detailed in the report.

Council 16 April 2018 RESOLVED:

1. To approve a funded budget increase in the sum of £250,000 for 2018/19 to the M55 Link Road (design works) scheme that is within the current approved Capital Programme, to be met in full from S106 developer contributions for delivery of the link road currently held by the Council for this purpose in the same sum; and
2. To note that the developer contribution is intended to provide funding for the design of the link road and consequently that payment of the total sum of £250,000 will be made to the appointed consultant engineering company and to Lancashire County Council in accordance with their respective costs.

Council 4th December 2017 RESOLVED:

1. To approve a funded budget increase in the sum of £250,000 to the M55 Link Road (design works) scheme that is within the current approved Capital Programme for 2017/18, to be met in full from S106 developer contributions for delivery of the link road currently held by the Council for this purpose in the same sum; and
2. To note that the developer contribution is intended to provide funding for the design of the link road and consequently that the total sum of £250,000 will be made to the appointed consultant engineering company and to Lancashire County Council in accordance with their respective costs.

Council 4th July 2016 RESOLVED:

Approve an addition to the capital programme for 2016/17 in the sum of £424,765.02, which has been met in full from the balance of S106 developer contributions for construction of the link road currently held by the Council for this purpose in the same sum. The developer contribution is intended to provide funding for the design and the contractual management of the link-road scheme by Lancashire County Council, and Members are requested to note that this payment has been made in accordance with the terms of the planning obligation.

CORPORATE PRIORITIES

Economy – To create a vibrant and healthy economy	✓
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	
Tourism – To create a great place to live and visit	✓

REPORT

1. The delivery of the M55-Heyhouses Link Road is a key priority for the council which is identified as an essential piece of infrastructure in the Corporate Plan, the adopted local plan and the Fylde Coast Highway and Transport Masterplan.
2. Planning permission was granted by the Secretary of State for the construction of the link road in June 2012. Funding for the project has been secured through a number of legal agreements (Sn 106) entered into prior to the granting of planning permission for those developments where it was considered likely that an increase in traffic generation would be such that resulting conditions on the local highway network would be unacceptable without significant improvements in the network. The link road has been identified as an essential addition to the highway network that would deliver the necessary improvements to facilitate those developments.

3. Prior to granting outline planning permission for the residential development of land to the east of Cropper Road, Westby-with-Plumpton, (Application ref:12/0717) the developer entered into a Section 106 Agreement to contribute towards improvements in the local transport network. The agreement secured a contribution of £492,353 'to be paid to the Council to be used towards improving the accessibility of the Development'. This money has been paid in instalments. To date, £3750,000 of this money has been paid to the council and the Council has previously (4 December 2017) agreed to allocate £250,000 of these funds to the design of the M55 link road.
4. Clearly the provision of a new road linking the site to Lytham and St Annes will improve the accessibility of the development and the design of the highway will be a key element in the delivery of the road. The design work is already underway, funded by previous contributions from this and several other developments at Whitehills and Heyhouses in line with previous decisions of the council, and is being carried out by a national engineering company overseen by Lancashire County Council in their role as highway authority.
5. A significant element of funding of the link road has been secured through government grant schemes, Lancashire County and Fylde Council capital programmes and the residential development at Queensway.
6. In order to ensure there are no delays in the delivery of the link road, Members are asked to approve a funded budget increase to the capital scheme for the M55 Link Road (design works) in the sum of £125,000 to be fully funded by the residential development of land east of Cropper Road, Westby-with-Plumpton (planning application 12/0717) that has been paid to the council for this purpose. The developer contribution is intended to be used to fund the remaining design work related to the M55-Heyhouses link road as well as the work of the Highway Authority in ensuring that the road will be designed and constructed to the appropriate standards. Consequently, the sum of £125,000 will be made to the appointed consultant engineering company and to Lancashire County Council in accordance with their respective costs and will be spent during the latter part of the current financial year and the first quarter of 2021/22.

IMPLICATIONS	
Finance	The report requests that the Committee approve a funded budget increase in the sum of £125,000 in 2020/21 to the M55 Link Road (design works) scheme that is within the current approved Capital Programme, to be met in full from S106 developer contributions for delivery of the link road currently held by the Council for this purpose; and that the Committee approve that the payment be made to the appointed consultant engineering company and to Lancashire County Council in accordance with their respective costs.
Legal	The use of the funding for the purposes identified would be within the purposes of the Cropper Road section 106 agreement.
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	The sustainability and Environmental impacts of the scheme were fully considered at the time planning permission was granted for the development.
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Planning Application 12/0717 (Residential Development)	16/10/2013	www3.fylde.gov.uk/online-applications
Planning Application 10/0779 (M55-Heyhouses Link Road)	21/06/2012	www3.fylde.gov.uk/online-applications

